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Ontario Energy Board  
27<sup>th</sup> Floor  
2300 Yonge Street  
Toronto, ON  
M4P 1E4

August 28, 2009

Dear Ms. Walli,

RE: EB-2009-0259  
2010 Electricity Distribution Rate Application for Burlington Hydro Inc.

Please find attached the 2010 Cost of Service Electricity Distribution Rate Application from Burlington Hydro Inc ("BHI"), requesting new distribution rates effective May 1, 2010.

BHI has included two paper copies and one CD with all electronic files. BHI has also filed through the Board's web portal at [www.err.oeb.gov.on.ca](http://www.err.oeb.gov.on.ca).

I can be reached at 905-332-2265 should anything further be required.

Yours truly,

*original signed by*

Michael Kysley  
Chief Financial Officer



**BURLINGTON HYDRO INC.**  
**APPLICATION FOR APPROVAL OF ELECTRICITY DISTRIBUTION RATES**  
**EFFECTIVE MAY 1, 2010**

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1 **APPLICATION**

2 **1. Introduction**

3 (a) The Applicant is Burlington Hydro Inc. (referred to in this Application as the  
4 “Applicant” or “ Burlington Hydro”). The Applicant is a corporation incorporated  
5 pursuant to the Ontario *Business Corporations Act* with its head office in the City  
6 of Burlington. The Applicant carries on the business of distributing electricity  
7 within the City of Burlington.

8 (b) The Applicant hereby applies to the Ontario Energy Board (the “OEB”) pursuant  
9 to Section 78 of the *Ontario Energy Board Act, 1998 (the “OEB Act”)* for  
10 approval of its proposed distribution rates and other charges, effective May 1,  
11 2010. A list of requested approvals is set out in Exhibit 1, Tab 1, and Schedule 5.

12 (c) Except where specifically identified in the Application, the Applicant followed  
13 Chapter 2 of the OEB’s Filing Requirements for Transmission and Distribution  
14 Applications dated May 27, 2009 (the “Filing Requirements”) in order to prepare  
15 this application.

16 **2. Proposed Distribution Rates and Other Charges**

17 (a) The Schedule of Rates and Charges proposed in this Application is identified in  
18 Exhibit 1, Tab 1, Schedule 3 attached to this application and Exhibit 8, Tab 7,  
19 Schedule 1, and the material being filed in support of this Application sets out  
20 Burlington Hydro’s approach to its distribution rates and charges.

21 **3. Proposed Effective Date of Rate Order**

22 (a) The Applicant requests that the OEB make its Rate Order effective May 1, 2010  
23 in accordance with the Filing Requirements.

1    **4.    The Proposed Distribution Rates and Other Charges are Just and Reasonable**

2           (a)    The Applicant submits the proposed distribution rates contained in this  
3           Application are just and reasonable on the following grounds:

4                   (i)    the proposed rates for the distribution of electricity have been prepared in  
5                   accordance with the Filing Requirements and reflect traditional rate  
6                   making and cost of service principles;

7                   (ii)   the proposed adjusted rates are necessary to meet the Applicant's Market  
8                   Based Rate of Return ("MBRR") and Payments in Lieu of Taxes ("PILs")  
9                   requirements;

10                  (iii)   there are no impacts to any of the customer classes or consumption level  
11                  subgroups that are so significant as to warrant the deferral of any  
12                  adjustments being requested by the Applicant or the implementation of  
13                  any other mitigation measures;

14                  (iv)   the other service charges proposed by the Applicant are the same as those  
15                  previously approved by the OEB; and

16                  (v)    such other grounds as may be set out in the material accompanying this  
17                  Application Summary.

18    **5.    Relief Sought**

19           (a)    The Applicant applies for an Order or Orders approving the proposed distribution  
20           rates and other charges set out in Exhibit 1, Tab 1, Schedule 3 to this Application  
21           as just and reasonable rates and charges pursuant to Section 78 of the OEB Act, to  
22           be effective May 1, 2010, or as soon as possible thereafter; and

23

1    **6.     Form of Hearing Requested**

2           (a)     The Applicant requests that this Application be disposed of by way of a written  
3                   hearing.

4    DATED at Toronto, Ontario, this 28th day of August, 2009.

5    **All of which is respectfully submitted,**

6    **BURLINGTON HYDRO INC.**

7

8    *Original signed by*

9

10   Mr. Michael Kysley,

11   CFO & VP Finance/Administration

## **SCHEDULE OF PROPOSED RATES AND CHARGES**

## SCHEDULE OF PROPOSED RATES AND CHARGES

### MONTHLY RATES AND CHARGES

#### Residential

Service Charge	\$	13.89
Distribution Volumetric Rate	\$/kWh	0.0158
LRAM/SSM Rider	\$/kWh	0.0003
Smart Meter Adder	\$	1.00
Regulatory Assets Rate Rider	\$/kWh	(0.0011)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0055
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0050
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

#### General Service Less Than 50 kW

Service Charge	\$	26.51
Distribution Volumetric Rate	\$/kWh	0.0145
LRAM/SSM Rider	\$/kWh	0.0001
Smart Meter Adder	\$	1.00
Regulatory Asset Recovery	\$/kWh	(0.0010)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0051
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0044
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

#### General Service 50 to 4,999 kW

Service Charge	\$	76.89
Distribution Volumetric Rate	\$/kW	2.9970
LRAM/SSM Rider	\$/kW	0.0103
Smart Meter Adder	\$	1.00
Regulatory Asset Recovery	\$/kW	(0.0639)
Retail Transmission Rate – Network Service Rate	\$/kW	2.0983
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.8202
Retail Transmission Rate – Network Service Rate-Interval Metered	\$/kW	2.1287
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.9215
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

#### Unmetered Scattered Load

Service Charge (per connection)	\$	10.24
Distribution Volumetric Rate	\$/kWh	0.0195
Regulatory Asset Recovery	\$/kWh	(0.0012)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0051
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0044
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

**Street Lighting**

Service Charge (per connection)	\$	0.37
Distribution Volumetric Rate	\$/kW	2.6807
Regulatory Asset Recovery	\$/kW	(0.0012)
Retail Transmission Rate – Network Service Rate	\$/kW	1.5557
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.3674
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

**Specific Service Charges**

<b>Customer Administration</b>		
Arrears certificate	\$	15.00
Credit reference/credit check (plus credit agency costs)	\$	15.00
Statement of Account	\$	15.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	\$	30.00
Returned cheque charge (plus bank charges)	\$	15.00
<b>Non-Payment of Account</b>		
Late Payment - per month	%	1.50
Late Payment - per annum	%	19.56
Collection of Account charge – no disconnection	\$	30.00
Disconnect/Reconnect at Meter – during regular hours	\$	65.00
Disconnect/Reconnect at Meter – after regular hours	\$	185.00
Temporary service install & remove – overhead – no transformer	\$	500.00
Specific Charge for Access to the Power Poles – per pole/year	\$	22.35
<b>Allowances</b>		
Transformer Allowance for Ownership - per kW of billing demand/month	\$/kW	(0.60)
Primary Metering Allowance for transformer losses – applied to measured demand and energy	%	(1.00)

**Retail Service Charges (if applicable)**

Retail Service Charges refer to services provided by a distributor to retailers or customers related to the supply of competitive electricity

One-time charge, per retailer, to establish the service agreement between the distributor and the retailer	\$	100.00
Monthly Fixed Charge, per retailer	\$	20.00
Monthly Variable Charge, per customer, per retailer	\$/cust	0.50
Distributor-consolidated billing charge, per customer, per retailer	\$/cust	0.30
Retailer-consolidated billing credit, per customer, per retailer	\$/cust	(0.30)
<b>Service Transaction Requests (STR)</b>		
Request fee, per request, applied to the requesting party	\$	0.25
Processing fee, per request, applied to the requesting party	\$	0.50
Request for customer information as outlined in Section 10.6.3 and Chapter 11 of the Retail Settlement Code directly to retailers and customers, if not delivered electronically through the Electronic Business Transaction (EBT) system, applied to the requesting party		
Up to twice a year	\$	no charge
More than twice a year, per request (plus incremental delivery costs)	\$	2.00

**Loss Factor**

Total Loss Factor – Secondary Metered Customer < 5,000 kW	1.0405
Total Loss Factor – Secondary Metered Customer > 5,000 kW	N/A
Total Loss Factor – Primary Metered Customer < 5,000 kW	1.0301
Total Loss Factor – Primary Metered Customer > 5,000 kW	N/A

1    **CONTACT INFORMATION:**

2    BURLINGTON HYDRO INC.  
3    1340 Brant Street  
4    Burlington, ON  
5    L7R 3Z7  
6

7    **CFO&VP FINANCE/ADMINISTRATION:**

8    Mr. Michael Kysley  
9    Telephone:   (905) 332-2265  
10   Facsimile:   (905) 332-8384  
11   E-mail:       mkysley@burlingtonhydro.com

12   **MANAGER, REGULATORY AFFAIRS:**

13   Ms. Anne Rampado  
14   Telephone:   (905) 332-2260  
15   Facsimile:   (905) 332-2133  
16   E-mail:       arampado@burlingtonhydro.com

1 **SPECIFIC APPROVALS REQUESTED:**

2 In this proceeding, Burlington Hydro is requesting the following approvals:

- 3 ➤ Approval to charge rates effective May 1, 2010 to recover a revenue requirement of  
4 \$31,317,814 as set out in Exhibit 1, Tab 2, Schedule 5 and Exhibit 6, Tab 1. The  
5 schedule of proposed rates is set out in Exhibit 1, Tab 1, Schedule 3 and Exhibit 8 Tab 7  
6 Schedule 1;
- 7 ➤ Approval of the Applicant's proposed change in capital structure, decreasing the  
8 Applicant's deemed common equity component from 43.3% to 40.0% and increasing the  
9 deemed debt component from 56.7% to 60%, as set out in Exhibit 5, Tab 1, consistent  
10 with Report of the Board on Cost of Capital and 2nd Generation Incentive Regulation for  
11 Ontario's Electricity Distributors dated December 20, 2006;
- 12 ➤ Approval of the proposed loss factor as set out in Exhibit 8, Tab 5, Schedule 1;
- 13 ➤ Approval of the Applicant's proposed change to the Retail Transmission-Network  
14 Service and Retail Transmission-Connection charges as set out in Exhibit 8, Tab 3 based  
15 on the OEB's Guideline G-2008-0001 – Electricity distribution Retail Transmission  
16 Service Rates, issued July 22, 2009;
- 17 ➤ Approval to continue the Smart Meter Adder, Wholesale Market and Rural Rate  
18 Protection Charges, Specific Service Charges and Transformer Allowance approved in  
19 the OEB Decision and Order in the matter of Burlington Hydro's 2009 Distribution Rates  
20 (EB-2008-0163);
- 21 ➤ Approval to collect the Lost Revenue Adjustment Mechanism and Shared Service  
22 Mechanism amounts over a four-year period using the method of recovery described in  
23 Exhibit 8, Tab 6; and



- 1 ➤ Approval to dispose of the following Deferral and Variance Account Balances as at  
2 December 31, 2008 (including interest to April 30, 2010) over a four-year period using  
3 the method of recovery described in Exhibit 9, Tab 2:
- 4 1580 -RSVA - Wholesale Market Service Charge
  - 5 1582 - RSVA - One-time Wholesale Market Service
  - 6 1584 - RSVA - Retail Transmission Network Charge
  - 7 1586 - RSVA - Retail Transmission Connection Charge
  - 8 1588 - RSVA - Power (including Global Adjustment)
  - 9 1508 - Other Regulatory Assets
  - 10 1518 - Retail Cost Variance Account - Retail
  - 11 1548 - Retail Cost Variance Account - STR
  - 12 1525 - Misc. Deferred Debits
  - 13 1550 - LV Variance Account
  - 14 1565 - Conservation and Demand Management Expenditures and Recoveries
  - 15 1566 - CDM Contra
  - 16 1590 - Recovery of Regulatory Asset Balance

1 **DRAFT ISSUES LIST:**

2 The Applicant would expect, based on previous regulatory experience and other hearings, that  
3 the following matters pertaining to the 2010 Test Year may constitute issues in this Application:

- 4       ➤ The amount of Burlington Hydro's proposed revenue requirement;
- 5       ➤ The reasonableness of the 2010 capital program;
- 6       ➤ The reasonableness of the 2010 operating, maintenance and administrative budget;
- 7       ➤ The reasonableness of the 2010 weather normalized forecast; and
- 8       ➤ The reasonableness of the proposed electricity distribution rates.

1 **PROCEDURAL ORDERS/MOTIONS/NOTICES:**

2 On March 12, 2007, the OEB issued a Report titled "LDC Screening Methodology to Establish a  
3 Rebasing Schedule for Electricity LDCs". The purpose of that Report was "to describe the  
4 criteria to be considered in determining which electricity distributors to engage in proceedings  
5 before the Board for rebasing to establish rates for each of the years 2008, 2009 and 2010" and to  
6 establish the next steps and timelines for filing. Section 3.3 of that Report provided an  
7 opportunity for LDCs to "self-nominate" to be rebased in a particular year.

8 On January 30, 2008, the OEB issued its Final Selection of Electricity Distributors for Rebasing  
9 in 2009 and 2010 (Board File No. EB-2006-0330). Burlington Hydro was listed in Appendix B  
10 – Selection of Electricity Distributors for Rate Rebasing in 2010. On January 29, 2009 the OEB  
11 issued its Selection of Electricity Distributors for Rebasing in 2010 and 2011. Burlington Hydro  
12 was listed in Appendix A - Selection of Electricity Distributors for Rate Rebasing in 2010.

13 No further Procedural Orders of directions have been issued by the OEB to the date of filing this  
14 application.

1 **ACCOUNTING ORDERS REQUESTED:**

2 Burlington Hydro is not requesting Accounting Orders in this proceeding.

1 **COMPLIANCE WITH UNIFORM SYSTEM OF ACCOUNTS:**

- 2 Burlington Hydro has followed the accounting principles and main categories of accounts as  
3 stated in the OEB's Accounting Procedures Handbook (the "APH") and the Uniform System of  
4 Accounts ("USoA") in the preparation of this Application.

1 **DISTRIBUTION SERVICE TERRITORY AND DISTRIBUTION SYSTEM:**

2 **Description of Distributor:**

3 COMMUNITY SERVED: City of Burlington  
4 TOTAL SERVICE AREA: 188 sq km  
5 RURAL SERVICE AREA: 90 sq km  
6 DISTRIBUTION TYPE: Electricity distribution  
7 SERVICE AREA POPULATION: 170,700  
8 MUNICIPAL POPULATION: 170,700  
9 BOUNDARIES: West: -Hwy. #6 (North Shore to Old York Rd.)  
10 - Snake Rd. (Old York Rd. to Main St. S.)  
11 - Mountainbrow Rd. to Kerns Rd.  
12 - Kerns Rd. / Parkside Dr. / Millborough Townline  
13 (Mountainbrow Rd. to Derry Rd.)  
14 North: - Plains Rd to Snake Rd to Mountainbrow Rd to  
15 King Rd ending at Kerns Rd.  
16 - Derry Rd. (Millborough Townline to Bell School  
17 Line)  
18 - #1 Side Road (Bell School Line to Tremaine Rd.)  
19 East: - Bell School Line (Derry Rd. to #1 Side Road)  
20 - Tremaine Rd. / Burloak Dr. (#1 Side Rd. to  
21 Lakeshore Rd.)  
22 South: - Lakeshore Rd. (Burloak Dr. to Burlington Bay  
23 canal)  
24 - Nothshore Dr. (Burlington Bay canal to Hwy #6)  
25  
26

27 A map of the Burlington Hydro's Distribution Service Territory is included at Exhibit 1, Tab 1,  
28 Schedule 11.

29 A schematic diagram of Burlington Hydro's distribution system is attached at Exhibit 1, Tab 1,  
30 Schedule 12.

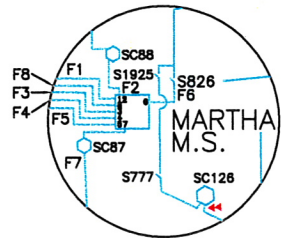
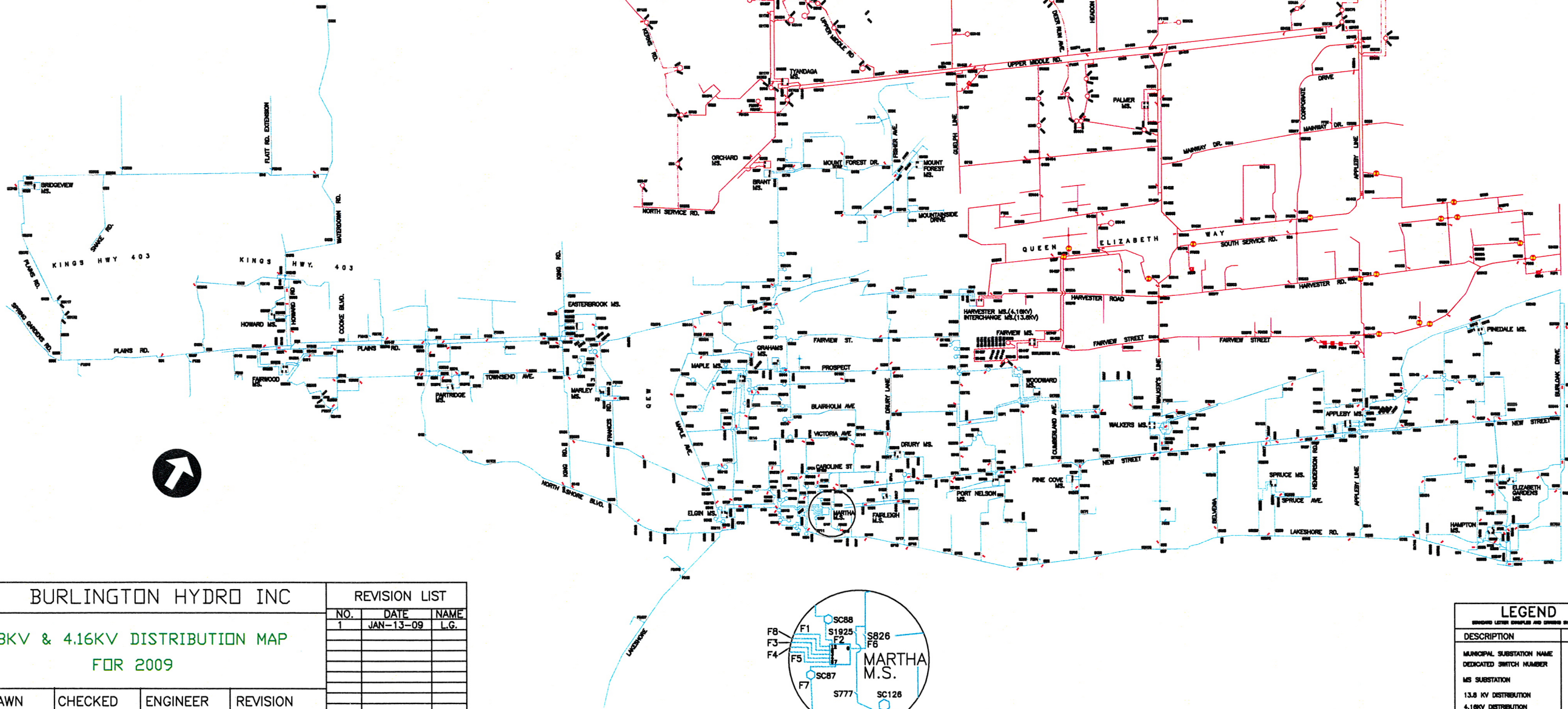
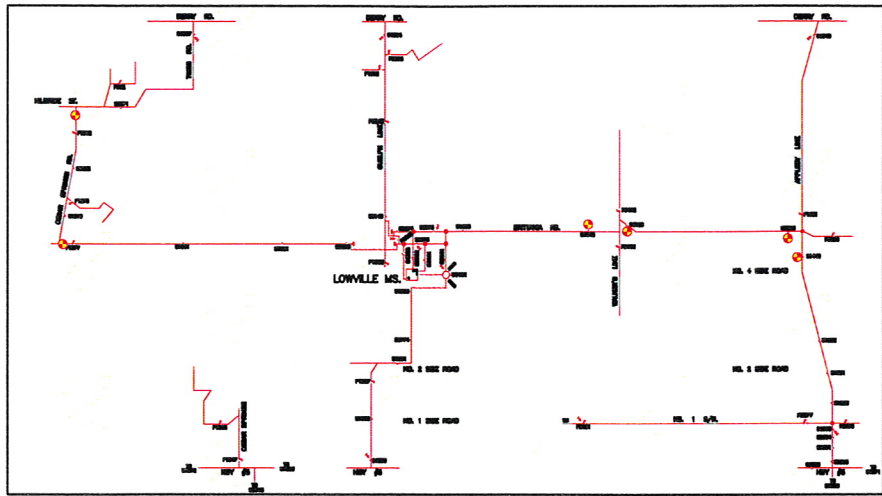
**MAP OF DISTRIBUTION SERVICE TERRITORY**







## **MAP OF DISTRIBUTION SYSTEM**



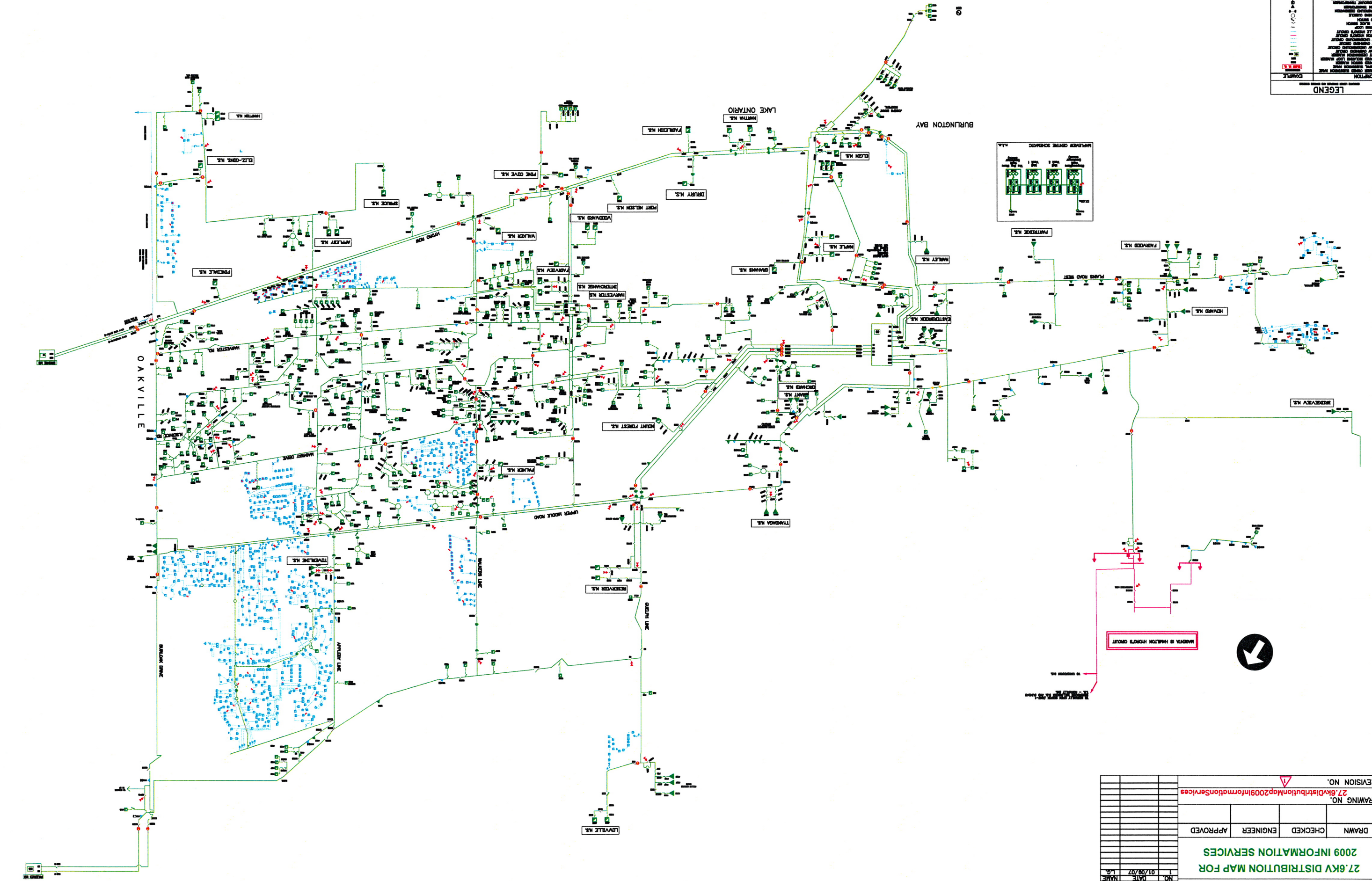
BURLINGTON HYDRO INC				REVISION LIST		
13.8KV & 4.16KV DISTRIBUTION MAP FOR 2009				NO.	DATE	NAME
				1	JAN-13-09	L.G.
DRAWN	CHECKED	ENGINEER	REVISION			
			⚠			
DRAWING NO.						
13.8&4.16KV DISTRIBUTION MAP 2009.dwg						

LEGEND	
DESCRIPTION	EXAMPLE
MUNICIPAL SUBSTATION NAME	WALKERS M.S.
DEDICATED SWITCH NUMBER	9485
MS SUBSTATION	⊕
13.8 KV DISTRIBUTION	—
4.16KV DISTRIBUTION	—
FAULT INDICATOR	⊙
SOLID BLADE SWITCH	⌞
FUSED SWITCH	⌞
SWITCHING CUBICLE	○
PADMOUNT TRANSFORMER	⊞
4 WAY TAP	⊕
OPEN POINT	⊞



LEGEND

[Symbol]	27.6KV LINE
[Symbol]	15KV LINE
[Symbol]	7.62KV LINE
[Symbol]	4.16KV LINE
[Symbol]	2.4KV LINE
[Symbol]	1.2KV LINE
[Symbol]	0.48KV LINE
[Symbol]	0.24KV LINE
[Symbol]	120V LINE
[Symbol]	480V LINE
[Symbol]	7.62KV TRANSFORMER
[Symbol]	15KV TRANSFORMER
[Symbol]	2.4KV TRANSFORMER
[Symbol]	120V TRANSFORMER
[Symbol]	480V TRANSFORMER
[Symbol]	POLE
[Symbol]	GROUNDING BUS
[Symbol]	GROUNDING ROD
[Symbol]	GROUNDING WIRE
[Symbol]	GROUNDING BRACE
[Symbol]	GROUNDING CLAMP
[Symbol]	GROUNDING RING
[Symbol]	GROUNDING MESH
[Symbol]	GROUNDING MAT
[Symbol]	GROUNDING STRAP
[Symbol]	GROUNDING CABLE
[Symbol]	GROUNDING CONDUIT
[Symbol]	GROUNDING JOINT
[Symbol]	GROUNDING TERMINAL
[Symbol]	GROUNDING POINT
[Symbol]	GROUNDING LOCATION
[Symbol]	GROUNDING METHOD
[Symbol]	GROUNDING SYSTEM
[Symbol]	GROUNDING TYPE
[Symbol]	GROUNDING CLASS
[Symbol]	GROUNDING CODE
[Symbol]	GROUNDING ID
[Symbol]	GROUNDING TAG
[Symbol]	GROUNDING LABEL
[Symbol]	GROUNDING NOTE
[Symbol]	GROUNDING COMMENT
[Symbol]	GROUNDING DESCRIPTION
[Symbol]	GROUNDING SPECIFICATION
[Symbol]	GROUNDING REQUIREMENT
[Symbol]	GROUNDING STANDARD
[Symbol]	GROUNDING CODE OF PRACTICE
[Symbol]	GROUNDING BEST PRACTICES
[Symbol]	GROUNDING STATE-OF-THE-ART
[Symbol]	GROUNDING TECHNOLOGY
[Symbol]	GROUNDING INNOVATION
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[Symbol]	GROUNDING DOCUMENTATION
[Symbol]	GROUNDING COMMUNICATION
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<b>BURLINGTON HYDRO INC</b>			
<b>27.6KV DISTRIBUTION MAP FOR</b>			
<b>2009 INFORMATION SERVICES</b>			
DRAWN	CHECKED	ENGINEER	APPROVED
27.6kv\dist\map\27.6kv_distribution_map.dwg			
REVISION NO.			
NO. DATE NAME			
1	01/09/07	L.B.	
REVISION LIST			



REPORT BY HYDRO HQ/NOV'S GROUP

1 **LIST OF NEIGHBOURING UTILITIES:**

2 Burlington Hydro is bounded by :

3 Oakville Hydro Electricity Distribution Inc.(east);

4 Horizon Utilities Corporation (west);

5 Milton Hydro Distribution Inc. (north);

6 Hydro One Networks Inc. (north east).

1 **EXPLANATION OF HOST AND EMBEDDED UTILITIES:**

- 2 There are no embedded utilities within Burlington Hydro's distribution service territory nor is
- 3 Burlington Hydro a host utility to other distributors.

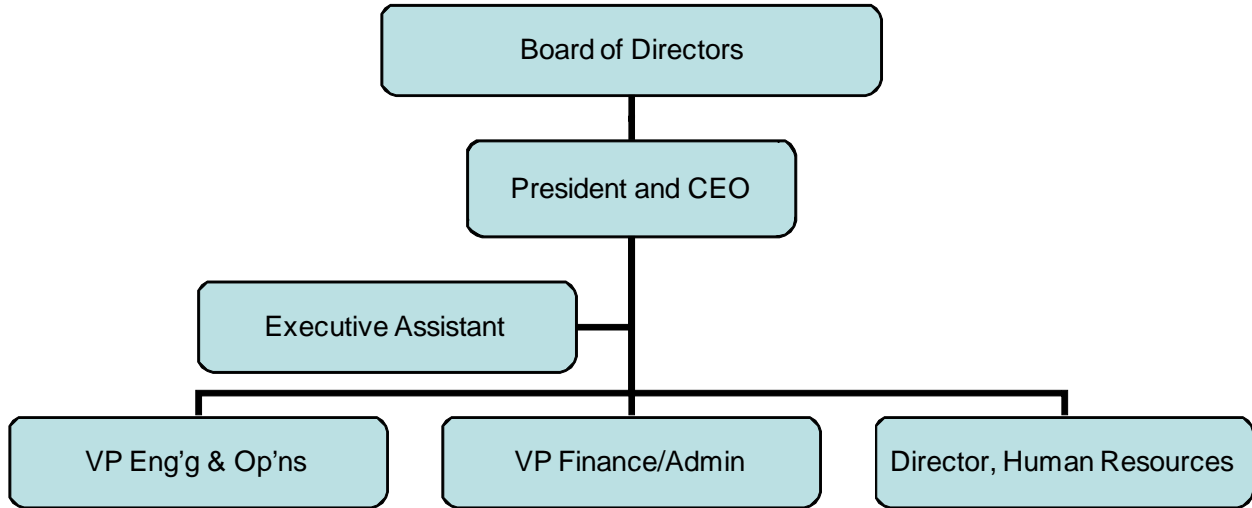
1 **UTILITY ORGANIZATIONAL STRUCTURE**

2 The attached diagrams provide the current Burlington Hydro Organizational structure.

3

1

## Burlington Hydro Inc. Organizational Structure

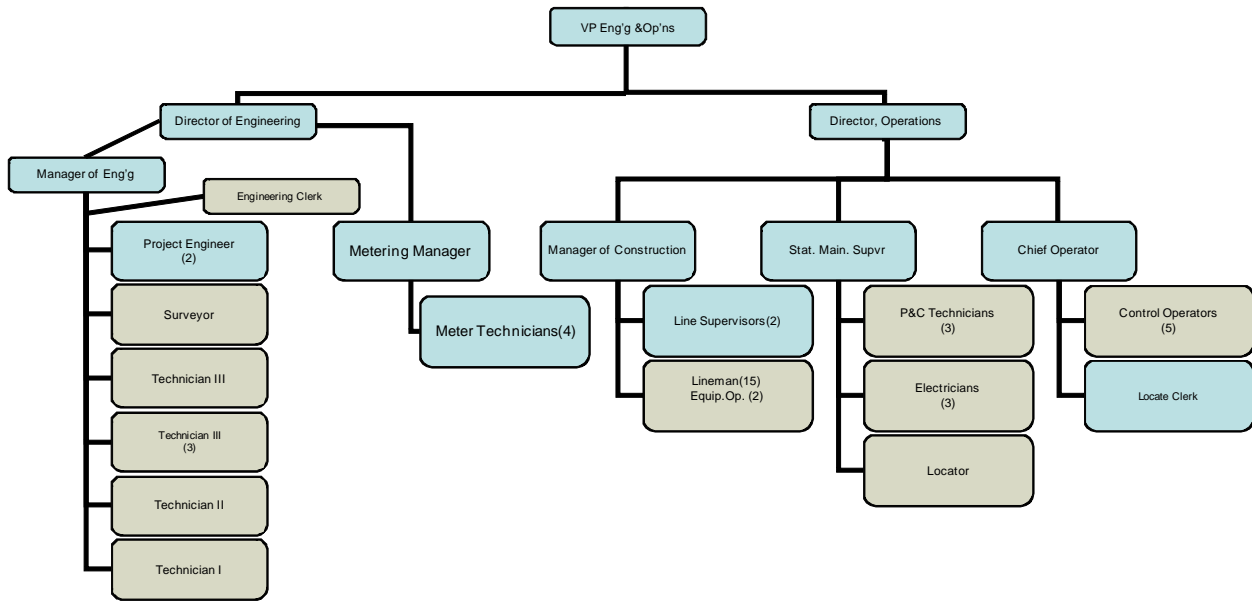


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# Burlington Hydro Inc. Organizational Structure

## Engineering and Operations



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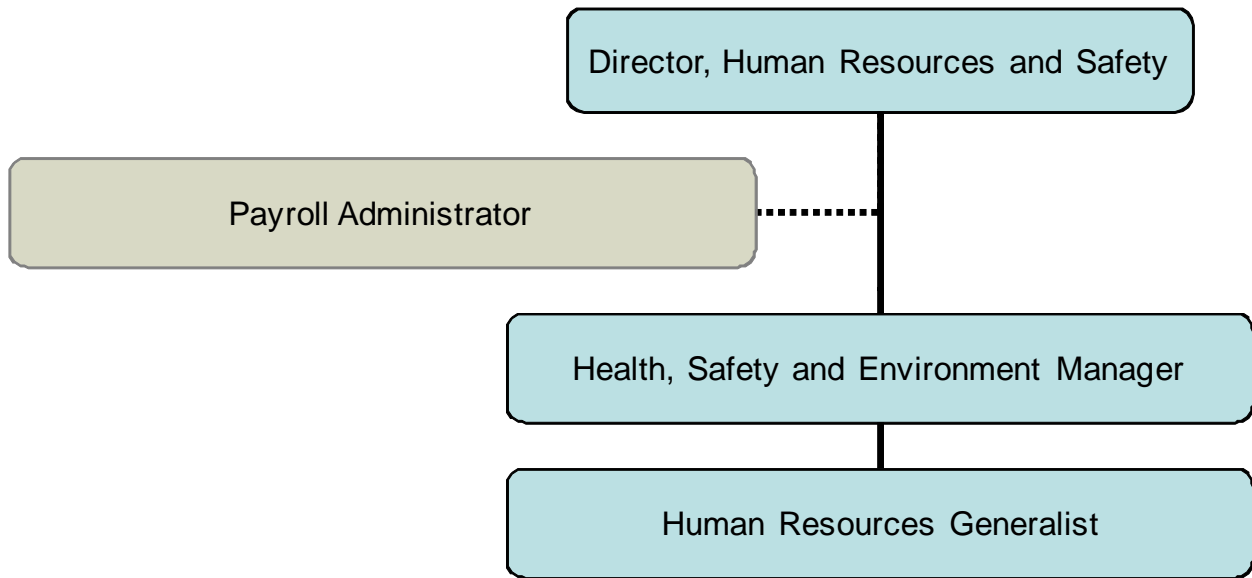
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# Burlington Hydro Inc. Organizational Structure

## Human Resources

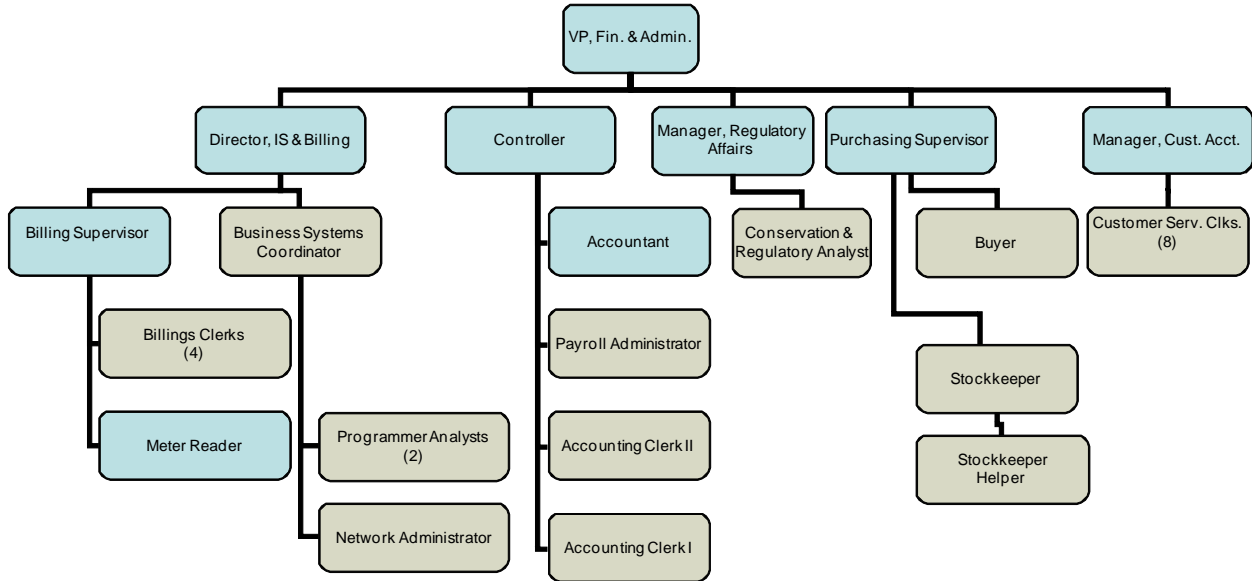


1

## Burlington Hydro Inc. Organizational Structure

2

### Finance and Administration



3

4

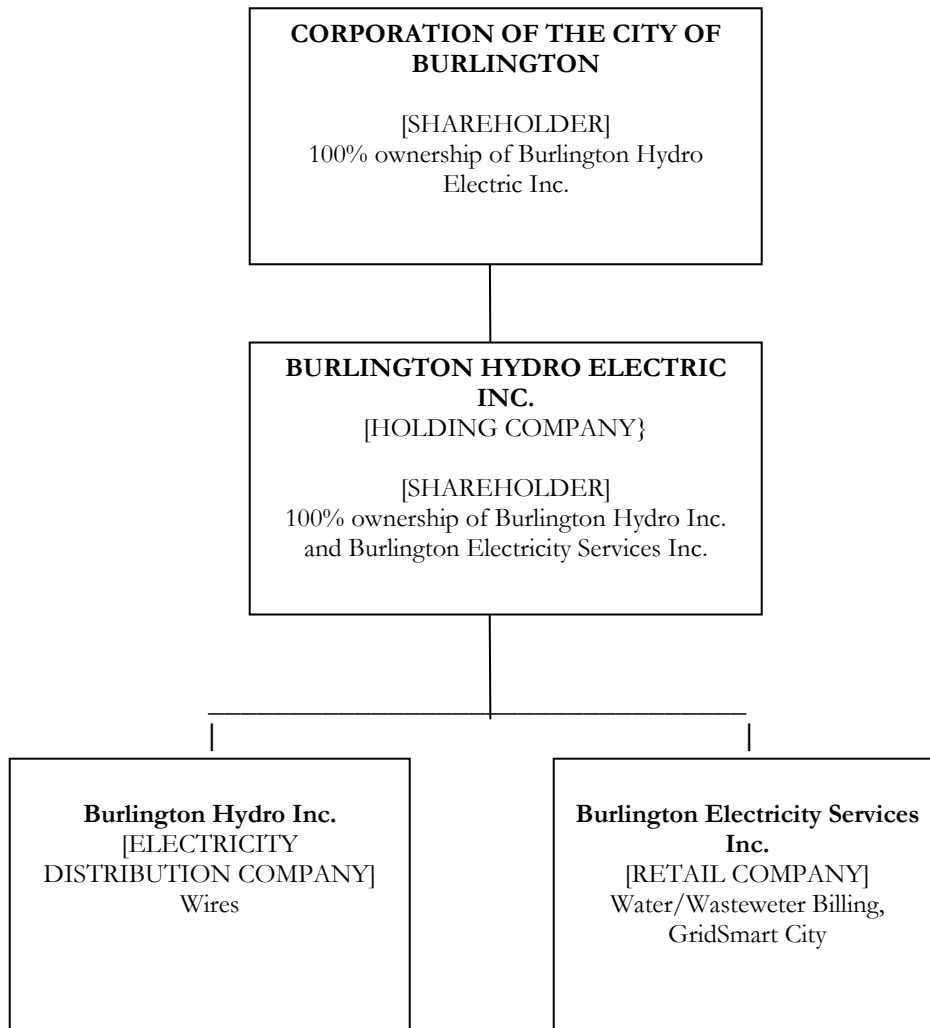
1 **CORPORATE ENTITIES RELATIONSHIP**

2

3 Burlington Hydro is a wholly-owned subsidiary of Burlington Hydro Electric Inc. which is 100%  
4 owned by the City of Burlington. A chart illustrating Burlington Hydro's corporate family is  
5 attached.

1 CORPORATE ENTITIES RELATIONSHIP CHART

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1 **PLANNED CHANGES IN CORPORATE AND OPERATIONAL STRUCTURE:**

2 No changes to Burlington Hydro's corporate and operational structures are planned at the present  
3 time. Burlington Hydro will monitor developments related to the Green Energy and  
4 Environment Act to determine what services are available within the utility and which services  
5 would be potentially offered in the affiliate company to support GEA initiatives.

**1 STATUS OF BOARD DIRECTIVES FROM PREVIOUS BOARD DECISIONS:**

2 Burlington has no outstanding directives from previous Board decisions.

1 **PRELIMINARY LIST OF WITNESSES:**

- 2 While Burlington Hydro requests that this Application be disposed of by way of a written  
3 hearing, should a technical conference or an oral hearing be necessary Burlington Hydro will  
4 provide a list of potential witnesses as required.

1 **SUMMARY OF THE APPLICATION:**

2 **Preamble**

3 Burlington Hydro has submitted this Application in order to meet its Corporate Mission and  
4 Corporate Goals as outlined below. Current rates will result in actual Return on Equity in 2010  
5 well below levels currently approved by the OEB. The increased rates are required to:

6

7 1) Maintain current capital investment levels in infrastructure to ensure a reliable  
8 distribution system.

9

10 2) Continue with succession planning and apprentice training programs needed to meet  
11 future staffing requirements.

12

13 3) To provide a reasonable rate of return to the Shareholder.

14

15 **Burlington Hydro's Mission Statement is:**

- 16 • *To efficiently deliver reliable electrical energy to our customers in the City of*  
17 *Burlington*
- 18 • *To provide a safe and rewarding work environment for our employees*
- 19 • *To assure that future supply is available to meet Burlington's growing needs*
- 20 • *To provide our shareholder with a superior rate of return*
- 21 • *To be a community partner*

22 **Burlington Hydro's priorities are defined in its Corporate Values:**

23 ***Corporate Values***

24 *In pursuit of our goals, Burlington Hydro holds certain core values toward its stakeholders and*  
25 *key aspects of its operation.*

26 ***Burlington Hydro Cares for People***

- 27 • *We provide a safe, healthy and fulfilling work environment for our employees, with fair*  
28 *remuneration, fair management and opportunities for learning and professional development;*
- 29 • *We value our relationships with our customers and work to win their trust and support;*



- 1       • *We interact with customers, employees, the public, and our business partners with integrity and*  
2       *respect, and at all times act in a responsible and professional manner.*

3 *Burlington Hydro Cares for the Community*

- 4       • *We are good corporate citizens and take pride in making significant contributions to community*  
5       *programs in which we can add value such as fundraising, energy conservation projects, business*  
6       *development activities, school safety programs, clean air initiatives, crime prevention programs,*  
7       *and other community giving such as blood donor clinics;*  
8       • *We value the communities we serve and the environment in which we operate, managing*  
9       *environmental risks to eliminate or minimize adverse impacts associated with our businesses.*

10 *Burlington Hydro Cares about Stewardship*

- 11       • *We value the long term health and sustainability of Burlington Hydro;*  
12       • *We will assure availability of a future electricity supply to meet customer needs and growth.*

13 *Burlington Hydro Cares about Performance*

- 14       • *We value a fully integrated business model: we deliver superior products to our customers in a*  
15       *safe and efficient manner, striving for excellence and continuous improvement in all aspects of*  
16       *our business.*

17 *Burlington Hydro Cares about Shareholder Value*

- 18       • *We create sustainable value for our shareholder by understanding and addressing customer*  
19       *needs, focusing on and promoting core business strengths, and pursuing appropriate business*  
20       *opportunities.*

21 In keeping with this vision to pursue health and safety as its top priority, Burlington Hydro has  
22 applied for the Gold/Outcomes Level of the Electrical & Utilities Safety Association  
23 (“E&USA”) pursuit of ZeroQuest program, which is based on eliminating all sector workplace  
24 injuries and illnesses by 2011.

25 Within its service territory Burlington Hydro, in conjunction with the Ontario Power Authority  
26 has continued to deliver innovative conservation and demand management programs.

27 Burlington Hydro has consistently exceeded the OEB’s Service Quality Indicators and, as set out  
28 in Exhibit 2, Tab 7, and has targeted to maintain its performance at levels equal to or above the  
29 OEB’s standards in 2009 and 2010.

1 **Purpose and Need**

2 Burlington Hydro's requested revenue requirement for 2010 in the amount of \$31,317,814  
3 includes the recovery of its costs to provide distribution services, its permitted Return on Equity  
4 ["ROE"] and the funds necessary to service its debt as it transitions to a 60%/40% debt equity  
5 ratio by 2010.

6 When forecasted energy and demand levels for 2010 are considered, Burlington Hydro estimates  
7 that its present rates will produce a deficiency in gross distribution revenue of \$3,255,392 for the  
8 2010 Test Year. Should this revenue deficiency continue, Burlington Hydro will not be able to  
9 sustain the current capital investment and lineperson training programs required to ensure a safe  
10 and reliable distribution system.

11 Therefore, Burlington Hydro seeks the OEB's approval to revise its electricity distribution rates.  
12 The rates proposed to recover its projected revenue requirement and other relief sought are set  
13 out in Exhibit 1, Tab 1, Schedule 3 and Exhibit 8, Tab 7, Schedule 1 to this Application.

14 The information presented in this Application is Burlington Hydro's forecasted results for its  
15 2010 Test Year. Burlington Hydro is also presenting the historical actual information for fiscal  
16 2006, OEB-Approved data for 2006, actual information for fiscal 2007, and forecast results for  
17 the 2009 Bridge Year.

18 **Timing**

19 The financial information supporting the Test Year for this Application will be Burlington  
20 Hydro's fiscal year ending December 31, 2010 (the "2010 Test Year"). However, this  
21 information will be used to set rates for the period May 1, 2010 to April 30, 2011.

22

23 **Customer Impact**

24 In preparing this application, Burlington Hydro has considered the impacts on its customers, with  
25 a goal of minimizing those impacts. With respect to cost allocation, Burlington Hydro notes that

1 for the Street Light rate class, the current revenue to cost ratio does not fall within the applicable  
2 threshold defined by the OEB in the November 28, 2007, Report on Application of Cost  
3 Allocation for Electricity Distributors. As a result, adjustments have been made in this  
4 Application to bring the Street Light class within the allowed ranges of the revenue-to-cost  
5 ratios. The Street Light class is being increased by approximately 50% of the difference between  
6 their current levels and the bottom of the OEB's ranges, and Burlington Hydro will further adjust  
7 the revenue-to-cost ratio in 2011 to bring them to the bottom of the approved ranges. Increased  
8 distribution revenue from this class in 2010 and 2011 will be offset by reductions in distribution  
9 revenue from the Residential and General Service less than 50 kW classes. Although these  
10 classes are currently within the targeted revenue-to-cost ratio, the reductions in 2010 and 2011  
11 will move the revenue-to-cost ratio closer to 100%.

12 Customer impacts including the percentage average Total Bill Impact and Average Dollar  
13 Impact, which include revised distribution rates [monthly service charge and volumetric rates],  
14 revised loss factors, LRAM/SSM rate riders and regulatory asset rate riders to dispose of the  
15 balances in the Deferral and Variance Accounts requested in this Application over a four-year  
16 period are set out in the table below.

17

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**Table 2**  
**TOTAL BILL IMPACT – PERCENT & DOLLAR**

<b>Class – Typical Usage</b>	<b>Total Bill Impact %</b>	<b>Monthly Dollar Impact</b>
Residential - 800 kWh/mth		
Comparison to 2009	1.63%	\$1.62
General Service <50 kW - 2,000 kWh/mth		
Comparison to 2009	1.33%	\$3.21
General Service >50 kW 250 kW, 75,000 kWh/mth		
Comparison to 2009	1.13%	\$94.41
Street Lighting 1,000 kW, 250,000 kWh/mth, 5,000 connections		
Comparison to 2009	13.6%	\$3,236.43
Unmetered Scattered Load - 1000kWh/mth		
Comparison to 2009	1.72%	\$1.97

3  
 4

1    **Capital Structure**

2    Burlington Hydro is requesting a change in its deemed capital structure. Specifically, Burlington  
3    Hydro is requesting a decrease in the deemed equity ratio from 43.3% to 40.0% consistent with  
4    the third year of the phase-in of the shift in Burlington Hydro's capital structure from 50% to  
5    40% equity as outlined in the Report of the Board on Cost of Capital and 2<sup>nd</sup> Generation  
6    Incentive Regulation for Ontario Electricity Distributors dated December 20, 2006 (the "Cost of  
7    Capital Report").

8    **Return on Equity**

9    Burlington Hydro has assumed a return on equity of 8.01% consistent with the Cost of Capital  
10   Parameter Updates for 2009 Cost of Service Applications issued by the OEB on March 8, 2009.  
11   Burlington Hydro understands the OEB will be finalizing the return on equity for 2010 rates  
12   based on January 2010 market interest rate information.

13   **Capital Expenditures**

14   Burlington Hydro continues to expand and reinforce its distribution system in order to meet the  
15   demand of new and existing customers in its service territory. Expenditures are being made to  
16   satisfy Burlington Hydro's Asset Management Plan and Strategy.

17   **Operating and Maintenance Costs**

18   Burlington Hydro, similar to many other LDCs, has found a need to increase headcount,  
19   specifically in the skilled trade areas, in order to address the aging workforce and the limited  
20   pool of skilled workers. Burlington Hydro has also seen increased costs in order to meet public  
21   and employee safety objectives; to comply with the Distribution System Code, environmental  
22   requirements and government direction; and to maintain distribution business service quality and  
23   reliability at targeted performance levels.

1 **BUDGET DIRECTIVES:**

2 Burlington Hydro compiles budget information for the three major components of the budgeting  
3 process: revenue forecasts, operating and maintenance expense forecast and capital budget  
4 forecast. This budget information is compiled for both the 2009 Bridge Year and the 2010 Test  
5 Year.

6 **Revenue Forecast**

7 Burlington Hydro's energy sales and revenue forecast model was prepared in March 2009 to  
8 reflect actual data to the end of 2008, and most current forecast information. This model was  
9 then used to prepare the revenues sales and throughput volume and revenue forecast at existing  
10 rates for fiscal 2009 and 2010. The forecast is weather normalized and considers such factors as  
11 historical purchased energy, heating and cooling degree days, number of customers, and  
12 economic growth. More information on the development of the forecast is provided at Exhibit 3,  
13 Tab 2, and Schedule 1

14 **Operating Maintenance and Administration (“OM&A”) Expense Forecast**

15 The OM&A expenses for the 2009 Bridge Year and the 2010 Test Year have been based on an  
16 in-depth review of operating priorities and requirements and is strongly influenced by prior year  
17 experience. The OM&A budget process is described in more detail below, with details on the  
18 forecasted OM&A expenditures is found at Exhibit 4, Tab 1, Schedule 1.

19 **Capital Budget**

20 The capital budget forecast 2009 and 2010 is influenced, among other factors, by Burlington  
21 Hydro's capacity to finance capital projects. Indirect costs are allocated to direct costs in the  
22 capital budget. All proposed capital projects are assessed within the framework of its capital  
23 budget priority and are outlined in Exhibit 2, Tab 5 (Capital Expenditures by Project). Details on  
24 the budget process are described below.

25

26

1 **BUDGET PROCESS**

2 The following comments provide an overview of Burlington Hydro's budgeting process.

3 • **Overall Budget Process:**

4 The budget is prepared annually by management and is reviewed and approved by the Burlington  
5 Hydro Board of Directors. The budget is prepared before the start of each fiscal year, typically  
6 in a process initiated during summer months and approved in October. Once approved, it does  
7 not change, but provides a plan against which actual results may be evaluated.

8 • **Responsibilities:**

9 > It is the responsibility of the CFO and Accounting department to coordinate the  
10 development of the operating budget, capital budget and forecast processes.

11 > Each department is responsible for preparing its operating budget, capital budget, and  
12 rolling forecasts.

13 > The CEO, with assistance from the CFO, is responsible for presenting and recommending  
14 the budget to the Board of Directors for approval.

15 > It is the responsibility of the Board of Directors, on behalf of the shareholder, to approve  
16 the budget.

17 The budget is an important planning tool for Burlington Hydro. It puts capital and operational  
18 plans into a common financial plan. The final document provides a comprehensive package of  
19 department budgets that collectively ensure that appropriate resources are designated for the  
20 various capital and operational needs of the utility for the coming year.

21 The departmental Budget Plans represent the output of detailed work plans based on required  
22 activities for the year. Burlington Hydro notes that these Budget Plans address both capital and  
23 operating requirements.

24

1       • **Capital Budget Process used by Burlington Hydro:**

2       On an annual basis, Burlington Hydro reviews capital projects identified for potential  
3       implementation and attempts to prioritize each project based on guidelines defined in the asset  
4       management strategy, on a relative basis. Each department manager is responsible for the  
5       identification and justification of projects related to their department, which are then discussed  
6       by the full group. After examining all recommended projects they are listed in order from higher  
7       to lower priority and then moved forward based on appropriate financial parameters.

8       Burlington Hydro's capital budget items include:

- 9       • Customer Demand;  
10       • Renewal;  
11       • Security;  
12       • Capacity;  
13       • Reliability;  
14       • Regulatory Requirements;  
15       • Substations;  
16       • Customer Connections and Metering.

17       The Asset Management Report provided in Exhibit 2, Tab 6 supports the capital and  
18       maintenance programs needed to maintain and enhance the reliability of Burlington Hydro's  
19       distribution system.

20

21       • **OM&A Budgeting Process Used by Burlington Hydro:**

22       As described above, each department Manager is responsible for the preparation of the  
23       departmental budgets. The following information and directives are provided to each manager  
24       and director:



- 1       • Actual expenses for prior 2-3 years are provided on a detailed level. Current year actual  
2       expenses are provided, and managers are required to update current year forecast to aid in  
3       development of full year forecast estimates.
- 4       • Outside expenses for all department budgets are built based on analysis including  
5       previous years actual information, current year forecast, known changes in external costs,  
6       and changes in departmental activities or responsibilities in response to new  
7       legislation/regulations/industry activities;
- 8       • Variances in spending from prior years must be explained and documented, both at the  
9       time of creating forecast and on a monthly basis as actual are compiled;
- 10      • Review the headcount of the department for accuracy and outline any changes;
- 11      • Human Resources, with the assistance of the Accounting department, prepare a total  
12      labor budget by department using projected wage and benefit cost. Overtime and account  
13      distribution are based on previous years actual;
- 14      Once the initial forecast is completed by all departments, the Accounting department compiles  
15      all forecasted OM&A expenditures to compare on a company basis to the total projected  
16      expenditures and review year over year variances. These results are reviewed and forecasts are  
17      revised based on a balance of total available funding and review of departmental and corporate  
18      initiatives.

1 **CHANGES IN METHODOLOGY:**

- 2 Burlington Hydro is not requesting any changes in methodology in the current proceeding.

1           **CALCULATION OF REVENUE DEFICIENCY**

2           The table below outlines the calculation of Burlington Hydro’s 2010 revenue deficiency of  
 3           \$3,255,392, as supported throughout this evidence package.

4

Calculation of Revenue Deficiency or Surplus	2010 Test Existing Rates	2010 Test Proposed Rates
<b>Revenue</b>		
Suff/ Def From Below.		\$3,255,392
Distribution Revenue	\$26,479,520	\$26,479,520
Other Operating Revenue (Net)	\$1,582,902	\$1,582,902
<b>Total Revenue</b>	<b>\$28,062,422</b>	<b>\$31,317,814</b>
<b>Distribution Costs</b>		
Operation, Maintenance, and Administration	\$14,800,994	\$14,800,994
Depreciation & Amortization	\$6,694,092	\$6,694,092
Property & Capital Taxes	\$296,305	\$296,305
Interest- Deemed Interest	\$4,525,189	\$4,525,189
<b>Total Costs and Expenses</b>	<b>\$26,316,581</b>	<b>\$26,316,581</b>
Utility Income Before Income Taxes	\$1,745,841	\$5,001,233
Net Adjustments per 2009 Pils	\$306,385	\$306,385
<b>Taxable Income</b>	<b>\$2,052,226</b>	<b>\$5,307,618</b>
Tax Rate	31.0%	31.0%
<b>Income Tax</b>	<b>\$636,190</b>	<b>\$1,645,362</b>
<b>Utility Income</b>	<b>\$1,109,651</b>	<b>\$3,355,871</b>
<b>Rate Base</b>	<b>\$104,740,059</b>	<b>\$104,740,059</b>
<b>Equity</b>	<b>40.00%</b>	<b>40.00%</b>
<b>Equity Component Rate Base</b>	<b>\$41,896,023</b>	<b>\$41,896,023</b>
Income / Equity Rate Base %	2.65%	8.01%
<b>Target Return -Equity on Rate Base</b>	<b>8.01%</b>	<b>8.01%</b>
Return- Equity on Rate Base	\$3,355,871	\$3,355,871
Revenue Deficiency	\$2,246,221	
Revenue Deficiency (Gross-up)	\$3,255,392	

5

1 **CAUSES OF REVENUE DEFICIENCY:**

2 Burlington Hydro's net revenue deficiency is calculated as \$2,246,221 and when grossed up for  
3 PILs, the revenue deficiency is \$3,255,392. Burlington Hydro Inc.'s calculation of its 2010  
4 revenue deficiency is provided in Exhibit 1, Tab 2, Schedule 4 and Exhibit 6, Tab 1.

5 The revenue deficiency is primarily the result of:

- 6       ➤ Increases in OM&A costs including depreciation expense. Burlington Hydro  
7       implemented an apprentice program in 2007 in order to ensure qualified skilled trades  
8       and engineering staff are in place for forecasted retirements in the next five years. In  
9       addition, Burlington Hydro has upgraded its Regulatory and Conservation staff with a  
10       new hires in 2008. The addition of a Regulatory Accountant in 2010 is necessary to meet  
11       the work load associated with additional regulatory requirements. OM&A cost are  
12       discussed in further detail in Exhibit 4; and
- 13       ➤ Capital Expenditures from 2006 through 2008 exceeded depreciation levels resulting in a  
14       increased rate base on which the rate of return is calculated. Burlington Hydro is  
15       committed to ensuring the reliability of the distribution system and will continue to invest  
16       in capital infrastructure in 2009 and 2010. Changes in the Rate Base are discussed  
17       further in Exhibit 2.

18 Burlington Hydro is committed to meeting its corporate mission and goals of providing a safe  
19 and reliable distribution through prudent investments in capital assets and investing in training  
20 and education of staff required to meet the future needs of its customers.

**REVENUE REQUIRMENT WORKSHEETS**



## REVENUE REQUIREMENT WORK FORM

Name of LDC: Burlington Hydro Incorporated (1)  
File Number: EB-2009-0159  
Rate Year: 2010 Version: 1.0

### Table of Content

<u>Sheet</u>	<u>Name</u>
A	<a href="#">Data Input Sheet</a>
1	<a href="#">Rate Base</a>
2	<a href="#">Utility Income</a>
3	<a href="#">Taxes/PILS</a>
4	<a href="#">Capitalization/Cost of Capital</a>
5	<a href="#">Revenue Sufficiency/Deficiency</a>
6	<a href="#">Revenue Requirement</a>
7	<a href="#">Bill Impacts</a>

#### Notes:

(1) Pale green cells represent inputs

(2) **Please note that this model uses MACROS. Before starting, please ensure that macros have been enabled.**

#### **Copyright**

*This Revenue Requirement Work Form Model is protected by copyright and is being made available to you solely for the purpose of preparing or reviewing your draft rate order. You may use and copy this model for that purpose, and provide a copy of this model to any person that is advising or assisting you in that regard. Except as indicated above, any copying, reproduction, publication, sale, adaptation, translation, modification, reverse engineering or other use or dissemination of this model without the express written consent of the Ontario Energy Board is prohibited. If you provide a copy of this model to a person that is advising or assisting you in preparing or reviewing your draft rate order, you must ensure that the person understands and agrees to the restrictions noted above.*



## REVENUE REQUIREMENT WORK FORM

Name of LDC: Burlington Hydro Incorporated  
 File Number: EB-2009-0159  
 Rate Year: 2010

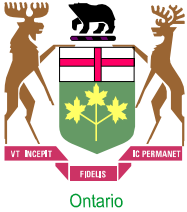
### Data Input (1)

	Application		Adjustments		Per Board Decision
<b>1 Rate Base</b>					
Gross Fixed Assets (average)	\$204,419,334	(4)			\$204,419,334
Accumulated Depreciation (average)	(\$121,196,017)	(5)			(\$121,196,017)
<b>Allowance for Working Capital:</b>					
Controllable Expenses	\$15,029,994	(6)			\$15,029,994
Cost of Power	\$128,414,948				\$128,414,948
Working Capital Rate (%)	15.00%				15.00%
<b>2 Utility Income</b>					
<b>Operating Revenues:</b>					
Distribution Revenue at Current Rates	\$26,479,520				
Distribution Revenue at Proposed Rates	\$29,734,912				
<b>Other Revenue:</b>					
Specific Service Charges	\$846,985				
Late Payment Charges	\$202,800				
Other Distribution Revenue	\$381,727				
Other Income and Deductions	\$151,390				
<b>Operating Expenses:</b>					
OM+A Expenses	\$14,800,994				\$14,800,994
Depreciation/Amortization	\$6,694,092				\$6,694,092
Property taxes	\$229,000				\$229,000
Capital taxes	\$67,305				
Other expenses	\$ -				\$0
<b>3 Taxes/PILs</b>					
<b>Taxable Income:</b>					
Adjustments required to arrive at taxable income	\$306,385	(3)			
<b>Utility Income Taxes and Rates:</b>					
Income taxes (not grossed up)	\$1,135,300				
Income taxes (grossed up)	\$1,645,362				
Capital Taxes	\$67,305				
Federal tax (%)	18.00%				
Provincial tax (%)	13.00%				
Income Tax Credits					
<b>4 Capitalization/Cost of Capital</b>					
<b>Capital Structure:</b>					
Long-term debt Capitalization Ratio (%)	56.0%				
Short-term debt Capitalization Ratio (%)	4.0%	(2)			(2)
Common Equity Capitalization Ratio (%)	40.0%				
Preferred Shares Capitalization Ratio (%)	0.0%				
					Capital Structure must total 100%
<b>Cost of Capital</b>					
Long-term debt Cost Rate (%)	7.62%				
Short-term debt Cost Rate (%)	1.33%				
Common Equity Cost Rate (%)	8.01%				
Preferred Shares Cost Rate (%)	0.00%				

**Notes:**

This input sheet provides all inputs needed to complete sheets 1 through 6 (Rate Base through Revenue Requirement), except for Notes that the utility may wish to use to support the components. Notes should be put on the applicable pages to understand the context of each such note.

- (1) All inputs are in dollars (\$) except where inputs are individually identified as percentages (%)
- (2) 4.0% unless an Applicant has proposed or been approved for another amount.
- (3) Net of addbacks and deductions to arrive at taxable income.
- (4) Average of Gross Fixed Assets at beginning and end of the Test Year
- (5) Average of Accumulated Depreciation at the beginning and end of the Test Year. Enter as a negative amount.



## REVENUE REQUIREMENT WORK FORM

Name of LDC: Burlington Hydro Incorporated

File Number: EB-2009-0159

Rate Year: 2010

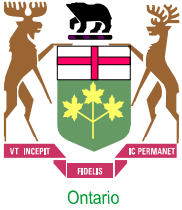
				Rate Base		
Line No.	Particulars		Application	Adjustments	Per Board Decision	
1	Gross Fixed Assets (average)	(3)	\$204,419,334	\$ -	\$204,419,334	
2	Accumulated Depreciation (average)	(3)	(\$121,196,017)	\$ -	(\$121,196,017)	
3	Net Fixed Assets (average)	(3)	\$83,223,317	\$ -	\$83,223,317	
4	Allowance for Working Capital	(1)	\$21,516,741	\$ -	\$21,516,741	
5	<b>Total Rate Base</b>		<b>\$104,740,059</b>	<b>\$ -</b>	<b>\$104,740,059</b>	

(1) Allowance for Working Capital - Derivation					
6	Controllable Expenses		\$15,029,994	\$ -	\$15,029,994
7	Cost of Power		\$128,414,948	\$ -	\$128,414,948
8	Working Capital Base		\$143,444,942	\$ -	\$143,444,942
9	Working Capital Rate %	(2)	15.00%		15.00%
10	Working Capital Allowance		\$21,516,741	\$ -	\$21,516,741

### Notes

- (2) Generally 15%. Some distributors may have a unique rate due as a result of a lead-lag study.  
 (3) Average of opening and closing balances for the year.





## REVENUE REQUIREMENT WORK FORM

Name of LDC: Burlington Hydro Incorporated

File Number: EB-2009-0159

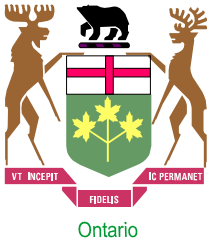
Rate Year: 2010

### Utility income

Line No.	Particulars	Application	Adjustments	Per Board Decision
<b>Operating Revenues:</b>				
1	Distribution Revenue (at Proposed Rates)	\$29,734,912	\$ -	\$29,734,912
2	Other Revenue (1)	\$1,582,902	\$ -	\$1,582,902
3	<b>Total Operating Revenues</b>	<b>\$31,317,814</b>	<b>\$ -</b>	<b>\$31,317,814</b>
<b>Operating Expenses:</b>				
4	OM+A Expenses	\$14,800,994	\$ -	\$14,800,994
5	Depreciation/Amortization	\$6,694,092	\$ -	\$6,694,092
6	Property taxes	\$229,000	\$ -	\$229,000
7	Capital taxes	\$67,305	\$ -	\$67,305
8	Other expense	\$ -	\$ -	\$ -
9	<b>Subtotal</b>	<b>\$21,791,391</b>	<b>\$ -</b>	<b>\$21,791,391</b>
10	Deemed Interest Expense	\$4,525,189	\$ -	\$4,525,189
11	<b>Total Expenses (lines 4 to 10)</b>	<b>\$26,316,581</b>	<b>\$ -</b>	<b>\$26,316,581</b>
12	<b>Utility income before income taxes</b>	<b>\$5,001,233</b>	<b>\$ -</b>	<b>\$5,001,233</b>
13	Income taxes (grossed-up)	\$1,645,362	\$ -	\$1,645,362
14	<b>Utility net income</b>	<b>\$3,355,872</b>	<b>\$ -</b>	<b>\$3,355,872</b>

#### Notes

(1)	<b>Other Revenues / Revenue Offsets</b>		
	Specific Service Charges	\$846,985	\$846,985
	Late Payment Charges	\$202,800	\$202,800
	Other Distribution Revenue	\$381,727	\$381,727
	Other Income and Deductions	\$151,390	\$151,390
	<b>Total Revenue Offsets</b>	<b>\$1,582,902</b>	<b>\$1,582,902</b>



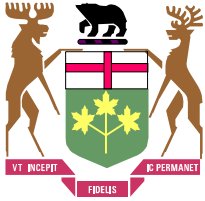
## REVENUE REQUIREMENT WORK FORM

Name of LDC: Burlington Hydro Incorporated  
 File Number: EB-2009-0159  
 Rate Year: 2010

### Taxes/PILs

Line No.	Particulars	Application	Per Board Decision
<b><u>Determination of Taxable Income</u></b>			
1	Utility net income	\$3,355,871	\$3,355,871
2	Adjustments required to arrive at taxable utility income	\$306,385	\$306,385
3	Taxable income	\$3,662,257	\$3,662,257
<b><u>Calculation of Utility income Taxes</u></b>			
4	Income taxes	\$1,135,300	\$1,135,300
5	Capital taxes	\$67,305	\$67,305
6	Total taxes	\$1,202,605	\$1,202,605
7	Gross-up of Income Taxes	\$510,062	\$510,062
8	Grossed-up Income Taxes	\$1,645,362	\$1,645,362
9	PILs / tax Allowance (Grossed-up Income taxes + Capital taxes)	\$1,712,667	\$1,712,667
10	Other tax Credits	\$ -	\$ -
<b><u>Tax Rates</u></b>			
11	Federal tax (%)	18.00%	18.00%
12	Provincial tax (%)	13.00%	13.00%
13	Total tax rate (%)	31.00%	31.00%

**Notes**



Ontario

## REVENUE REQUIREMENT WORK FORM

Name of LDC: Burlington Hydro Incorporated

File Number: EB-2009-0159

Rate Year: 2010

### Capitalization/Cost of Capital

Line No.	Particulars	Capitalization Ratio		Cost Rate	Return
		(%)	(\$)	(%)	(\$)
<b>Application</b>					
<b>Debt</b>					
1	Long-term Debt	56.00%	\$58,654,433	7.62%	\$4,469,468
2	Short-term Debt	4.00%	\$4,189,602	1.33%	\$55,722
3	<b>Total Debt</b>	<b>60.00%</b>	<b>\$62,844,035</b>	<b>7.20%</b>	<b>\$4,525,189</b>
<b>Equity</b>					
4	Common Equity	40.00%	\$41,896,023	8.01%	\$3,355,871
5	Preferred Shares	0.00%	\$ -	0.00%	\$ -
6	<b>Total Equity</b>	<b>40.00%</b>	<b>\$41,896,023</b>	<b>8.01%</b>	<b>\$3,355,871</b>
7	<b>Total</b>	<b>100%</b>	<b>\$104,740,059</b>	<b>7.52%</b>	<b>\$7,881,061</b>
<b>Per Board Decision</b>					
<b>Debt</b>					
8	Long-term Debt	56.00%	\$58,654,433	7.62%	\$4,469,468
9	Short-term Debt	4.00%	\$4,189,602	1.33%	\$55,722
10	<b>Total Debt</b>	<b>60.00%</b>	<b>\$62,844,035</b>	<b>7.20%</b>	<b>\$4,525,189</b>
<b>Equity</b>					
11	Common Equity	40.0%	\$41,896,023	8.01%	\$3,355,871
12	Preferred Shares	0.0%	\$ -	0.00%	\$ -
13	<b>Total Equity</b>	<b>40.0%</b>	<b>\$41,896,023</b>	<b>8.01%</b>	<b>\$3,355,871</b>
14	<b>Total</b>	<b>100%</b>	<b>\$104,740,059</b>	<b>7.52%</b>	<b>\$7,881,061</b>

#### Notes

(1) 4.0% unless an Applicant has proposed or been approved for another amount.



## REVENUE REQUIREMENT WORK FORM

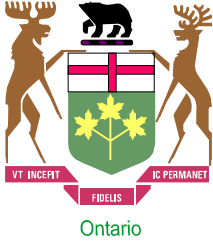
Name of LDC: Burlington Hydro Incorporated  
 File Number: EB-2009-0159  
 Rate Year: 2010

### Revenue Sufficiency/Deficiency

Line No.	Particulars	Per Application		Per Board Decision	
		At Current Approved Rates	At Proposed Rates	At Current Approved Rates	At Proposed Rates
1	Revenue Deficiency from Below		\$3,255,392		\$3,255,392
2	Distribution Revenue	\$26,479,520	\$26,479,520	\$26,479,520	\$26,479,520
3	Other Operating Revenue Offsets - net	\$1,582,902	\$1,582,902	\$1,582,902	\$1,582,902
4	<b>Total Revenue</b>	\$28,062,422	\$31,317,814	\$28,062,422	\$31,317,814
5	Operating Expenses	\$21,791,391	\$21,791,391	\$21,791,391	\$21,791,391
6	Deemed Interest Expense	\$4,525,189	\$4,525,189	\$4,525,189	\$4,525,189
	<b>Total Cost and Expenses</b>	\$26,316,581	\$26,316,581	\$26,316,581	\$26,316,581
7	<b>Utility Income Before Income Taxes</b>	\$1,745,841	\$5,001,233	\$1,745,841	\$5,001,233
	Tax Adjustments to Accounting				
8	Income per 2009 PILs	\$306,385	\$306,385	\$306,385	\$306,385
9	<b>Taxable Income</b>	\$2,052,226	\$5,307,618	\$2,052,226	\$5,307,618
10	Income Tax Rate	31.00%	31.00%	31.00%	31.00%
11	<b>Income Tax on Taxable Income</b>	\$636,190	\$1,645,362	\$636,190	\$1,645,362
12	<b>Income Tax Credits</b>	\$ -	\$ -	\$ -	\$ -
13	<b>Utility Net Income</b>	\$1,109,651	\$3,355,872	\$1,109,651	\$3,355,872
14	<b>Utility Rate Base</b>	\$104,740,059	\$104,740,059	\$104,740,059	\$104,740,059
	Deemed Equity Portion of Rate Base	\$41,896,023	\$41,896,023	\$41,896,023	\$41,896,023
15	Income/Equity Rate Base (%)	2.65%	8.01%	2.65%	8.01%
16	Target Return - Equity on Rate Base	8.01%	8.01%	8.01%	8.01%
	Sufficiency/Deficiency in Return on Equity	-5.36%	0.00%	-5.36%	0.00%
17	Indicated Rate of Return	5.38%	7.52%	5.38%	7.52%
18	Requested Rate of Return on Rate Base	7.52%	7.52%	7.52%	7.52%
19	Sufficiency/Deficiency in Rate of Return	-2.14%	0.00%	-2.14%	0.00%
20	Target Return on Equity	\$3,355,871	\$3,355,871	\$3,355,871	\$3,355,871
21	Revenue Sufficiency/Deficiency	\$2,246,221	\$0	\$2,246,221	\$0
22	<b>Gross Revenue Sufficiency/Deficiency</b>	\$3,255,392 (1)		\$3,255,392 (1)	

**Notes:**

(1) Revenue Sufficiency/Deficiency divided by (1 - Tax Rate)



## REVENUE REQUIREMENT WORK FORM

Name of LDC: Burlington Hydro Incorporated  
 File Number: EB-2009-0159  
 Rate Year: 2010

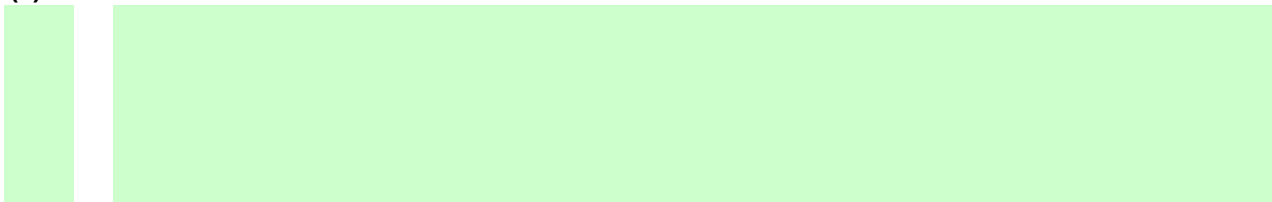
Ontario

Line No.	Particulars	Revenue Requirement	
		Application	Per Board Decision
1	OM&A Expenses	\$14,800,994	\$14,800,994
2	Amortization/Depreciation	\$6,694,092	\$6,694,092
3	Property Taxes	\$229,000	\$229,000
4	Capital Taxes	\$67,305	\$67,305
5	Income Taxes (Grossed up)	\$1,645,362	\$1,645,362
6	Other Expenses	\$ -	\$ -
7	Return		
	Deemed Interest Expense	\$4,525,189	\$4,525,189
	Return on Deemed Equity	\$3,355,871	\$3,355,871
8	Distribution Revenue Requirement before Revenues	<u>\$31,317,814</u>	<u>\$31,317,814</u>
9	Distribution revenue	\$29,734,912	\$29,734,912
10	Other revenue	<u>\$1,582,902</u>	<u>\$1,582,902</u>
11	<b>Total revenue</b>	<u>\$31,317,814</u>	<u>\$31,317,814</u>
12	<b>Difference (Total Revenue Less Distribution Revenue Requirement before Revenues)</b>	<u>\$0 (1)</u>	<u>\$0 (1)</u>

**Notes**

(1)

Line 11 - Line 8





## REVENUE REQUIREMENT WORK FORM

Name of LDC: Burlington Hydro Incorporated

File Number: EB-2009-0159

Rate Year: 2010

Selected Delivery Charge and Bill Impacts Per Draft Rate Order									
		Monthly Delivery Charge				Total Bill			
		Current	Per Draft Rate Order	Change		Current	Per Draft Rate Order	Change	
				\$	%			\$	%
<b>Residential</b>	<b>800 kWh/month</b>	\$ 25.27	\$ 26.91	\$ 1.64	6.5%	\$ 99.62	\$ 101.24	\$ 1.62	1.6%
<b>GS &lt; 50kW</b>	<b>2000 kWh/month</b>	\$ 51.38	\$ 54.67	\$ 3.29	6.4%	\$ 241.56	\$ 244.77	\$ 3.21	1.3%

Notes:

- 1 **FINANCIAL STATEMENTS – 2007 and 2008:**
- 2 Burlington Hydro's Audited 2007 and 2008 Financial Statements accompany this Schedule.

Financial Statements of

**BURLINGTON HYDRO INC.**

Year ended December 31, 2007





**KPMG LLP**  
**Chartered Accountants**  
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Hamilton ON L8N 3R1

Telephone (905) 523-8200  
Fax (905) 523-2222  
Internet [www.kpmg.ca](http://www.kpmg.ca)

## AUDITORS' REPORT

To the Shareholder:

We have audited the balance sheet of Burlington Hydro Inc. as at December 31, 2007 and the statements of earnings and retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation as at December 31, 2007 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. A horizontal line is drawn underneath the signature, extending from the left side of the 'K' towards the right.

Chartered Accountants, Licensed Public Accountants

Hamilton, Canada

March 7, 2008

# BURLINGTON HYDRO INC.

## Balance Sheet

December 31, 2007, with comparative figures for 2006

	2007	2006
<b>Assets</b>		
Current assets:		
Cash and temporary investments	\$ 18,843,995	\$ 14,606,514
Securities held as customers' deposits (note 2)	3,011,845	2,765,260
Accounts receivable (note 3)	13,347,160	14,814,736
Unbilled revenue	17,121,216	16,448,299
Inventories (note 4)	1,097,458	1,068,339
Work in progress	850,141	718,017
Prepaid expenses	285,744	366,377
	<u>54,557,559</u>	<u>50,787,542</u>
Property, plant and equipment (note 5)	78,194,832	76,684,789
Other assets (note 6)	-	3,938,783
Future payment in lieu of taxes	3,042,641	1,322,000
	<u>\$ 135,795,032</u>	<u>\$ 132,733,114</u>
<b>Liabilities and Shareholder's Equity</b>		
Current liabilities:		
Accounts payable and accrued liabilities (note 7)	\$ 18,481,780	\$ 17,884,595
Customers' deposits (note 2)	3,178,221	2,861,802
Work order deposits	2,175,233	2,195,193
Payment in lieu of taxes payable	800,000	1,725,000
Other current liabilities	2,495,435	1,996,671
	<u>27,130,669</u>	<u>26,663,261</u>
Other liabilities (note 6)	877,251	-
Note payable (note 8)	47,878,608	47,878,608
Liability for future benefits (note 9)	2,508,078	2,365,297
Shareholder's equity:		
Capital stock (note 10)	45,139,138	45,139,138
Retained earnings	11,385,060	9,810,582
Paid-in capital	876,228	876,228
	<u>57,400,426</u>	<u>55,825,948</u>
Commitments and contingencies (note 14)		
	<u>\$ 135,795,032</u>	<u>\$ 132,733,114</u>

See accompanying notes to financial statements.

# BURLINGTON HYDRO INC.

## Statement of Earnings and Retained Earnings

Year ended December 31, 2007, with comparative figures for 2006

	2007	2006
Gross revenue	\$ 153,974,351	\$ 152,383,420
Cost of power, wholesale market and network charges	126,794,559	124,527,312
Net distribution revenue	27,179,792	27,856,108
Other operating revenue	3,282,083	3,057,317
	30,461,875	30,913,425
Expenses:		
Operations and maintenance	6,212,066	5,943,651
Billing and collection	2,200,800	2,113,874
General administration	4,654,286	4,289,386
Conservation and Demand Management	511,593	425,292
Depreciation	6,126,244	5,919,185
	19,704,989	18,691,388
Earnings before interest expense and payments in lieu of taxes	10,756,886	12,222,037
Interest expense	3,569,323	3,559,517
Earnings before payment in lieu of taxes	7,187,563	8,662,520
Payment in lieu of taxes (note 16):		
Current	4,633,726	3,882,581
Future	(1,720,641)	(837,000)
	2,913,085	3,045,581
Net earnings	4,274,478	5,616,939
Retained earnings, beginning of year	9,810,582	6,943,643
Dividends paid	(2,700,000)	(2,750,000)
Retained earnings, end of year	\$ 11,385,060	\$ 9,810,582

See accompanying notes to financial statements.

# BURLINGTON HYDRO INC.

## Statement of Cash Flows

Year ended December 31, 2007, with comparative figures for 2006

	2007	2006
Cash provided by (used in):		
Operations (note 11)	\$ 10,217,192	\$ 5,482,273
Financing:		
Liability for future benefits	(176,545)	(174,712)
Decrease (Increase) in securities held as customer deposits	(246,585)	130,220
Increase (Decrease) in customers' deposits	316,419	(139,675)
Dividends paid	(2,700,000)	(2,750,000)
	(2,806,711)	(2,934,167)
Investments:		
Purchase of property, plant and equipment	(7,997,494)	(5,151,763)
Proceeds on sale of property, plant and equipment	8,460	56,412
Other assets/liabilities	4,816,034	2,706,820
	(3,173,000)	(2,388,531)
Increase in cash and temporary investments	4,237,481	159,575
Cash and temporary investments, beginning of year	14,606,514	14,446,939
Cash and temporary investments, end of year	\$ 18,843,995	\$ 14,606,514

See accompanying notes to financial statements.

# BURLINGTON HYDRO INC.

Notes to Financial Statements

Year ended December 31, 2007

On December 1, 1999, Burlington Hydro Inc. (the "Corporation") was incorporated under the Business Corporations Act with net assets contributed from the predecessor hydro-electric commission. The incorporation was required in accordance with the Electricity Act, 1998 (Ontario) (the "EA"). The Corporation provides electricity distribution and related services to its commercial and residential customers. Active operations commenced on January 1, 2000.

## 1. Significant accounting policies:

The Corporation has adopted accounting policies prescribed by the Canadian Institute of Chartered Accountants and therefore the financial statements are prepared in accordance with Canadian generally accepted accounting principles. The Corporation is a regulated distribution company. Significant accounting policies are as follows:

### (a) Revenue recognition:

Revenue is recorded in the accounts to various dates on the basis of monthly or bi-monthly meter readings. Therefore, at the end of an accounting cycle, there is energy used by consumers for which meter readings are not available. This "unbilled revenue" is estimated and recorded in the accounts at the end of each fiscal year.

### (b) Investments:

Investments comprise temporary investments and securities held as customers' deposits. These investments are recorded at the lower of cost and net realizable value.

### (c) Inventories:

Inventories are valued at the lower of average cost and net realizable value and consist of capital construction and maintenance materials and supplies.

### (d) Property, plant and equipment:

Property, plant and equipment are stated at cost. The cost and related accumulated depreciation of transmission and distribution facilities are removed from the accounts at the end of their estimated average service life. When property, plant and equipment are disposed of, their original cost and accumulated depreciation are removed from the accounts and the related gain or loss is included in current operations.

Depreciation is provided on a straight-line basis using the following annual rates:

Asset	Rate
Buildings	2%
Sub-station buildings	2%
Sub-station equipment	3.33%
Transmission and Distribution lines - overhead	4%
Distribution lines - underground	4%
Distribution - transformers	4%
Distribution - meters	4%
Rolling stock	12.5-25%
Tools and equipment	10%
Office equipment	10%
Computer equipment and software	20%
Conservation and demand management equipment	4%

# BURLINGTON HYDRO INC.

Notes to Financial Statements, page 2

Year ended December 31, 2007

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## 1. Significant accounting policies (continued):

### (e) Contributions and grants:

Contributions and grants received for capital are netted against property, plant and equipment and are amortized to income on the same basis as the related asset.

### (f) Payment in lieu of taxes ("PILs"):

The Corporation is currently exempt from taxes under the Income Tax Act (Canada) ("ITA") and the Ontario Corporations Tax Act ("OCTA").

Pursuant to the EA, the Corporation is required to compute taxes under the ITA and OCTA and remit such amounts there under computed to the Ministry of Finance (Ontario).

The Corporation provides for PILs using the asset and liability method. Under this method, future tax assets and liabilities are recognized, to the extent such are determined likely to be realized, for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Future tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on future tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the date of enactment or substantive enactment. When unrecorded future income taxes become payable, it is expected that they will be included in the rates approved by the Ontario Energy Board (OEB) and recovered from the customers of the Corporation at that time.

PILs recoverable from loss carryforwards are recorded in future payments in lieu of taxes on the balance sheet at the current enacted statutory tax rates expected to apply when recovery of the loss carryforwards are expected to be recovered.

### (g) Employee future benefits:

The Corporation pays certain life insurance benefits, under unfunded defined benefit plans, on behalf of its retired employees and extended health and dental benefits under unfunded defined benefit plans, on behalf of early retirees. These post-retirement costs are recognized in the period in which the employees rendered their services to the Corporation.

### (h) Paid in capital:

Paid in capital arises from development charges received prior to January 1, 2000 which were provided or paid for by developers, and are recorded as a permanent component of shareholder's equity.

# BURLINGTON HYDRO INC.

Notes to Financial Statements, page 3

Year ended December 31, 2007

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## 1. Significant accounting policies (continued):

### (i) Measurement uncertainty:

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and note disclosures related thereto. Due to the inherent uncertainty in making estimates, actual results could differ from these estimates recorded in preparing these financial statements including changes as a result of future regulatory decisions.

Accounts receivable, unbilled revenue and regulatory assets are stated after evaluation of amounts expected to be collected and an appropriate allowance for doubtful accounts or valuation allowance. Inventories are recorded net of provisions for obsolescence. Amounts recorded for depreciation of property, plant and equipment are based on estimates of useful service life. The liability for future benefits is based on certain assumptions, including interest (discount) rates, salary escalation, the average retirement age of employees, employee turnover and expected health and dental costs.

### (j) Financial Instruments:

Effective January 1, 2007, the Corporation adopted three new accounting standards comprising the following sections of the Canadian Institute of Chartered Accountants (CICA) Handbook: 1530 – Comprehensive Income: 3855 - Financial Instruments – Recognition and Measurement; 3861 – Financial Instruments – Disclosure and Presentation. The adoption of these new standards required changes in the accounting for financial instruments. The comparative financial statements have not been restated as required under these standards. The principal changes in the accounting for financial instruments, due to the adoption of the accounting standards are described below:

#### Financial Assets and liabilities

Under the new standards, all financial instruments are classified into one of the following categories – held-for-trading, available for sale, held-to-maturity, other liabilities or loans and receivables. All financial instruments are carried on the balance sheet at fair value except for loans and receivables, held-to-maturity investments and other liabilities, which are measured at amortized cost.

The Corporation has classified its financial instruments as follows:

Cash and temporary investments	Held for trading
Securities held as customers' deposits	Held for trading
Accounts receivable	Loans and receivables
Unbilled revenue	Loans and receivables
Accounts payable and accrued liabilities	Other liabilities
Customer and work order deposits	Other liabilities
Note payable	Other liabilities

# BURLINGTON HYDRO INC.

Notes to Financial Statements, page 4

Year ended December 31, 2007

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## 1. Significant accounting policies (continued):

### (j) Financial Instruments (continued):

#### Derivatives and hedge accounting

The Corporation does not have derivatives and does not engage in derivative trading or speculative activities. Hedge accounting has not been used in the preparation of these financial statements.

## 2. Securities held as customers' deposits:

The OEB requires Corporations to periodically review customers' deposits and where appropriate, refund such deposits. During this review, Corporations may also request a deposit from customers based on certain criteria.

The Corporation has a policy of funding customers' deposits and paying interest on these deposits at a rate determined quarterly. Securities held as customers' deposits represent the funds segregated to fund the customer deposit refunds. The average rate of interest paid by the Corporation for 2007 was 4.06% (2006-3.62%).

## 3. Accounts receivable:

	2007	2006
Customer receivables	\$ 12,298,926	\$ 14,421,029
Receivable from Burlington Hydro Electric Inc.	4,000	4,000
Other	1,269,234	589,707
	<u>13,572,160</u>	<u>15,014,736</u>
Less allowance for doubtful accounts	225,000	200,000
	<u>\$ 13,347,160</u>	<u>\$ 14,814,736</u>



# BURLINGTON HYDRO INC.

Notes to Financial Statements, page 5

Year ended December 31, 2007

## 4. Inventories:

	2007	2006
Stores	\$ 934,232	\$ 936,010
Reels	18,414	13,819
Transformers	60,360	71,087
Meters	84,452	47,423
	<b>\$ 1,097,458</b>	<b>\$ 1,068,339</b>

## 5. Property, plant and equipment:

	2007		2006	
	Cost	Accumulated depreciation	Net book value	Net book value
Land	\$ 488,353	\$ 12,332	\$ 476,021	\$ 302,473
Buildings	7,238,892	2,861,063	4,377,829	4,345,435
Sub-station buildings	1,882,378	848,649	1,033,729	1,026,587
Sub-station equipment	15,090,283	9,450,525	5,639,758	5,421,589
Transmission – overhead	575,000	23,000	552,000	
Distribution lines - overhead	51,616,275	27,717,223	23,899,052	23,054,855
Distribution lines - underground	53,002,532	28,916,362	24,086,170	23,598,233
Distribution - transformers	37,693,619	19,757,230	17,936,389	17,507,394
Distribution - meters	13,323,834	7,040,082	6,283,752	6,406,844
Rolling stock	3,132,317	2,233,789	898,528	772,769
Tools and equipment	2,289,004	2,049,469	239,535	204,498
Office equipment	998,075	766,955	231,120	180,388
Computer equipment	2,000,940	1,790,567	210,373	267,941
Computer software	3,116,749	2,506,468	610,281	565,360
Conservation and demand management equipment	1,478,379	116,120	1,362,259	912,061
Contributions and grants	(11,447,083)	(1,805,119)	(9,641,964)	(7,881,638)
	<b>\$ 182,479,547</b>	<b>\$ 104,284,715</b>	<b>\$ 78,194,832</b>	<b>\$ 76,684,789</b>

Total depreciation expense for the year is \$6,486,151 (2006 - \$6,237,640) of which \$359,907 (2006 - \$318,455) has been allocated to distribution and utilization expense.

# BURLINGTON HYDRO INC.

Notes to Financial Statements, page 6

Year ended December 31, 2007

## 6. Other assets (liabilities):

	2007	2006
Regulatory Assets (Liabilities):		
Opening Balance	\$ 4,838,783	\$ 7,545,603
Activity for the year	(2,115,139)	(333,991)
Regulatory Assets Recovered	(2,700,895)	(2,372,829)
	22,749	4,838,783
Valuation allowance	(900,000)	(900,000)
	\$ (877,251)	\$ 3,938,783

Net regulatory assets (liabilities) represent costs incurred by the Corporation in excess of amounts billed to the consumer at OEB approved rates less recoveries. These amounts have been accumulated pursuant to the Electricity Act and deferred in anticipation of their future recovery in electricity distribution rates. Management assesses the future uncertainty with respect to the final regulatory disposition of those amounts, and to the extent required, makes accounting provisions to reduce the deferred balances accumulated or to increase the recorded liabilities. Upon rendering of the final regulatory decision adjusting distribution rates, the provisions are adjusted to reflect the final impact of that decision, and such adjustment is reflected in net earnings for the period.

Regulatory assets and liabilities attract interest at OEB prescribed rates. In 2007 the rates ranged from 4.59% to 5.14%.

The Corporation filed for final recovery of the net regulatory asset balances as of December 31, 2004 over a two year period in August 2005. The application was approved by the OEB effective May 1, 2006.

The continuing restructuring of Ontario's electricity industry and other regulatory developments, including current and possible future consultations between the OEB and interested stakeholders, may affect the distribution rates that the Corporation may charge and the costs that the Corporation may recover, including the balance of its regulatory assets.

# BURLINGTON HYDRO INC.

Notes to Financial Statements, page 7

Year ended December 31, 2007

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## 6. Other assets (liabilities) (continued):

### Rate Regulation

The Corporation is regulated by the Ontario Energy Board ("OEB"), under the authority granted by the Ontario Energy Board Act (1998). The OEB has the power and responsibility to approve or fix rates for the transmission and distribution of electricity, providing continued rate protection for rural and remote electricity consumers, and ensuring that distribution companies fulfill obligations to connect and service customers. The OEB may also prescribe license requirements and conditions of service to electricity distributors which may include, among other things, record keeping, regulatory accounting principles, separation of accounts for distinct businesses, and filing and process requirements for rate setting purposes. In its capacity to approve or set rates, the OEB has the authority to specify regulatory accounting treatments that may differ from Canadian generally accepted accounting principles for enterprises operating in a non-rate regulated environment.

In January 2000, the OEB established that distribution rates would be subject to Performance Based Regulation ("PBR"), a method of regulation whereby distribution rates are reduced annually to reflect productivity improvements required of the Corporation. Under this rate methodology, rates also include regulated amounts for return on Corporation equity and debt, which were initially determined by the OEB to be 9.88% and 7.25%, respectively. While the initial PBR regulatory framework provided for those regulatory rates of return, subsequent regulation and Provincial Government initiatives prevented distribution companies from fully achieving the theoretical rate of return on equity.

In 2005, the Corporation filed a rate application to adjust its distribution charges to provide for the full theoretical regulatory rate of return of 9.88% and continued recovery of its regulatory assets. As mandated by the OEB, the rate increase is subject to a financial commitment by the Corporation to invest \$2,157,862 in conservation and demand management activities over the period July 1, 2004 to September 30, 2007. Spending on this program has been completed.

In 2006 the Corporation filed a rate application to adjust its distribution charges to provide for a regulatory rate of return of 9% and \$400,000 in conservation and demand management activities. This rate increase is subject to a financial commitment by the Corporation to invest \$400,000 in conservation and demand management activities over the period May 1, 2006 to April 30, 2007. The rate application and application for the approval of its conservation and demand management programs have been approved by the OEB. Spending on this program has been completed.

### Smart Meters

The Province of Ontario has committed to have "Smart Meter" electricity meters installed in 800,000 homes and small businesses by the end of 2007 and throughout Ontario by the end of 2010. Smart Meters permit consumption to be recorded within specific time intervals and specific tariffs to be levied within such intervals. *Bill 21, Energy Conservation and Responsibility Act*, provides the legislative framework and regulations to support this initiative.

# BURLINGTON HYDRO INC.

Notes to Financial Statements, page 8

Year ended December 31, 2007

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## 6. Other assets (liabilities) (continued):

Included in distribution rates effective May 1, 2006 is a charge for smart meters of \$0.27 per metered customer per month. Consistent with the OEB's direction and pending further guidance, all smart meter related expenditures and recoveries are currently being deferred in regulatory accounts.

## 7. Accounts payable and accrued liabilities:

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	2007	2006
Commodity and transmission charges	\$ 10,898,738	\$ 11,250,690
City of Burlington	5,668	67,722
Region of Halton	3,131,529	2,980,672
Payable to Burlington Electricity Services Inc.	49,583	45,365
Developer's rebate	1,876,422	1,875,794
Other	2,519,840	1,664,352
	<hr/>	<hr/>
	\$ 18,481,780	\$ 17,884,595

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## 8. Note payable:

The promissory note payable is due on demand to the City of Burlington. The City has waived its right to demand payment until January 1, 2009. The note bears interest at 7.25%. Interest of \$3,471,199 (2006 - \$3,471,199) to the City was expensed during the year.

# BURLINGTON HYDRO INC.

Notes to Financial Statements, page 9

Year ended December 31, 2007

## 9. Liability for future benefits:

The Corporation pays certain life insurance benefits on behalf of its retired employees as well as extended health and dental benefits for early retirees to age 65. The Corporation recognizes these post-retirement costs in the period in which the employees rendered the services. An actuarial valuation of the plan obligations was completed for the year ending December 31, 2006. These results have been extrapolated by the actuary to December 31, 2007.

Information about the Corporation's defined benefit plan is as follows

	2007	2006
Accrued benefit liability recognized in the balance sheet, beginning of year	\$ 2,365,297	\$ 2,228,002
Expense for the year	319,326	312,007
Benefits paid for the year	(176,545)	(174,712)
Projected accrued benefit obligation, at end of year	\$ 2,508,078	\$ 2,365,297

The main actuarial assumptions employed for the valuations are as follows:

(a) General inflation:

Future general inflation levels, as measured by changes in the Consumer Price Index ("CPI"), were assumed at 2.1% in 2006 and thereafter.

(b) Interest (discount rate):

The obligation as at year end, of the present value of future liabilities and the expense for the year, was determined using a discount rate of 5.00%. This corresponds to the assumed CPI rate plus an assumed real rate of return of 2.9%.

(c) Salary levels:

Future general salary and wage levels were assumed to increase at a rate consistent with the rate of inflation.

(d) Medical costs:

Medical costs were assumed to increase at the CPI rate plus a further increase of 6.9% in 2006 graded down to 2.9% in 2012 and thereafter.

(e) Dental costs:

Dental costs were assumed to increase at the CPI rate plus a further increase of 2.9% in 2006 and thereafter.

# BURLINGTON HYDRO INC.

Notes to Financial Statements, page 10

Year ended December 31, 2007

## 10. Capital stock:

Capital stock consists of the following:

	2007	2006
Authorized: Unlimited number of common shares		
Issued: 2,000 common shares	\$ 45,139,138	\$ 45,139,138

## 11. Cash flow information:

(a) Reconciliation of net income to cash provided by operations:

	2007	2006
Net earnings	\$ 4,274,478	\$ 5,616,939
Items not involving cash:		
Depreciation	6,486,151	6,237,640
Gain on disposal of property, plant and equipment	(7,160)	(56,106)
Reduction of valuation allowance	-	(1,100,000)
Future benefits expense	319,326	312,007
Future payment in lieu of taxes	(1,720,641)	(837,000)
Change in non-cash working capital:		
Accounts receivable	1,467,576	(3,097,971)
Unbilled revenue	(672,917)	1,062,886
Inventories	(29,119)	(153,047)
Work in progress	(132,124)	(22,756)
Prepaid expenses	80,633	(72,985)
Accounts payable and accrued liabilities	597,185	(4,325,356)
Work order deposits	(19,960)	(171,146)
Payments in lieu of taxes receivable/payable	(925,000)	2,088,115
Other current liabilities	498,764	1,053
	\$ 10,217,192	\$ 5,482,273

(b) Supplemental cash flow information:

	2007	2006
Cash received during the year from interest	\$ 943,496	\$ 715,371
Cash paid during the year for interest	3,471,199	3,471,199
Cash paid during the year for PILs	5,847,588	2,551,363
Non-cash financing activities:		
Capital Contributions	1,117,192	1,511,097

# BURLINGTON HYDRO INC.

Notes to Financial Statements, page 11

Year ended December 31, 2007

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## 12. Pension plans:

The Corporation makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of its staff. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and the best 60 consecutive months average earnings.

Contributions by the Corporation were at a rate of 6.5% for employee earnings below the year's maximum pensionable earnings and 9.6% thereafter.

The amount contributed to OMERS for 2007 was \$495,716 (2006 - \$476,717) for current service. Of the 2007 contribution \$ Nil (2006 - \$159,018) has been included in regulatory assets (liabilities). The balance of 2006 contributions have been expensed as it is included in the May 1, 2006 distribution rates.

## 13. Public liability insurance:

The Corporation through its parent company is a named insurer of the Municipal Electric Association Reciprocal Insurance Exchange ("MEARIE"), which was created on January 1, 1987. A reciprocal insurance exchange may be defined as a group of persons formed for the purpose of exchanging reciprocal contracts of indemnity or inter-insurance with each other through the same attorney. MEARIE provides general liability insurance to member electric utilities in accordance with the Power Corporation Act of Ontario; subsection 116(2), to a maximum of \$20,000,000 per occurrence.

Insurance premiums charged to each municipal electric utility consists of a levy per thousand dollars of service revenue subject to a credit/surcharge based on each electric utility's claims experience.

## 14. Commitments and contingencies:

### Commitment:

The Corporation has a \$14,000,000 revolving line of credit facility available for use. A letter of credit in the amount of \$14,000,000 has been issued in favour of the IESO as security for the Corporation's purchase of electricity through the IESO. No other amounts were drawn down on the line of credit at year end.

### Contingent liability:

A class action claiming \$500 million in restitutionary payments plus interest was served on Toronto Hydro on November 18, 1998. The action was initiated against Toronto Hydro Electric Commission as the representative of the Defendant Class consisting of all municipal electric utilities in Ontario. The action has not yet been certified as a class action and no discoveries have been held, as the parties were awaiting the outcome of a similar proceeding brought against Enbridge Gas Distribution Inc. (formerly Consumers Gas).

# BURLINGTON HYDRO INC.

Notes to Financial Statements, page 12

Year ended December 31, 2007

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## 14. Commitments and contingencies (continued):

On April 22, 2004, the Supreme Court of Canada released a decision in the Consumers Gas case rejecting all of the defences which had been raised by Enbridge, although the Court did not permit the Plaintiff class to recover damages for any period prior to the issuance of the Statement of Claim in 1994 challenging the validity of late payment penalties. The Supreme Court remitted the matter back to the Ontario Superior Court of Justice for determination of the damages. At the end of 2006, a mediation process resulted in the settlement of the damages payable by Enbridge.

After the release by the Supreme Court of Canada of its 2004 decision in the Consumers Gas case, the plaintiffs in the LDC late payment penalties class action indicated their intention to proceed with their litigation against the LDCs. To date, no formal steps have been taken to move the action forward. The electric utilities intend to respond to the action if and when it proceeds on the basis that the LDC's situation may be distinguishable from that of Consumers Gas.

At this time it is not possible to quantify the effect, if any, on the financial statements of Burlington Hydro Inc.

### Developer Rebate:

Contributions are received from developers to finance necessary capital additions. The OEB requires the utility to calculate a rebate to the developers based upon recoverability of capital investment through future hydro usage. At December 31, 2007 a liability in the amount of \$1,876,422 (2006 - \$1,875,794) was accrued. This growth is expected to continue in the future. Working capital will be drawn down to support these payments.

## 15. Transactions with related parties:

Related parties are the Corporation's parent, Burlington Hydro-Electric Inc., a subsidiary of the parent, Burlington Electricity Services Inc. and the parent of the Corporation's parent, the City of Burlington.

The Corporation paid a management fee of \$113,656 (2006 - \$120,313) to its parent. The Corporation received \$338,410 (2006 - \$338,684) for billing services and \$215,410 (2006 - \$181,840) for administrative services from companies under common control.

The Corporation purchased services from a company under common control in the amount of \$176,390 (2006 - \$35,781) during the year.

During the year, the Corporation earned gross revenue of \$2,675,752 (2006 - \$2,728,656) from the City of Burlington. Of this amount, \$310,969 (2006 - \$304,942) was net distribution revenue.



# BURLINGTON HYDRO INC.

Notes to Financial Statements, page 13

Year ended December 31, 2007

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## 16. Payments in lieu of taxes:

The provision for PILs varies from amounts, which would be computed by applying the Corporation's combined statutory income tax rate as follows:

	2007	2006
Basic rate applied to income before PILs	36.12%	36.12%
Increase (decrease) in PILs resulting from:		
Tax basis of depreciable capital assets in excess of accounting basis	(3.42)	(3.71)
Items not deductible for tax purposes and other	7.83	1.18
Change in future tax rate	-	1.57
<b>Effective rate applied to income before PILs</b>	<b>40.53%</b>	<b>35.16%</b>

At year end, based on substantively enacted income tax rates, future income tax assets of \$5,910,000 (2006 - \$7,001,000) have not been recorded. Such future income tax assets relate to tax bases of depreciable capital assets in excess of amounts recorded for accounting purposes as well as a portion of employee future benefits. Such future tax assets have not been recorded in the accounts, as there is uncertainty as to whether the Corporation will realize the benefits related to these assets, which would be realized as relatively modest reductions of future tax liability over many future years.

## 17. Financial instruments:

The carrying values of cash and temporary investments, securities held as customers' deposits, accounts receivable, unbilled revenue, accounts payable and accrued liabilities, and customer and work order deposits approximate fair values because of the short maturity of these instruments.

It was not practicable to estimate the fair value of the note payable as there are no future cash flows required under the terms of this debt.

Financial assets held by the Corporation, such as accounts receivable and unbilled revenue, expose it to credit risk. The Corporation earns its revenue from a broad base of customers located in the City of Burlington. No single customer in either year would account for revenue in excess of 3% of the respective reported balances.

## 18. Comparative figures:

Certain comparative figures have been reclassified to conform with the financial statement presentation adopted in the current year.

Financial Statements of

**BURLINGTON HYDRO INC.**

Year ended December 31, 2008



**KPMG LLP**  
**Chartered Accountants**  
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Hamilton ON L8N 3R1

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## AUDITORS' REPORT

To the Shareholder:

We have audited the balance sheet of Burlington Hydro Inc. as at December 31, 2008 and the statements of earnings and retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation as at December 31, 2008 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. A horizontal line is drawn underneath the signature, extending from the left side of the 'K' towards the right.

Chartered Accountants, Licensed Public Accountants

Hamilton, Canada

March 6, 2009

# BURLINGTON HYDRO INC.

## Balance Sheet

December 31, 2008, with comparative figures for 2007

	2008	2007
<b>Assets</b>		
Current assets:		
Cash and temporary investments	\$ 14,057,444	\$ 18,843,995
Securities held as customers' deposits (note 2)	3,171,911	3,011,845
Accounts receivable (note 3)	13,451,124	13,347,160
Unbilled revenue	16,783,266	17,121,216
Payment in lieu of taxes receivable	1,765,999	-
Inventories (note 4)	1,286,191	1,097,458
Work in progress	1,164,655	850,141
Prepaid expenses	474,262	285,744
	<u>52,154,852</u>	<u>54,557,559</u>
Property, plant and equipment (note 5)	81,061,926	78,194,832
Future payment in lieu of taxes	3,887,641	3,042,641
	<u>\$ 137,104,419</u>	<u>\$ 135,795,032</u>
<b>Liabilities and Shareholder's Equity</b>		
Current liabilities:		
Accounts payable and accrued liabilities (note 7)	\$ 17,741,964	\$ 18,481,780
Customers' deposits (note 2)	3,378,160	3,178,221
Work order deposits	3,255,319	2,175,233
Payment in lieu of taxes payable	-	800,000
Other current liabilities	2,175,920	2,495,435
	<u>26,551,363</u>	<u>27,130,669</u>
Other liabilities (note 6)	2,790,341	877,251
Note payable (note 8)	47,878,608	47,878,608
Liability for future benefits (note 9)	2,681,058	2,508,078
Shareholder's equity:		
Capital stock (note 10)	45,139,138	45,139,138
Retained earnings	11,187,683	11,385,060
Paid in capital	876,228	876,228
	<u>57,203,049</u>	<u>57,400,426</u>
Commitments and contingencies (note 14)		
	<u>\$ 137,104,419</u>	<u>\$ 135,795,032</u>

See accompanying notes to financial statements.

On behalf of the Board:

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

# BURLINGTON HYDRO INC.

## Statement of Earnings and Retained Earnings

Year ended December 31, 2008, with comparative figures for 2007

	2008	2007
Gross revenue	\$ 150,368,419	\$ 153,974,351
Cost of power, wholesale market and network charges	122,902,847	126,794,559
Net distribution revenue	27,465,572	27,179,792
Other operating revenue	2,671,999	3,282,083
	30,137,571	30,461,875
Expenses:		
Operations and maintenance	6,794,939	6,723,659
Billing and collection	2,432,448	2,200,800
General administration	4,624,892	4,654,286
Depreciation	6,205,927	6,126,244
	20,058,206	19,704,989
Earnings before interest expense and payments in lieu of taxes	10,079,365	10,756,886
Interest expense	3,551,971	3,569,323
Earnings before payment in lieu of taxes	6,527,394	7,187,563
Payment in lieu of taxes (note 17):		
Current	2,869,771	4,633,726
Future	(845,000)	(1,720,641)
	2,024,771	2,913,085
Net earnings	4,502,623	4,274,478
Retained earnings, beginning of year	11,385,060	9,810,582
Dividends paid	(4,700,000)	(2,700,000)
Retained earnings, end of year	\$ 11,187,683	\$ 11,385,060

See accompanying notes to financial statements.

# BURLINGTON HYDRO INC.

## Statement of Cash Flows

Year ended December 31, 2008, with comparative figures for 2007

	2008	2007
<b>Cash provided by (used in):</b>		
Operations (note 11)	\$ 7,203,247	\$ 9,897,866
<b>Financing:</b>		
Liability for future benefits	172,980	142,781
Securities held as customer deposits	(160,066)	(246,585)
Customers' deposits	199,939	316,419
Dividends paid	(4,700,000)	(2,700,000)
	<u>(4,487,147)</u>	<u>(2,487,385)</u>
<b>Investments:</b>		
Purchase of property, plant and equipment	(9,464,290)	(7,997,494)
Proceeds on sale of property, plant and equipment	48,549	8,460
Other liabilities	1,913,090	4,816,034
	<u>(7,502,651)</u>	<u>(3,173,000)</u>
(Decrease) increase in cash and temporary investments	(4,786,551)	4,237,481
Cash and temporary investments, beginning of year	18,843,995	14,606,514
Cash and temporary investments, end of year	<u>\$ 14,057,444</u>	<u>\$ 18,843,995</u>

See accompanying notes to financial statements.

# BURLINGTON HYDRO INC.

Notes to Financial Statements

Year ended December 31, 2008

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On December 1, 1999, Burlington Hydro Inc. (the "Corporation") was incorporated under the Business Corporations Act with net assets contributed from the predecessor hydro-electric commission. The incorporation was required in accordance with the Electricity Act, 1998 (Ontario) (the "EA"). The Corporation provides electricity distribution and related services to its commercial and residential customers. Active operations commenced on January 1, 2000.

## 1. Significant accounting policies:

The Corporation has adopted accounting policies prescribed by the Canadian Institute of Chartered Accountants and therefore the financial statements are prepared in accordance with Canadian generally accepted accounting principles. The Corporation is a regulated distribution company. Significant accounting policies are as follows:

### (a) Revenue recognition:

Revenue is recorded in the accounts to various dates on the basis of monthly or bi-monthly meter readings. Therefore, at the end of an accounting cycle, there is energy used by consumers for which meter readings are not available. This "unbilled revenue" is estimated and recorded in the accounts at the end of each fiscal year.

### (b) Investments:

Investments comprise temporary investments and securities held as customers' deposits. These investments are recorded at fair value.

### (c) Inventories:

Effective January 1, 2008, the Corporation adopted Canadian Institute of Chartered Accountant's (CICA) Handbook Section 3031, *Inventories*. Under the new standard, inventories are required to be measured at the lower of cost and net realizable value and any items considered to be major future components of property, plant and equipment are to be transferred to fixed assets. This new standard also provides updated guidance on the appropriate methods of determining cost and the impact of any write-downs to net realizable value. The implementation of this standard did not have any impact on the Corporations' results of operations.

Inventories are valued at the lower of average cost and net realizable value and consist of maintenance materials and supplies.

The amount of inventories consumed by the Corporation and recognized as an expense during 2008 was \$381,360 (2007 - \$347,807).

# BURLINGTON HYDRO INC.

Notes to Financial Statements, page 2

Year ended December 31, 2008

## 1. Significant accounting policies (continued):

### (d) Property, plant and equipment:

Property, plant and equipment are stated at cost. The cost and related accumulated depreciation of transmission and distribution facilities are removed from the accounts at the end of their estimated average service life. When property, plant and equipment are disposed of, their original cost and accumulated depreciation are removed from the accounts and the related gain or loss is included in current operations.

Depreciation is provided on a straight-line basis using the following annual rates:

Asset	Rate
Buildings	2%
Sub-station buildings	2%
Sub-station equipment	3.33%
Distribution lines - overhead	4%
Distribution lines - underground	4%
Distribution - transformers	4%
Distribution - meters	4%
Rolling stock	12.5-25%
Tools and equipment	10%
Office equipment	10%
Computer equipment and software	20%
Conservation and demand management equipment	4%

### (e) Contributions and grants:

Contributions and grants received for capital are netted against property, plant and equipment and are amortized to income on the same basis as the related asset.

### (f) Payment in lieu of taxes ("PILs"):

The Corporation is currently exempt from taxes under the Income Tax Act (Canada) ("ITA") and the Ontario Corporations Tax Act ("OCTA").

Pursuant to the EA, the Corporation is required to compute taxes under the ITA and OCTA and remit such amounts there under computed to the Ministry of Finance (Ontario).

The Corporation provides for PILs using the asset and liability method. Under this method, future tax assets and liabilities are recognized, to the extent such are determined likely to be realized, for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Future tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on future tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the date of enactment or substantive enactment. When unrecorded future income taxes become payable, it is expected that they will be included in the rates approved by the Ontario Energy Board (OEB) and recovered from the customers of the Corporation at that time.



# BURLINGTON HYDRO INC.

Notes to Financial Statements, page 3

Year ended December 31, 2008

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## 1. Significant accounting policies (continued):

### (f) Payment in lieu of taxes ("PILs") (continued):

PILs recoverable from loss carry forwards are recorded in future payments in lieu of taxes on the balance sheet at the current enacted statutory tax rates expected to apply when recovery of the loss carry forwards are expected to be recovered.

### (g) Employee future benefits:

The Corporation pays certain life insurance benefits, under unfunded defined benefit plans, on behalf of its retired employees and extended health and dental benefits under unfunded defined benefit plans, on behalf of early retirees. These post-retirement costs are recognized in the period in which the employees rendered their services to the Corporation. The excess of the net accumulated actuarial losses over 10% of the accrued benefit obligation is amortized over the average remaining service period of active employees.

### (h) Paid in capital:

Paid in capital arises from development charges received prior to January 1, 2000 which were provided or paid for by developers, and are recorded as a permanent component of shareholder's equity.

### (i) Measurement uncertainty:

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and note disclosures related thereto. Due to the inherent uncertainty in making estimates, actual results could differ from the estimates recorded in preparing these financial statements including changes as a result of future regulatory decisions.

Accounts receivable, unbilled revenue and regulatory assets are stated after evaluation of amounts expected to be collected and an appropriate allowance for doubtful accounts or valuation allowance. Inventories are recorded net of provisions for obsolescence. Amounts recorded for depreciation of property, plant and equipment are based on estimates of useful service life. The liability for future benefits is based on certain assumptions, including interest (discount) rates, salary escalation, the average retirement age of employees, employee turnover and expected health and dental costs.

# BURLINGTON HYDRO INC.

Notes to Financial Statements, page 4

Year ended December 31, 2008

## 1. Significant accounting policies (continued):

### (j) Financial instruments:

All financial instruments are classified into one of the following categories – held-for-trading, available for sale, held-to-maturity, other liabilities or loans and receivables. All financial instruments are carried on the balance sheet at fair value except for loans and receivables, held-to-maturity investments and other liabilities, which are measured at amortized cost. The Corporation has chosen to apply Handbook Section 3861 *Financial Instruments - Disclosure and Presentation*.

The Corporation has classified its financial instruments as follows:

Cash and temporary investments	Held for trading
Securities held as customers' deposits	Held for trading
Accounts receivable	Loans and receivables
Unbilled revenue	Loans and receivables
Accounts payable and accrued liabilities	Other liabilities
Customer and work order deposits	Other liabilities
Note payable	Other liabilities

### Derivatives and hedge accounting

The Corporation does not have derivatives and does not engage in derivative trading or speculative activities. Hedge accounting has not been used in the preparation of these financial statements.

## 2. Securities held as customers' deposits:

The OEB requires companies to periodically review customers' deposits and where appropriate, refund such deposits. During this review, companies may also request a deposit from customers based on certain criteria.

The Corporation has a policy of funding customers' deposits and paying interest on these deposits at a rate determined quarterly. Securities held as customers' deposits represent the funds segregated to fund the customer deposit refunds. The average rate of interest paid by the Corporation for 2008 was 3.19% (2007 - 4.06%).

## 3. Accounts receivable:

	2008	2007
Customer receivables	\$ 13,026,002	\$ 12,298,926
Receivable from Burlington Hydro Electric Inc.	4,225	4,000
Other	780,897	1,269,234
	13,811,124	13,572,160
Less allowance for doubtful accounts	360,000	225,000
	\$ 13,451,124	\$ 13,347,160

# BURLINGTON HYDRO INC.

Notes to Financial Statements, page 5

Year ended December 31, 2008

## 4. Inventories:

	2008	2007
Stores	\$ 1,155,152	\$ 934,232
Reels	24,279	18,414
Transformers	56,596	60,360
Meters	50,164	84,452
	<b>\$ 1,286,191</b>	<b>\$ 1,097,458</b>

## 5. Property, plant and equipment:

	2008		2007	
	Cost	Accumulated depreciation	Net book value	Net book value
Land	\$ 488,354	\$ 15,201	\$ 473,153	\$ 476,021
Buildings	7,497,804	3,033,933	4,463,871	4,377,829
Sub-station buildings	2,017,246	897,561	1,119,685	1,033,729
Sub-station equipment	15,543,073	9,983,435	5,559,638	5,639,758
Distribution lines - overhead	56,302,655	29,695,282	26,607,373	24,451,052
Distribution lines - underground	56,046,506	30,854,843	25,191,663	24,086,170
Distribution - transformers	39,911,353	21,121,804	18,789,549	17,936,389
Distribution - meters	13,369,252	7,489,327	5,879,925	6,283,752
Rolling stock	3,234,371	2,071,076	1,163,295	898,528
Tools and equipment	2,325,570	2,096,305	229,265	239,535
Office equipment	1,005,737	804,722	201,015	231,120
Computer equipment	2,051,473	1,875,159	176,314	210,373
Computer software	3,375,076	2,675,085	699,991	610,281
Conservation and demand management equipment	1,478,379	207,926	1,270,453	1,362,259
Contributions and grants	(13,092,065)	(2,328,801)	(10,763,264)	(9,641,964)
	<b>\$ 191,554,784</b>	<b>\$ 110,492,858</b>	<b>\$ 81,061,926</b>	<b>\$ 78,194,832</b>

Total depreciation expense for the year is \$6,597,196 (2007 - \$6,486,151) of which \$391,269 (2007 - \$359,907) has been allocated to distribution and utilization expense.

# BURLINGTON HYDRO INC.

Notes to Financial Statements, page 6

Year ended December 31, 2008

## 6. Other liabilities:

	2008	2007
Regulatory liabilities (assets):		
Opening balance	\$ (22,749)	\$ (4,838,783)
Activity for the year	1,776,894	2,115,139
Regulatory assets recovered	1,036,196	2,700,895
	2,790,341	(22,749)
Valuation allowance	-	900,000
	\$ 2,790,341	\$ 877,251

Net regulatory liabilities represent amounts billed to the consumer at OEB approved rates less recoveries in excess of costs incurred by the Corporation. These amounts have been accumulated pursuant to the Electricity Act and deferred in anticipation of their future recovery in electricity distribution rates. Management assesses the future uncertainty with respect to the final regulatory disposition of those amounts, and to the extent required, makes accounting provisions to reduce the deferred balances accumulated or to increase the recorded liabilities. Upon rendering of the final regulatory decision adjusting distribution rates, the provisions are adjusted to reflect the final impact of that decision, and such adjustment is reflected in net earnings for the period.

Regulatory assets and liabilities attract interest at OEB prescribed rates. In 2008 the rates ranged from 3.35% to 5.14%.

The Corporation filed for final recovery of the net regulatory asset balances as of December 31, 2004 over a two year period in August 2005. The application was approved by the OEB effective May 1, 2007. The provision to recover regulatory assets previously incurred by the Corporation and approved in the 2006 rate application was removed from rates effective April 30, 2008.

The continuing restructuring of Ontario's electricity industry and other regulatory developments, including current and possible future consultations between the OEB and interested stakeholders, may affect the distribution rates that the Corporation may charge and the costs that the Corporation may recover, including the balance of its regulatory assets.

# BURLINGTON HYDRO INC.

Notes to Financial Statements, page 7

Year ended December 31, 2008

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## 6. Other liabilities (continued):

### Rate Regulation

The Corporation is regulated by the Ontario Energy Board ("OEB"), under the authority granted by the Ontario Energy Board Act (1998). The OEB has the power and responsibility to approve or fix rates for the transmission and distribution of electricity, providing continued rate protection for rural and remote electricity consumers, and ensuring that distribution companies fulfill obligations to connect and service customers. The OEB may also prescribe license requirements and conditions of service to electricity distributors which may include, among other things, record keeping, regulatory accounting principles, separation of accounts for distinct businesses, and filing and process requirements for rate setting purposes. In its capacity to approve or set rates, the OEB has the authority to specify regulatory accounting treatments that may differ from Canadian generally accepted accounting principles for enterprises operating in a non-rate regulated environment.

In 2006 the Corporation filed a rate application to adjust its distribution charges under the Performance Based Rate methodology. Under this methodology, the Corporation was allowed a rate of return on Corporation debt and equity of 7.25% and 9.0% respectively. The application also included the provision to recover regulatory assets previously incurred by the Corporation.

In 2007, the Corporation filed a rate application under the Incentive Regulation Mechanism (IRM) to decrease its distribution charges based on province wide net efficiency factor of 0.9%. These rates were approved by the OEB and were effective May 1, 2008.

### Smart Meters

The Province of Ontario has committed to have "Smart Meter" electricity meters installed in 800,000 homes and small businesses by the end of 2007 and throughout Ontario by the end of 2010. Smart Meters permit consumption to be recorded within specific time intervals and specific tariffs to be levied within such intervals. *Bill 21, Energy Conservation and Responsibility Act*, provides the legislative framework and regulations to support this initiative.

# BURLINGTON HYDRO INC.

Notes to Financial Statements, page 8

Year ended December 31, 2008

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## 6. Other liabilities (continued):

The 2007 rate application included the provision to continue to recover the charge for smart meters in the amount of \$0.27 per metered customer per month. Consistent with the OEB's direction and pending further guidance, all smart meter related expenditures and recoveries are currently being deferred in regulatory accounts.

## 7. Accounts payable and accrued liabilities:

	2008	2007
Commodity and transmission charges	\$ 10,660,067	\$ 10,898,738
City of Burlington	4,691	5,668
Region of Halton	3,208,106	3,131,529
Payable to Burlington Electricity Services Inc.	116,813	49,583
Developer's rebate	1,948,126	1,876,422
Other	1,804,161	2,519,840
	<hr/>	<hr/>
	\$ 17,741,964	\$ 18,481,780

## 8. Note payable:

The promissory note payable is due on demand to the City of Burlington. The City has waived its right to demand payment until January 1, 2010. The note bears interest at 7.25%. Interest of \$3,471,199 (2007 - \$3,471,199) to the City was expensed during the year.

# BURLINGTON HYDRO INC.

Notes to Financial Statements, page 9

Year ended December 31, 2008

## 9. Liability for future benefits:

The Corporation pays certain life insurance benefits on behalf of its retired employees as well as extended health and dental benefits for early retirees to age 65. The Corporation recognizes these post-retirement costs in the period in which the employees rendered the services. An actuarial valuation of the plan obligations was completed for the year ending December 31, 2006. These results have been extrapolated by the actuary to December 31, 2008.

Information about the Corporation's defined benefit plan is as follows

	2008	2007
Accrued benefit obligation, beginning of year	\$ 3,256,815	\$ 3,175,512
Expense for the year	267,479	257,848
Benefits paid for the year	(154,910)	(176,545)
Projected accrued benefit obligation, at end of year	3,369,384	3,256,815
Unamortized actuarial loss	688,326	748,737
Liability for future benefits	\$ 2,681,058	\$ 2,508,078

The main actuarial assumptions employed for the valuations are as follows:

(a) General inflation:

Future general inflation levels, as measured by changes in the Consumer Price Index ("CPI"), were assumed at 2.1% in 2006 and thereafter.

(b) Interest (discount rate):

The obligation as at year end, of the present value of future liabilities and the expense for the year, was determined using a discount rate of 5.00%. This corresponds to the assumed CPI rate plus an assumed real rate of return of 2.9%.

(c) Salary levels:

Future general salary and wage levels were assumed to increase at a rate consistent with the rate of inflation.

(d) Medical costs:

Medical costs were assumed to increase at the CPI rate plus a further increase of 6.9% in 2006 graded down to 2.9% in 2012 and thereafter.

(e) Dental costs:

Dental costs were assumed to increase at the CPI rate plus a further increase of 2.9% in 2006 and thereafter.

# BURLINGTON HYDRO INC.

Notes to Financial Statements, page 10

Year ended December 31, 2008

## 10. Capital stock:

Capital stock consists of the following:

	2008	2007
Authorized:		
Unlimited number of common shares		
Issued:		
2,000 common shares	\$ 45,139,138	\$ 45,139,138

## 11. Cash flow information:

(a) Reconciliation of net income to cash provided by operations:

	2008	2007
Net earnings	\$ 4,502,623	\$ 4,274,478
Items not involving cash:		
Depreciation	6,597,196	6,486,151
Gain on disposal of property, plant and equipment	(48,549)	(7,160)
Future payment in lieu of taxes	(845,000)	(1,720,641)
Change in non-cash working capital:		
Accounts receivable	(103,964)	1,467,576
Unbilled revenue	337,950	(672,917)
Inventories	(188,733)	(29,119)
Work in progress	(314,514)	(132,124)
Prepaid expenses	(188,518)	80,633
Accounts payable and accrued liabilities	(739,816)	597,185
Work order deposits	1,080,086	(19,960)
Payments in lieu of taxes receivable/payable	(2,565,999)	(925,000)
Other current liabilities	(319,515)	498,764
	\$ 7,203,247	\$ 9,897,866

(b) Supplemental cash flow information:

	2008	2007
Cash received during the year from interest	\$ 581,953	\$ 943,496
Cash paid during the year for interest	3,471,199	3,471,199
Cash paid during the year for PILs	5,641,346	5,847,588
Non-cash financing activities:		
Capital contributions	617,676	1,117,192



# BURLINGTON HYDRO INC.

Notes to Financial Statements, page 11

Year ended December 31, 2008

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## 12. Pension plans:

The Corporation makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of its staff. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and the best 60 consecutive months average earnings.

Contributions by the Corporation were at a rate of 6.5% for employee earnings below the year's maximum pensionable earnings and 9.6% thereafter.

The amount contributed to OMERS for 2008 was \$510,720 (2007 - \$495,716) for current service.

## 13. Public liability insurance:

The Corporation through its parent company is a named insurer of the Municipal Electric Association Reciprocal Insurance Exchange ("MEARIE"), which was created on January 1, 1987. A reciprocal insurance exchange may be defined as a group of persons formed for the purpose of exchanging reciprocal contracts of indemnity or inter-insurance with each other through the same attorney. MEARIE provides general liability insurance to member electric utilities in accordance with the Power Corporation Act of Ontario; subsection 116(2), to a maximum of \$20,000,000 per occurrence.

Insurance premiums charged to each municipal electric utility consists of a levy per thousand dollars of service revenue subject to a credit/surcharge based on each electric utility's claims experience.

## 14. Commitments and contingencies:

### Commitment:

The Corporation has a \$14,000,000 revolving line of credit facility available for use. A letter of credit in the amount of \$14,000,000 has been issued in favour of the Independent Electricity System Operator (IESO) as security for the Corporation's purchase of electricity through the IESO. No other amounts were drawn down on the line of credit at year end.

### Contingent liability:

A class action claiming \$500 million in restitutionary payments plus interest was served on Toronto Hydro on November 18, 1998. The action was initiated against Toronto Hydro Electric Commission as the representative of the Defendant Class consisting of all municipal electric utilities in Ontario.

# BURLINGTON HYDRO INC.

Notes to Financial Statements, page 12

Year ended December 31, 2008

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## 14. Commitments and contingencies (continued):

On April 22, 2004, the Supreme Court of Canada released a decision in the Enbridge case rejecting all of the defences which had been raised by Enbridge, although the Court did not permit the Plaintiff class to recover damages for any period prior to the issuance of the Statement of Claim in 1994 challenging the validity of late payment penalties. The Supreme Court remitted the matter back to the Ontario Superior Court of Justice for determination of the damages. At the end of 2006, a mediation process resulted in the settlement of the damages payable by Enbridge.

On February 4, 2008, the OEB, in response to an application filed by Enbridge, ruled that all of Enbridge's costs related to settlements of the class action lawsuits, including legal costs, settlement cost and interest, are recoverable from ratepayers. The OEB's decision allows Enbridge to recover all amounts over a five year period commencing in 2008.

The Corporation is not a party to the Enbridge class action, however, it is anticipated that the above noted class action will now proceed for determination in light of the reasons of the Supreme Court in the Enbridge class action.

The Defendant Class may have defences available to it in this action that were not disposed of by the Supreme Court in the Enbridge class action. Also, the determination of whether the late payment charges collected by the Corporation from its customers were in excess of the interest limit stipulated in section 347 of the Criminal Code is fact specific in each circumstance.

At this time it is not possible to quantify the effect, if any, on the financial statements of Burlington Hydro Inc.

### Developer rebate:

Contributions are received from developers to finance necessary capital additions. The OEB requires the utility to calculate a rebate to the developers based upon recoverability of capital investment through future hydro usage. At December 31, 2008 a liability in the amount of \$1,948,126 (2007 - \$1,876,422) was accrued. This growth is expected to continue in the future. Working capital will be drawn down to support these payments.

## 15. Transactions with related parties:

Related parties are the Corporation's parent, Burlington Hydro-Electric Inc., a subsidiary of the parent, Burlington Electricity Services Inc. and the parent of the Corporation's parent, the City of Burlington.

The Corporation paid a management fee of \$118,954 (2007 - \$113,656) to its parent. The Corporation received \$357,688 (2007 - \$338,410) for billing services and \$146,159 (2007 - \$215,410) for administrative services from companies under common control.

The Corporation purchased services from a company under common control in the amount of \$67,371 (2007 - \$176,390) during the year.

During the year, the Corporation earned gross revenue of \$2,473,773 (2007 - \$2,675,752) from the City of Burlington. Of this amount, \$276,466 (2007 - \$310,969) was net distribution revenue.

# BURLINGTON HYDRO INC.

Notes to Financial Statements, page 13

Year ended December 31, 2008

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## 16. Capital disclosures:

The main objectives of the Corporation when managing capital are to ensure ongoing access to funding to maintain and improve the electricity distribution system, compliance with covenants related to its credit facilities, prudent management of its capital structure with regard for recoveries of financing charges permitted by the OEB on its regulated electricity distribution business, and to deliver the appropriate financial returns.

The Corporation's definition of capital includes shareholder's equity and long-term debt. As at December 31, 2008, shareholder's equity amounts to \$57,203,049 (2007 - \$57,400,426) and long-term debt amounts to \$47,878,608 (2007 - \$47,878,608).

The OEB regulates the amount of interest on debt and the rate of return that may be recovered by the Corporation, through its electricity distribution rates, in respect of its regulated electricity distribution business. The OEB permits such recoveries on the basis of a deemed capital structure represented by 53.3% debt and 46.7% equity. The actual capital structure for the Corporation may differ from the OEB's deemed structure.

## 17. Payments in lieu of taxes:

The provision for PILs varies from amounts, which would be computed by applying the Corporation's combined statutory income tax rate as follows:

	2008	2007
Basic rate applied to income before PILs	33.50%	36.12%
Increase (decrease) in PILs resulting from:		
Tax basis of depreciable capital assets in excess of accounting basis	(3.50)	(3.42)
Items not deductible for tax purposes and other	1.02	7.83
<b>Effective rate applied to income before PILs</b>	<b>31.02%</b>	<b>40.53%</b>

At year end, based on substantively enacted income tax rates, future income tax assets of \$5,682,000 (2007 - \$5,910,000) have not been recorded. Such future income tax assets relate to tax bases of depreciable capital assets in excess of amounts recorded for accounting purposes as well as a portion of employee future benefits. Such future tax assets have not been recorded in the accounts, as there is uncertainty as to whether the Corporation will realize the benefits related to these assets, which would be realized as relatively modest reductions of future tax liability over many future years.

# BURLINGTON HYDRO INC.

Notes to Financial Statements, page 14

Year ended December 31, 2008

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## 18. Financial instruments:

The carrying values of cash and temporary investments, securities held as customers' deposits, accounts receivable, unbilled revenue, accounts payable and accrued liabilities, and customer and work order deposits approximate fair values because of the short maturity of these instruments.

It was not practicable to estimate the fair value of the note payable as there are no future cash flows required under the terms of this debt.

Financial assets held by the Corporation, such as accounts receivable and unbilled revenue, expose it to credit risk. The Corporation earns its revenue from a broad base of customers located in the City of Burlington. No single customer in either year would account for revenue in excess of 3% of the respective reported balances.

## 19. Emerging accounting changes:

### Rate regulated entities

In August 2007, the Canadian Accounting Standards Board (AcSB) issued a decision, effective January 1, 2009, to withdraw the temporary exemption in CICA Handbook Section 1100, Generally Accepted Accounting Principles, which permits the recognition and measurement of assets and liabilities arising from rate regulation. Further, CICA Handbook Section 3465, *Income Taxes*, was amended to require the recognition of future income tax liabilities and assets for regulated enterprises that were previously not subject these provisions. Consequently, the Corporation will be required to reflect on its Consolidated Balance Sheet, the effect of applying the liability method when accounting for payments in lieu of corporate income taxes and a corresponding regulatory asset. The Corporation is currently assessing the impact of the AcSB's decision on its Consolidated Balance Sheet.

### International Financial Reporting Standards ["IFRS"]

On February 13, 2008, the AcSB announced that publicly accountable enterprises will be required to change over to IFRS effective January 1, 2011. Some of the converged standards will be implemented in Canada during the transition period with the remaining standards adopted at the change over date. The Corporation has launched an internal initiative to govern the conversion process and is currently in the process of evaluating the potential impact of the conversion to IFRS on its financial statements.

## 20. Comparative figures:

Certain comparative figures have been reclassified to conform with the financial statement presentation adopted in the current year.

1 **PRO FORMA FINANCIAL STATEMENTS - 2009 AND 2010:**

- 2 The Burlington Hydro Pro Forma Statements for the 2009 Bridge Year and the 2010 Test Year
- 3 accompany this Schedule.

**2009 BALANCE SHEET**

Account Description	Total
<b>1050-Current Assets</b>	
1005-Cash	7,863,796
1010-Cash Advances and Working Funds	750
1020-Interest Special Deposits	-
1030-Dividend Special Deposits	-
1040-Other Special Deposits	-
1060-Term Deposits	4,023,000
1070-Current Investments	-
1100-Customer Accounts Receivable	10,865,270
1102-Accounts Receivable - Services	-
1104-Accounts Receivable - Recoverable Work	-
1105-Accounts Receivable - Merchandise, Jobbing, etc.	-
1110-Other Accounts Receivable	3,066,200
1120-Accrued Utility Revenues	17,039,000
1130-Accumulated Provision for Uncollectable Accounts -- Credit	(360,000)
1140-Interest and Dividends Receivable	11,630
1150-Rents Receivable	-
1170-Notes Receivable	-
1180-Prepayments	325,000
1190-Miscellaneous Current and Accrued Assets	-
1200-Accounts Receivable from Associated Companies	4,000
1210-Notes Receivable from Associated Companies	-
<b>1050-Current Assets Total</b>	<b>42,838,646</b>
<b>1100-Inventory</b>	
1305-Fuel Stock	18,952
1330-Plant Materials and Operating Supplies	1,264,831
1340-Merchandise	-
1350-Other Material and Supplies	-
<b>1100-Inventory Total</b>	<b>1,283,783</b>
<b>1150-Non-Current Assets</b>	
1405-Long Term Investments in Non-Associated Companies	-
1408-Long Term Receivable - Street Lighting Transfer	-
1410-Other Special or Collateral Funds	-
1415-Sinking Funds	-
1425-Unamortized Debt Expense	-
1445-Unamortized Discount on Long-Term Debt--Debit	-
1455-Unamortized Deferred Foreign Currency Translation Gains and Losses	-
1460-Other Non-Current Assets	27,500
1465-O.M.E.R.S. Past Service Costs	-
1470-Past Service Costs - Employee Future Benefits	-
1475-Past Service Costs -Other Pension Plans	-
1480-Portfolio Investments - Associated Companies	-
1485-Investment In Subsidiary Companies - Significant Influence	-
1490-Investment in Subsidiary Companies	-
<b>1150-Non-Current Assets Total</b>	<b>27,500</b>

**2009 BALANCE SHEET**

<b>1200-Other Assets and Deferred Charges</b>	
1505-Unrecovered Plant and Regulatory Study Costs	-
1508-Other Regulatory Assets	1,039,759
1510-Preliminary Survey and Investigation Charges	-
1515-Emission Allowance Inventory	-
1516-Emission Allowance Withheld	-
1518-RCVA Retail	(50,524)
1525-Miscellaneous Deferred Debits	13,153
1530-Deferred Losses from Disposition of Utility Plant	-
1540-Deferred Losses from Disposition of Utility Plant	-
1545-Development Charge Deposits/ Receivables	-
1548-RCVA - Service Transaction Request (STR)	(7,330)
1550-LV Charges - Variance	(199,624)
1555-Smart Meters Recovery	11,542,010
1556-Smart Meters OM & A	240,252
1562-Deferred PILs	(1,104,825)
1563-Deferred PILs - Contra	1,104,825
1565-C & DM Costs	7,971
1566-C & DM Costs Contra	(7,971)
1570-Qualifying Transition Costs	-
1571-Pre Market CofP Variance	-
1572-Extraordinary Event Losses	-
1574-Deferred Rate Impact Amounts	-
1580-RSVA - Wholesale Market Services	(3,993,760)
1582-RSVA - One-Time	290,116
1584-RSVA - Network Charges	(931,052)
1586-RSVA - Connection Charges	(233,327)
1588-RSVA - Commodity (Power)	1,299,506
1590-Recovery of Regulatory Assets (25% of 2002 bal.)	(609,460)
<b>1200-Other Assets and Deferred Charges Total</b>	<b>8,399,720</b>

<b>1450-Distribution Plant</b>	
1805-Land	202,703
1806-Land Rights	189,351
1808-Buildings and Fixtures	2,122,246
1810-Leasehold Improvements	-
1815-Transformer Station Equipment - Normally Primary above 50 kV	-
1820-Distribution Station Equipment - Normally Primary below 50 kV	13,060,895
1825-Storage Battery Equipment	-
1830-Poles, Towers and Fixtures	24,130,933
1835-Overhead Conductors and Devices	36,975,997
1840-Underground Conduit	12,179,310
1845-Underground Conductors and Devices	24,012,099
1850-Line Transformers	42,011,353
1855-Services	25,764,097
1860-Meters	14,276,572
1865-Other Installations on Customer's Premises	-
<b>1450-Distribution Plant Total</b>	<b>194,925,556</b>

**2009 BALANCE SHEET**

<b>1500-General Plant</b>	
1905-Land	96,300
1906-Land Rights	-
1908-Buildings and Fixtures	7,933,713
1910-Leasehold Improvements	-
1915-Office Furniture and Equipment	1,269,152
1920-Computer Equipment - Hardware	1,892,832
1925-Computer Software	4,180,452
1930-Transportation Equipment	3,928,084
1935-Stores Equipment	292,425
1940-Tools, Shop and Garage Equipment	1,329,349
1945-Measurement and Testing Equipment	368,948
1950-Power Operated Equipment	-
1955-Communication Equipment	191,861
1960-Miscellaneous Equipment	-
1970-Load Management Controls - Customer Premises	-
1975-Load Management Controls - Utility Premises	-
1980-System Supervisory Equipment	2,884,678
1985-Sentinel Lighting Rentals	-
1990-Other Tangible Property	-
1995-Contributions and Grants	(19,292,065)
<b>1500-General Plant Total</b>	<b>5,075,728</b>

<b>1550-Other Capital Assets</b>	
2005-Property Under Capital Leases	-
2010-Electric Plant Purchased or Sold	-
2020-Experimental Electric Plant Unclassified	-
2030-Electric Plant and Equipment Leased to Others	-
2040-Electric Plant Held for Future Use	-
2050-Completed Construction Not Classified--Electric	-
2055-Construction Work in Progress--Electric	850,000
2060-Electric Plant Acquisition Adjustment	-
2065-Other Electric Plant Adjustment	-
2070-Other Utility Plant	-
2075-Non-Utility Property Owned or Under Capital Lease	-
<b>1550-Other Capital Assets Total</b>	<b>850,000</b>

<b>1600-Accumulated Amortization</b>	
2105-Accumulated Amortization of Electric Utility Plant - Property, Plant and Equipment	(117,510,344)
2120-Accumulated Amortization of Electric Utility Plant - Intangibles	-
2140-Accumulated Amortization of Electric Plant Acquisition Adjustment	-
2160-Accumulated Amortization of Other Utility Plant	-
2180-Accumulated Amortization of Non-Utility Property	-
<b>1600-Accumulated Amortization Total</b>	<b>(117,510,344)</b>

<b>1</b>	<b>Total Assets</b>	<b>135,890,589</b>
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**2009 BALANCE SHEET**

<b>1650-Current Liabilities</b>	
2205-Accounts Payable	1,517,384
2208-Customer Credit Balances	530,000
2210-Current Portion of Customer Deposits	2,851,900
2215-Dividends Declared	-
2220-Miscellaneous Current and Accrued Liabilities	17,824,220
2225-Notes and Loans Payable	-
2240-Accounts Payable to Associated Companies	69,425
2242-Notes Payable to Associated Companies	-
2250-Competition Transition Charges Payable	943,000
2252-Transmission Charges Payable	-
2254-Electric Safety Authority Fees Payable	-
2256-Independent Market Operator Fees and Penalties Payable	-
2260-Current Portion of Long Term Debt	-
2262-Ontario Hydro Debt - Current Portion	-
2264-Pensions and Employee Benefits - Current Portion	-
2268-Accrued Interest on Long Term Debt	-
2270-Matured Long Term Debt	-
2272-Matured Interest on Long Term Debt	-
2285-Obligations Under Capital Leases--Current	-
2290-Commodity Taxes	250,971
2292-Payroll Deductions / Expenses Payable	-
2294-Accrual for Taxes, "Payments in Lieu" of Taxes, Etc.	-
2296-Future Income Taxes - Current	-
<b>1650-Current Liabilities Total</b>	<b>23,986,900</b>

<b>1700-Non-Current Liabilities</b>	
2305-Accumulated Provision for Injuries and Damages	-
2306-Employee Future Benefits	2,868,000
2308-Other Pensions - Past Service Liability	-
2310-Vested Sick Leave Liability	-
2315-Accumulated Provision for Rate Refunds	-
2320-Other Miscellaneous Non-Current Liabilities	62,300
2325-Obligations Under Capital Lease--Non-Current	-
2330-Development Charge Fund	-
2335-Long Term Customer Deposits	2,283,800
2340-Collateral Funds Liability	-
2345-Unamortized Premium on Long Term Debt	-
2348-O.M.E.R.S. - Past Service Liability - Long Term Portion	-
2350-Future Income Tax - Non-Current	(3,042,641)
2405-Other Regulatory Liabilities	-
2410-Deferred Gains From Disposition of Utility Plant	-
2415-Unamortized Gain on Reacquired Debt	-
2425-Other Deferred Credits	-
2435-Accrued Rate-Payer Benefit	-
<b>1700-Non-Current Liabilities Total</b>	<b>2,171,459</b>

**2009 BALANCE SHEET**

<b>1800-Long-Term Debt</b>	
2505-Debentures Outstanding - Long Term Portion	-
2510-Debenture Advances	-
2515-Required Bonds	-
2520-Other Long Term Debt	47,878,608
2525-Term Bank Loans - Long Term Portion	4,000,000
2530-Ontario Hydro Debt Outstanding - Long Term Portion	-
2550-Advances from Associated Companies	-
<b>1800-Long-Term Debt Total</b>	<b>51,878,608</b>

<b>1850-Shareholders' Equity</b>	
3005-Common Shares Issued	45,139,138
3008-Preference Shares Issued	-
3010-Contributed Surplus	-
3020-Donations Received	-
3022-Development Charges Transferred to Equity	876,228
3026-Capital Stock Held in Treasury	-
3030-Miscellaneous Paid-In Capital	-
3035-Installments Received on Capital Stock	-
3040-Appropriated Retained Earnings	-
3045-Unappropriated Retained Earnings	8,872,076
3046-Balance Transferred From Income	2,966,180
3047-Appropriations of Retained Earnings - Current Period	-
3048-Dividends Payable-Preference Shares	-
3049-Dividends Payable-Common Shares	-
3055-Adjustment to Retained Earnings	-
3065-Unappropriated Undistributed Subsidiary Earnings	-
<b>1850-Shareholders' Equity Total</b>	<b>57,853,622</b>

<b>Total Liabilities &amp; Shareholder's Equity</b>	<b>135,890,589</b>
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<b>Balance Sheet Total</b>	<b>-</b>
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<b>2009 STATEMENT OF INCOME AND RETAINED EARNINGS</b>	
<b>Account Description</b>	<b>Total</b>
<b>3000-Sales of Electricity</b>	
4006-Residential Energy Sales	(33,250,286)
4010-Commercial Energy Sales	-
4015-Industrial Energy Sales	-
4020-Energy Sales to Large Users	-
4025-Street Lighting Energy Sales	(584,057)
4030-Sentinel Energy Sales	-
4035-General Energy Sales	(69,009,760)
4040-Other Energy Sales to Public Authorities	-
4045-Energy Sales to Railroads and Railways	-
4050-Revenue Adjustment	-
4055-Energy Sales for Resale	-
4060-Interdepartmental Energy Sales	-
4062-WMS	(9,760,667)
4064-Billed WMS-One Time	-
4066-NS	(8,610,129)
4068-CS	(8,033,456)
4075-LV Charges	(65,966)
<b>3000-Sales of Electricity Total</b>	<b>(129,314,321)</b>
<b>3050-Revenues From Services - Distirbution</b>	
4080-Distribution Services Revenue	(27,329,974)
4082-RS Rev	(68,000)
4084-Serv Tx Requests	(3,300)
4090-Electric Services Incidental to Energy Sales	-
<b>3050-Revenues From Services - Distirbution Total</b>	<b>(27,401,274)</b>
<b>3100-Other Operating Revenues</b>	
4205-Interdepartmental Rents	-
4210-Rent from Electric Property	(202,217)
4215-Other Utility Operating Income	-
4220-Other Electric Revenues	(103,680)
4225-Late Payment Charges	(200,000)
4230-Sales of Water and Water Power	-
4235-Miscellaneous Service Revenues	(956,901)
4240-Provision for Rate Refunds	-
4245-Government Assistance Directly Credited to Income	-
<b>3100-Other Operating Revenues Total</b>	<b>(1,462,798)</b>

**2009 STATEMENT OF INCOME AND RETAINED EARNINGS**

<b>3150-Other Income &amp; Deductions</b>	
4305-Regulatory Debits	-
4310-Regulatory Credits	-
4315-Revenues from Electric Plant Leased to Others	-
4320-Expenses of Electric Plant Leased to Others	-
4325-Revenues from Merchandise, Jobbing, Etc.	-
4330-Costs and Expenses of Merchandising, Jobbing, Etc	-
4335-Profits and Losses from Financial Instrument Hedges	-
4340-Profits and Losses from Financial Instrument Investments	-
4345-Gains from Disposition of Future Use Utility Plant	-
4350-Losses from Disposition of Future Use Utility Plant	-
4355-Gain on Disposition of Utility and Other Property	-
4360-Loss on Disposition of Utility and Other Property	(2,080)
4365-Gains from Disposition of Allowances for Emission	-
4370-Losses from Disposition of Allowances for Emission	-
4375-Revenues from Non-Utility Operations	(375,821)
4380-Expenses of Non-Utility Operations	303,044
4385-Expenses of Non-Utility Operations	-
4390-Miscellaneous Non-Operating Income	(45,000)
4395-Rate-Payer Benefit Including Interest	-
4398-Foreign Exchange Gains and Losses, Including Amortization	-
<b>3150-Other Income &amp; Deductions Total</b>	<b>(119,857)</b>
<b>3200-Investment Income</b>	
4405-Interest and Dividend Income	(66,225)
4415-Equity in Earnings of Subsidiary Companies	-
<b>3200-Investment Income Total</b>	<b>(66,225)</b>
<b>3350-Power Supply Expenses</b>	
4705-Power Purchased	102,844,104
4708-WMS	9,760,667
4710-Cost of Power Adjustments	-
4712-0	-
4714-NW	8,610,129
4715-System Control and Load Dispatching	-
4716-NCN	8,033,456
4720-Other Expenses	-
4725-Competition Transition Expense	-
4730-Rural Rate Assistance Expense	-
4750-LV Charges	65,966
<b>3350-Power Supply Expenses Total</b>	<b>129,314,322</b>

**2009 STATEMENT OF INCOME AND RETAINED EARNINGS**

<b>3500-Distribution Expenses - Operation</b>	
5005-Operation Supervision and Engineering	-
5010-Load Dispatching	1,049,785
5012-Station Buildings and Fixtures Expense	102,981
5014-Transformer Station Equipment - Operation Labour	-
5015-Transformer Station Equipment - Operation Supplies and Expenses	-
5016-Distribution Station Equipment - Operation Labour	519,152
5017-Distribution Station Equipment - Operation Supplies and Expenses	274,022
5020-Overhead Distribution Lines and Feeders - Operation Labour	278,657
5025-Overhead Distribution Lines and Feeders - Operation Supplies and Expenses	419,111
5030-Overhead Subtransmission Feeders - Operation	-
5035-Overhead Distribution Transformers - Operation	147,345
5040-Underground Distribution Lines and Feeders - Operation Labour	154,360
5045-Underground Distribution Lines and Feeders - Operation Supplies and Expenses	556,455
5050-Underground Subtransmission Feeders - Operation	-
5055-Underground Distribution Transformers - Operation	67,554
5060-Street Lighting and Signal System Expense	-
5065-Meter Expense	224,982
5070-Customer Premises - Operation Labour	154,420
5075-Customer Premises - Materials and Expenses	31,187
5085-Miscellaneous Distribution Expense	-
5090-Underground Distribution Lines and Feeders - Rental Paid	71
5095-Overhead Distribution Lines and Feeders - Rental Paid	177,625
5096-Other Rent	-
<b>3500-Distribution Expenses - Operation Total</b>	<b>4,157,707</b>
<b>3550-Distribution Expenses - Maintenance</b>	
5105-Maintenance Supervision and Engineering	-
5110-Maintenance of Structures	105,301
5112-Maintenance of Transformer Station Equipment	-
5114-Maint Dist Stn Equip	85,889
5120-Maintenance of Poles, Towers and Fixtures	128,507
5125-Maintenance of Overhead Conductors and Devices	598,891
5130-Maintenance of Overhead Services	241,431
5135-Overhead Distribution Lines and Feeders - Right of Way	457,050
5145-Maintenance of Underground Conduit	33,746
5150-Maintenance of Underground Conductors and Devices	335,263
5155-Maintenance of Underground Services	224,597
5160-Maintenance of Line Transformers	191,165
5165-Maintenance of Street Lighting and Signal Systems	-
5170-Sentinel Lights - Labour	-
5172-Sentinel Lights - Materials and Expenses	-
5175-Maintenance of Meters	211,169
5178-Customer Installations Expenses - Leased Property	-
5195-Maintenance of Other Installations on Customer Premises	-
<b>3550-Distribution Expenses - Maintenance Total</b>	<b>2,613,009</b>

**2009 STATEMENT OF INCOME AND RETAINED EARNINGS**

<b>3650-Billing and Collecting</b>	
5305-Supervision	-
5310-Meter Reading Expense	405,824
5315-Customer Billing	696,594
5320-Collecting	195,053
5325-Collecting - Cash Over and Short	100
5330-Collection Charges	11,967
5335-Bad Debt Expense	400,000
5340-Miscellaneous Customer Accounts Expenses	608,207
<b>3650-Billing and Collecting Total</b>	<b>2,317,744</b>
<b>3700-Community Relations</b>	
5405-Supervision	-
5410-Community Relations - Sundry	25,000
5415-Energy Conservation	3,026
5420-Community Safety Program	19,075
5425-Miscellaneous Customer Service and Informational Expenses	-
<b>3700-Community Relations Total</b>	<b>47,101</b>
<b>3800-Administrative and General Expenses</b>	
5605-Executive Salaries and Expenses	753,577
5610-Management Salaries and Expenses	481,277
5615-General Administrative Salaries and Expenses	1,329,826
5620-Office Supplies and Expenses	369,528
5625-Administrative Expense Transferred-Credit	(250,377)
5630-Outside Services Employed	333,506
5635-Property Insurance	124,077
5640-Injuries and Damages	128,973
5645-Employee Pensions and Benefits	332,009
5650-Franchise Requirements	-
5655-Regulatory Expenses	519,153
5660-General Advertising Expenses	10,000
5665-Miscellaneous Expenses	443,765
5670-Rent	119,895
5675-Maintenance of General Plant	205,797
5680-Electrical Safety Authority Fees	-
5685-Independent Market Operator Fees and Penalties	-
5695-OM&A Contra Account	-
<b>3800-Administrative and General Expenses Total</b>	<b>4,901,006</b>

<b>2009 STATEMENT OF INCOME AND RETAINED EARNINGS</b>	
<b>3850-Amortization Expense</b>	
5705-Amortization Expense - Property, Plant and Equipment	6,436,328
5710-Amortization of Limited Term Electric Plant	-
5715-Amortization of Intangibles and Other Electric Plant	-
5720-Amortization of Electric Plant Acquisition Adjustments	-
5725-Miscellaneous Amortization	-
5730-Amortization of Unrecovered Plant and Regulatory Study Costs	-
5735-Amortization of Deferred Development Costs	-
5740-Amortization of Deferred Charges	-
<b>3850-Amortization Expense Total</b>	<b>6,436,328</b>
<b>3900-Interest Expense</b>	
6005-Interest on Long Term Debt	3,696,202
6010-Amortization of Debt Discount and Expense	-
6015-Amortization of Premium on Debt-Credit	-
6020-Amortization of Loss on Reacquired Debt	-
6025-Amortization of Gain on Reacquired Debt-Credit	-
6030-Interest on Debt to Associated Companies	-
6035-Other Interest Expense	-
6040-Allowance for Borrowed Funds Used During Construction-Credit	-
6042-Allowance for Other Funds Used During Construction	-
6045-Interest Expense on Capital Lease Obligations	-
<b>3900-Interest Expense Total</b>	<b>3,696,202</b>
<b>3950-Taxes Other Than Income Taxes</b>	
6105-Taxes Other Than Income Taxes	478,722
<b>3950-Taxes Other Than Income Taxes Total</b>	<b>478,722</b>
<b>4000-Income Taxes</b>	
6110-Income Taxes	1,394,536
6115-Provision for Future Income Taxes	-
<b>4000-Income Taxes Total</b>	<b>1,394,536</b>
<b>4100-Extraordinary &amp; Other Items</b>	
6205-Donations	41,617
6210-Life Insurance	-
6215-Penalties	-
6225-Other Deductions	-
<b>4100-Extraordinary &amp; Other Items Total</b>	<b>41,617</b>
<b>Net Income - (Gain)/Loss</b>	<b>(2,966,180)</b>

**2010 BALANCE SHEET**

Account Description	Total
<b>1050-Current Assets</b>	
1005-Cash	3,646,314
1010-Cash Advances and Working Funds	750
1020-Interest Special Deposits	-
1030-Dividend Special Deposits	-
1040-Other Special Deposits	-
1060-Term Deposits	4,213,000
1070-Current Investments	-
1100-Customer Accounts Receivable	11,280,270
1102-Accounts Receivable - Services	-
1104-Accounts Receivable - Recoverable Work	-
1105-Accounts Receivable - Merchandise, Jobbing, etc.	-
1110-Other Accounts Receivable	3,066,200
1120-Accrued Utility Revenues	17,111,000
1130-Accumulated Provision for Uncollectable Accounts -- Credit	(360,000)
1140-Interest and Dividends Receivable	11,630
1150-Rents Receivable	-
1170-Notes Receivable	-
1180-Prepayments	325,000
1190-Miscellaneous Current and Accrued Assets	-
1200-Accounts Receivable from Associated Companies	4,000
1210-Notes Receivable from Associated Companies	-
<b>1050-Current Assets Total</b>	<b>39,298,164</b>
<b>1100-Inventory</b>	
1305-Fuel Stock	19,331
1330-Plant Materials and Operating Supplies	1,290,128
1340-Merchandise	-
1350-Other Material and Supplies	-
<b>1100-Inventory Total</b>	<b>1,309,459</b>
<b>1150-Non-Current Assets</b>	
1405-Long Term Investments in Non-Associated Companies	-
1408-Long Term Receivable - Street Lighting Transfer	-
1410-Other Special or Collateral Funds	-
1415-Sinking Funds	-
1425-Unamortized Debt Expense	-
1445-Unamortized Discount on Long-Term Debt--Debit	-
1455-Unamortized Deferred Foreign Currency Translation Gains and Losses	-
1460-Other Non-Current Assets	27,500
1465-O.M.E.R.S. Past Service Costs	-
1470-Past Service Costs - Employee Future Benefits	-
1475-Past Service Costs -Other Pension Plans	-
1480-Portfolio Investments - Associated Companies	-
1485-Investment In Subsidiary Companies - Significant Influence	-
1490-Investment in Subsidiary Companies	-
<b>1150-Non-Current Assets Total</b>	<b>27,500</b>



**2010 BALANCE SHEET**

<b>1200-Other Assets and Deferred Charges</b>	
1505-Unrecovered Plant and Regulatory Study Costs	-
1508-Other Regulatory Assets	1,041,442
1510-Preliminary Survey and Investigation Charges	-
1515-Emission Allowance Inventory	-
1516-Emission Allowance Withheld	-
1518-RCVA Retail	(50,608)
1525-Miscellaneous Deferred Debits	13,174
1530-Deferred Losses from Disposition of Utility Plant	-
1540-Deferred Losses from Disposition of Utility Plant	-
1545-Development Charge Deposits/ Receivables	-
1548-RCVA - Service Transaction Request (STR)	(7,342)
1550-LV Charges - Variance	(199,941)
1555-Smart Meters Recovery	16,468,048
1556-Smart Meters OM & A	321,988
1562-Deferred PILs	(1,106,471)
1563-Deferred PILs - Contra	1,106,471
1565-C & DM Costs	7,971
1566-C & DM Costs Contra	(7,971)
1570-Qualifying Transition Costs	-
1571-Pre Market CofP Variance	-
1572-Extraordinary Event Losses	-
1574-Deferred Rate Impact Amounts	-
1580-RSVA - Wholesale Market Services	(3,999,762)
1582-RSVA - One-Time	290,500
1584-RSVA - Network Charges	(931,864)
1586-RSVA - Connection Charges	(232,984)
1588-RSVA - Commodity (Power)	1,305,314
1590-Recovery of Regulatory Assets (25% of 2002 bal.)	(613,465)
<b>1200-Other Assets and Deferred Charges Total</b>	<b>13,404,500</b>

<b>1450-Distribution Plant</b>	
1805-Land	202,703
1806-Land Rights	189,351
1808-Buildings and Fixtures	2,302,246
1810-Leasehold Improvements	-
1815-Transformer Station Equipment - Normally Primary above 50 kV	-
1820-Distribution Station Equipment - Normally Primary below 50 kV	13,418,395
1825-Storage Battery Equipment	-
1830-Poles, Towers and Fixtures	26,058,933
1835-Overhead Conductors and Devices	38,543,997
1840-Underground Conduit	13,054,310
1845-Underground Conductors and Devices	25,825,399
1850-Line Transformers	43,811,353
1855-Services	26,786,797
1860-Meters	15,211,572
1865-Other Installations on Customer's Premises	-
<b>1450-Distribution Plant Total</b>	<b>205,405,056</b>

**2010 BALANCE SHEET**

<b>1500-General Plant</b>	
1905-Land	96,300
1906-Land Rights	-
1908-Buildings and Fixtures	8,183,713
1910-Leasehold Improvements	-
1915-Office Furniture and Equipment	1,397,252
1920-Computer Equipment - Hardware	1,952,832
1925-Computer Software	4,390,452
1930-Transportation Equipment	4,113,084
1935-Stores Equipment	292,425
1940-Tools, Shop and Garage Equipment	1,379,849
1945-Measurement and Testing Equipment	381,948
1950-Power Operated Equipment	-
1955-Communication Equipment	191,861
1960-Miscellaneous Equipment	-
1970-Load Management Controls - Customer Premises	-
1975-Load Management Controls - Utility Premises	-
1980-System Supervisory Equipment	3,044,678
1985-Sentinel Lighting Rentals	-
1990-Other Tangible Property	-
1995-Contributions and Grants	(21,992,065)
<b>1500-General Plant Total</b>	<b>3,432,328</b>

<b>1550-Other Capital Assets</b>	
2005-Property Under Capital Leases	-
2010-Electric Plant Purchased or Sold	-
2020-Experimental Electric Plant Unclassified	-
2030-Electric Plant and Equipment Leased to Others	-
2040-Electric Plant Held for Future Use	-
2050-Completed Construction Not Classified--Electric	-
2055-Construction Work in Progress--Electric	4,150,000
2060-Electric Plant Acquisition Adjustment	-
2065-Other Electric Plant Adjustment	-
2070-Other Utility Plant	-
2075-Non-Utility Property Owned or Under Capital Lease	-
<b>1550-Other Capital Assets Total</b>	<b>4,150,000</b>

<b>1600-Accumulated Amortization</b>	
2105-Accumulated Amortization of Electric Utility Plant - Property, Plant and Equipment	(124,881,690)
2120-Accumulated Amortization of Electric Utility Plant - Intangibles	-
2140-Accumulated Amortization of Electric Plant Acquisition Adjustment	-
2160-Accumulated Amortization of Other Utility Plant	-
2180-Accumulated Amortization of Non-Utility Property	-
<b>1600-Accumulated Amortization Total</b>	<b>(124,881,690)</b>

<b>Total Assets</b>	<b>142,145,318</b>
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**2010 BALANCE SHEET**

<b>1650-Current Liabilities</b>	
2205-Accounts Payable	1,950,384
2208-Customer Credit Balances	530,000
2210-Current Portion of Customer Deposits	3,041,900
2215-Dividends Declared	-
2220-Miscellaneous Current and Accrued Liabilities	17,824,220
2225-Notes and Loans Payable	-
2240-Accounts Payable to Associated Companies	69,425
2242-Notes Payable to Associated Companies	-
2250-Competition Transition Charges Payable	943,000
2252-Transmission Charges Payable	-
2254-Electric Safety Authority Fees Payable	-
2256-Independent Market Operator Fees and Penalties Payable	-
2260-Current Portion of Long Term Debt	-
2262-Ontario Hydro Debt - Current Portion	-
2264-Pensions and Employee Benefits - Current Portion	-
2268-Accrued Interest on Long Term Debt	-
2270-Matured Long Term Debt	-
2272-Matured Interest on Long Term Debt	-
2285-Obligations Under Capital Leases--Current	-
2290-Commodity Taxes	250,971
2292-Payroll Deductions / Expenses Payable	-
2294-Accrual for Taxes, "Payments in Lieu" of Taxes, Etc.	-
2296-Future Income Taxes - Current	-
<b>1650-Current Liabilities Total</b>	<b>24,609,900</b>

<b>1700-Non-Current Liabilities</b>	
2305-Accumulated Provision for Injuries and Damages	-
2306-Employee Future Benefits	3,018,000
2308-Other Pensions - Past Service Liability	-
2310-Vested Sick Leave Liability	-
2315-Accumulated Provision for Rate Refunds	-
2320-Other Miscellaneous Non-Current Liabilities	62,300
2325-Obligations Under Capital Lease--Non-Current	-
2330-Development Charge Fund	-
2335-Long Term Customer Deposits	2,283,800
2340-Collateral Funds Liability	-
2345-Unamortized Premium on Long Term Debt	-
2348-O.M.E.R.S. - Past Service Liability - Long Term Portion	-
2350-Future Income Tax - Non-Current	(3,042,641)
2405-Other Regulatory Liabilities	-
2410-Deferred Gains From Disposition of Utility Plant	-
2415-Unamortized Gain on Reacquired Debt	-
2425-Other Deferred Credits	-
2435-Accrued Rate-Payer Benefit	-
<b>1700-Non-Current Liabilities Total</b>	<b>2,321,459</b>

**2010 BALANCE SHEET**

<b>1800-Long-Term Debt</b>	
2505-Debentures Outstanding - Long Term Portion	-
2510-Debenture Advances	-
2515-Required Bonds	-
2520-Other Long Term Debt	47,878,608
2525-Term Bank Loans - Long Term Portion	8,000,000
2530-Ontario Hydro Debt Outstanding - Long Term Portion	-
2550-Advances from Associated Companies	-
<b>1800-Long-Term Debt Total</b>	<b>55,878,608</b>

<b>1850-Shareholders' Equity</b>	
3005-Common Shares Issued	45,139,138
3008-Preference Shares Issued	-
3010-Contributed Surplus	-
3020-Donations Received	-
3022-Development Charges Transferred to Equity	876,228
3026-Capital Stock Held in Treasury	-
3030-Miscellaneous Paid-In Capital	-
3035-Installments Received on Capital Stock	-
3040-Appropriated Retained Earnings	-
3045-Unappropriated Retained Earnings	9,738,256
3046-Balance Transferred From Income	3,581,728
3047-Appropriations of Retained Earnings - Current Period	-
3048-Dividends Payable-Preference Shares	-
3049-Dividends Payable-Common Shares	-
3055-Adjustment to Retained Earnings	-
3065-Unappropriated Undistributed Subsidiary Earnings	-
<b>1850-Shareholders' Equity Total</b>	<b>59,335,351</b>

<b>Total Liabilities &amp; Shareholder's Equity</b>	<b>142,145,318</b>
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<b>Balance Sheet Total</b>	<b>-</b>
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**2010 STATEMENT OF INCOME AND RETAINED EARNINGS**

Account Description	Total
<b>3000-Sales of Electricity</b>	
4006-Residential Energy Sales	(32,878,939.00)
4010-Commercial Energy Sales	-
4015-Industrial Energy Sales	-
4020-Energy Sales to Large Users	-
4025-Street Lighting Energy Sales	(595,211.00)
4030-Sentinel Energy Sales	-
4035-General Energy Sales	(68,578,835.00)
4040-Other Energy Sales to Public Authorities	-
4045-Energy Sales to Railroads and Railways	-
4050-Revenue Adjustment	-
4055-Energy Sales for Resale	-
4060-Interdepartmental Energy Sales	-
4062-WMS	(9,683,889.00)
4064-Billed WMS-One Time	-
4066-NS	(8,866,583.00)
4068-CS	(7,811,491.00)
4075-LV Charges	-
<b>3000-Sales of Electricity Total</b>	<b>(128,414,948.00)</b>
<b>3050-Revenues From Services - Distirbution</b>	
4080-Distribution Services Revenue	(29,210,000.00)
4082-RS Rev	(68,000.00)
4084-Serv Tx Requests	(3,300.00)
4090-Electric Services Incidental to Energy Sales	-
<b>3050-Revenues From Services - Distirbution Total</b>	<b>(29,281,300.00)</b>
<b>3100-Other Operating Revenues</b>	
4205-Interdepartmental Rents	-
4210-Rent from Electric Property	(202,217.00)
4215-Other Utility Operating Income	-
4220-Other Electric Revenues	(108,210.00)
4225-Late Payment Charges	(202,800.00)
4230-Sales of Water and Water Power	-
4235-Miscellaneous Service Revenues	(846,985.00)
4240-Provision for Rate Refunds	-
4245-Government Assistance Directly Credited to Income	-
<b>3100-Other Operating Revenues Total</b>	<b>(1,360,212.00)</b>

**2010 STATEMENT OF INCOME AND RETAINED EARNINGS**

<b>3150-Other Income &amp; Deductions</b>	
4305-Regulatory Debits	-
4310-Regulatory Credits	-
4315-Revenues from Electric Plant Leased to Others	-
4320-Expenses of Electric Plant Leased to Others	-
4325-Revenues from Merchandise, Jobbing, Etc.	-
4330-Costs and Expenses of Merchandising, Jobbing, Etc	-
4335-Profits and Losses from Financial Instrument Hedges	-
4340-Profits and Losses from Financial Instrument Investments	-
4345-Gains from Disposition of Future Use Utility Plant	-
4350-Losses from Disposition of Future Use Utility Plant	-
4355-Gain on Disposition of Utility and Other Property	-
4360-Loss on Disposition of Utility and Other Property	(2,000.00)
4365-Gains from Disposition of Allowances for Emission	-
4370-Losses from Disposition of Allowances for Emission	-
4375-Revenues from Non-Utility Operations	(387,755.00)
4380-Expenses of Non-Utility Operations	315,264.89
4385-Expenses of Non-Utility Operations	-
4390-Miscellaneous Non-Operating Income	(45,630.00)
4395-Rate-Payer Benefit Including Interest	-
4398-Foreign Exchange Gains and Losses, Including Amortization	-
<b>3150-Other Income &amp; Deductions Total</b>	<b>(120,120.11)</b>
<b>3200-Investment Income</b>	
4405-Interest and Dividend Income	(32,270.00)
4415-Equity in Earnings of Subsidiary Companies	-
<b>3200-Investment Income Total</b>	<b>(32,270.00)</b>
<b>3350-Power Supply Expenses</b>	
4705-Power Purchased	102,052,985.00
4708-WMS	9,683,889.00
4710-Cost of Power Adjustments	-
4712-0	-
4714-NW	8,866,583.00
4715-System Control and Load Dispatching	-
4716-NCN	7,811,491.00
4720-Other Expenses	-
4725-Competition Transition Expense	-
4730-Rural Rate Assistance Expense	-
4750-LV Charges	-
<b>3350-Power Supply Expenses Total</b>	<b>128,414,948.00</b>

<b>2010 STATEMENT OF INCOME AND RETAINED EARNINGS</b>	
<b>3500-Distribution Expenses - Operation</b>	
5005-Operation Supervision and Engineering	-
5010-Load Dispatching	1,090,861.00
5012-Station Buildings and Fixtures Expense	93,941.00
5014-Transformer Station Equipment - Operation Labour	-
5015-Transformer Station Equipment - Operation Supplies and Expenses	-
5016-Distribution Station Equipment - Operation Labour	599,364.00
5017-Distribution Station Equipment - Operation Supplies and Expenses	320,072.00
5020-Overhead Distribution Lines and Feeders - Operation Labour	361,128.00
5025-Overhead Distribution Lines and Feeders - Operation Supplies and Expenses	464,702.00
5030-Overhead Subtransmission Feeders - Operation	-
5035-Overhead Distribution Transformers - Operation	184,304.00
5040-Underground Distribution Lines and Feeders - Operation Labour	154,360.00
5045-Underground Distribution Lines and Feeders - Operation Supplies and Expenses	556,455.00
5050-Underground Subtransmission Feeders - Operation	-
5055-Underground Distribution Transformers - Operation	69,925.00
5060-Street Lighting and Signal System Expense	-
5065-Meter Expense	249,521.00
5070-Customer Premises - Operation Labour	152,157.00
5075-Customer Premises - Materials and Expenses	31,587.00
5085-Miscellaneous Distribution Expense	-
5090-Underground Distribution Lines and Feeders - Rental Paid	71.00
5095-Overhead Distribution Lines and Feeders - Rental Paid	184,906.00
5096-Other Rent	-
<b>3500-Distribution Expenses - Operation Total</b>	<b>4,513,354.00</b>
<b>3550-Distribution Expenses - Maintenance</b>	
5105-Maintenance Supervision and Engineering	-
5110-Maintenance of Structures	129,620.00
5112-Maintenance of Transformer Station Equipment	-
5114-Maint Dist Stn Equip	108,119.00
5120-Maintenance of Poles, Towers and Fixtures	137,219.00
5125-Maintenance of Overhead Conductors and Devices	555,809.00
5130-Maintenance of Overhead Services	248,776.00
5135-Overhead Distribution Lines and Feeders - Right of Way	582,162.00
5145-Maintenance of Underground Conduit	44,107.00
5150-Maintenance of Underground Conductors and Devices	406,883.00
5155-Maintenance of Underground Services	254,176.00
5160-Maintenance of Line Transformers	194,322.00
5165-Maintenance of Street Lighting and Signal Systems	-
5170-Sentinel Lights - Labour	-
5172-Sentinel Lights - Materials and Expenses	-
5175-Maintenance of Meters	233,752.00
5178-Customer Installations Expenses - Leased Property	-
5195-Maintenance of Other Installations on Customer Premises	-
<b>3550-Distribution Expenses - Maintenance Total</b>	<b>2,894,945.00</b>

**2010 STATEMENT OF INCOME AND RETAINED EARNINGS**

<b>3650-Billing and Collecting</b>	
5305-Supervision	-
5310-Meter Reading Expense	376,389.00
5315-Customer Billing	726,649.03
5320-Collecting	198,374.61
5325-Collecting - Cash Over and Short	100.00
5330-Collection Charges	13,997.00
5335-Bad Debt Expense	400,000.00
5340-Miscellaneous Customer Accounts Expenses	633,398.15
<b>3650-Billing and Collecting Total</b>	<b>2,348,907.79</b>
<b>3700-Community Relations</b>	
5405-Supervision	-
5410-Community Relations - Sundry	64,000.00
5415-Energy Conservation	3,087.00
5420-Community Safety Program	13,600.00
5425-Miscellaneous Customer Service and Informational Expenses	-
<b>3700-Community Relations Total</b>	<b>80,687.00</b>
<b>3800-Administrative and General Expenses</b>	
5605-Executive Salaries and Expenses	788,318.17
5610-Management Salaries and Expenses	497,055.40
5615-General Administrative Salaries and Expenses	1,428,667.50
5620-Office Supplies and Expenses	425,015.00
5625-Administrative Expense Transferred-Credit	(259,429.75)
5630-Outside Services Employed	351,659.00
5635-Property Insurance	144,495.00
5640-Injuries and Damages	131,580.00
5645-Employee Pensions and Benefits	346,814.00
5650-Franchise Requirements	-
5655-Regulatory Expenses	352,270.00
5660-General Advertising Expenses	10,200.00
5665-Miscellaneous Expenses	423,644.90
5670-Rent	120,000.00
5675-Maintenance of General Plant	202,811.00
5680-Electrical Safety Authority Fees	-
5685-Independent Market Operator Fees and Penalties	-
5695-OM&A Contra Account	-
<b>3800-Administrative and General Expenses Total</b>	<b>4,963,100.22</b>



<b>2010 STATEMENT OF INCOME AND RETAINED EARNINGS</b>	
<b>3850-Amortization Expense</b>	
5705-Amortization Expense - Property, Plant and Equipment	6,694,092.23
5710-Amortization of Limited Term Electric Plant	-
5715-Amortization of Intangibles and Other Electric Plant	-
5720-Amortization of Electric Plant Acquisition Adjustments	-
5725-Miscellaneous Amortization	-
5730-Amortization of Unrecovered Plant and Regulatory Study Costs	-
5735-Amortization of Deferred Development Costs	-
5740-Amortization of Deferred Charges	-
<b>3850-Amortization Expense Total</b>	<b>6,694,092.23</b>
<b>3900-Interest Expense</b>	
6005-Interest on Long Term Debt	3,734,821.00
6010-Amortization of Debt Discount and Expense	-
6015-Amortization of Premium on Debt-Credit	-
6020-Amortization of Loss on Reacquired Debt	-
6025-Amortization of Gain on Reacquired Debt-Credit	-
6030-Interest on Debt to Associated Companies	-
6035-Other Interest Expense	-
6040-Allowance for Borrowed Funds Used During Construction-Credit	-
6042-Allowance for Other Funds Used During Construction	-
6045-Interest Expense on Capital Lease Obligations	-
<b>3900-Interest Expense Total</b>	<b>3,734,821.00</b>
<b>3950-Taxes Other Than Income Taxes</b>	
6105-Taxes Other Than Income Taxes	296,305.04
<b>3950-Taxes Other Than Income Taxes Total</b>	<b>296,305.04</b>
<b>4000-Income Taxes</b>	
6110-Income Taxes	1,645,361.63
6115-Provision for Future Income Taxes	-
<b>4000-Income Taxes Total</b>	<b>1,645,361.63</b>
<b>4100-Extraordinary &amp; Other Items</b>	
6205-Donations	40,600.00
6210-Life Insurance	-
6215-Penalties	-
6225-Other Deductions	-
<b>4100-Extraordinary &amp; Other Items Total</b>	<b>40,600.00</b>
<b>Net Income - (Gain)/Loss</b>	<b>(3,581,728.20)</b>

1 **RECONCILIATION BETWEEN AUDITED FINANCIAL STATEMENTS AND**  
2 **REGULATORY FINANCIAL STATEMENTS**

3 Burlington Hydro advises that the 2007 and 2008 Audited Financial Statements vary from the  
4 regulatory financial results filed in this Application in regards to Net Income and Retained  
5 Earnings as detailed on pages 2 and 3 of this Schedule.

<b>RECONCILIATION OF NET INCOME AND RETAINED EARNINGS - 2007</b>	
<b>AUDITED FINANCIAL STATEMENTS TO O.E.B. FINANCIAL STATEMENTS</b>	
DESCRIPTION	2007
<b>NET INCOME PER AUDITED FINANCIAL STATEMENTS</b>	<b>4,274,477.75</b>
<i>To reclass OPA Energy Conservation Program Expenses for 2007 that are recorded on the Balance Sheet in the G.A.A.P. financials. Set up as Non-utility Revenue for the O.E.B. financials.</i>	194,704.89
<i>To add 2007 Temporary Services Revenue which were credited to Fixed Assets in G.A.A.P. financials.</i>	14,000.00
<i>To adjust depreciation on the the Temporary Services Revenue that was incorrectly recorded in the G.A.A.P. financials in 2007.</i>	(1,976.00)
<i>To reverse the interest income on the Deferral and Variance Accounts that was recorded in the 2007 G.A.A.P. financials. This income was recorded correctly in the 2006 O.E.B. financials.</i>	(19,896.49)
<b>OEB ACCOUNT 3046 - BALANCE TRANSFERRED FROM INCOME</b>	<b>4,461,310.15</b>
<b>RETAINED EARNINGS PER AUDITED FINANCIAL STATEMENTS</b>	<b>7,110,581.83</b>
<i>To add the allowance on the Regulatory Assets Balance that had not been reversed to income. This allowance was never set up in the O.E.B. financials.</i>	900,000.00
<i>To add 2002 to 2006 Temporary Services Revenue which were credited to Fixed Assets in G.A.A.P. financials.</i>	35,400.00
<i>To adjust depreciation on the the Temporary Services Revenue for 2002 to 2006 that was incorrectly recorded in the G.A.A.P. financials.</i>	(3,816.00)
<i>To add interest income on the Deferral and Variance Accounts. This income was recorded correctly in the 2006 O.E.B. financials.</i>	19,896.49
<b>ADJUSTED RETAINED EARNINGS PER AUDITED FINANCIAL STATEMENTS</b>	<b>8,062,062.32</b>
OEB ACCOUNT 3045 - UNAPPROPRIATED RETAINED EARNINGS	8,062,062.32
OEB ACCOUNT 3055 - ADJUSTMENT TO RETAINED EARNINGS	0.00
<b>TOTAL O.E.B. RETAINED EARNINGS</b>	<b>8,062,062.32</b>

<b>RECONCILIATION OF NET INCOME AND RETAINED EARNINGS - 2008</b>	
<b>AUDITED FINANCIAL STATEMENTS TO O.E.B. FINANCIAL STATEMENTS</b>	
DESCRIPTION	2008
<b>NET INCOME PER AUDITED FINANCIAL STATEMENTS</b>	<b>4,502,622.72</b>
<i>To reclass OPA Energy Conservation Program Expenses for 2008 that are recorded on the Balance Sheet in the G.A.A.P. financials. Set up as Non-utility Revenue for the O.E.B. financials.</i>	(260,311.66)
<i>To reverse the balance of the Regulatory Assets allowance. It was recorded as income in the G.A.A.P financials but was never set up as an allowance in the O.E.B. financials. Therefore the Revenue has to be reduced because it is already included in the O.E.B. Retained Earnings.</i>	(900,000.00)
<b>OEB ACCOUNT 3046 - BALANCE TRANSFERRED FROM INCOME</b>	<b>3,342,311.06</b>
<b>RETAINED EARNINGS PER AUDITED FINANCIAL STATEMENTS</b>	<b>6,685,059.58</b>
<i>To add the allowance on the Regulatory Assets Balance that had not been reversed to income. This allowance was never set up in the O.E.B. financials.</i>	900,000.00
<i>OPA Energy Conservation Program Revenues that were recorded on the Balance Sheet in the 2007 G.A.A.P. financials. Not included in the G.A.A.P. Retained Earnings. Therefore it was added to the O.E.B. Retained Earnings because it was recorded as Revenue in the 2007 O.E.B. financials.</i>	194,704.89
<b>ADJUSTED RETAINED EARNINGS PER AUDITED FINANCIAL STATEMENTS</b>	<b>7,779,764.47</b>
OEB ACCOUNT 3045 - UNAPPROPRIATED RETAINED EARNINGS	7,779,764.47
OEB ACCOUNT 3055 - ADJUSTMENT TO RETAINED EARNINGS	0.00
<b>TOTAL O.E.B. RETAINED EARNINGS</b>	<b>7,779,764.47</b>

1 **INFORMATION ON AFFILIATES**

- 2 The 2008 Audited Financial Statements for Burlington Hydro Electric Inc. 2008, Burlington
- 3 Hydro's parent company, is attached to this Schedule.

Non-Consolidated Financial Statements of

**BURLINGTON HYDRO ELECTRIC INC.**

Year ended December 31, 2008



**KPMG LLP**  
**Chartered Accountants**  
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21 King Street West Suite 700  
Hamilton ON L8N 3R1

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## AUDITORS' REPORT

To the Board of Directors of Burlington Hydro Electric Inc.:

We have audited the non-consolidated balance sheet of Burlington Hydro Electric Inc. as at December 31, 2008 and the non-consolidated statements of earnings and retained earnings and cash flows for the year then ended. These non-consolidated financial statements have been prepared for tax return filing purposes. These non-consolidated financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these non-consolidated financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these non-consolidated financial statements present fairly, in all material respects, the financial position of the Corporation as at December 31, 2008 and the results of its operations and cash flows for the year then ended in accordance with the basis of presentation described in note 1 to the financial statements.

These non-consolidated financial statements, which have not been, and were not intended to be, prepared in accordance with Canadian generally accepted accounting principles, are intended for the filing by the Corporation of its tax returns with income tax authorities and may not be appropriate for any other purposes.

Chartered Accountants, Licensed Public Accountants

Hamilton, Canada

March 6, 2009

# BURLINGTON HYDRO ELECTRIC INC.

Non-Consolidated Balance Sheet

December 31, 2008, with comparative figures for 2007

	2008	2007
<b>Assets</b>		
Current assets:		
Cash and temporary investments	\$ 287,507	\$ 350,693
Accounts receivable	9,479	13,452
Payment in lieu of taxes receivable	12,345	28,000
	<u>309,331</u>	<u>392,145</u>
Investment in subsidiary companies (note 3)	45,775,238	45,775,238
Receivable from Burlington Electricity Services Inc. (note 4)	-	4,036,000
	<u>\$ 46,084,569</u>	<u>\$ 50,203,383</u>

## Liabilities and Shareholder's Equity

Current liabilities:		
Accounts payable and accrued liabilities	\$ 17,946	\$ 55,581
Payable to Burlington Hydro Inc.	4,225	4,000
	<u>22,171</u>	<u>59,581</u>
Shareholder's equity:		
Capital stock (note 5)	45,639,338	45,639,338
Retained earnings	423,060	4,504,464
	<u>46,062,398</u>	<u>50,143,802</u>
	<u>\$ 46,084,569</u>	<u>\$ 50,203,383</u>

See accompanying notes to non-consolidated financial statements.

On behalf of the Board:

\_\_\_\_\_ Director

\_\_\_\_\_ Director



# BURLINGTON HYDRO ELECTRIC INC.

## Non-Consolidated Statement of Earnings and Retained Earnings

Year ended December 31, 2008, with comparative figures for 2007

	2008	2007
Revenue:		
Dividend income	\$ 8,664,000	\$ 2,700,000
Management fee income	125,267	119,350
Interest income	219,771	342,896
	<u>9,009,038</u>	<u>3,162,246</u>
Expenses:		
Director's fees	125,267	119,350
Consultants	1,778	61,009
Administration	20,105	13,122
	<u>147,150</u>	<u>193,481</u>
Earnings before payment in lieu of taxes	8,861,888	2,968,765
Payment in lieu of taxes (note 9)	43,292	27,373
Net earnings	8,818,596	2,941,392
Retained earnings, beginning of year	4,504,464	4,463,072
Dividends paid	(12,900,000)	(2,900,000)
Retained earnings, end of year	<u>\$ 423,060</u>	<u>\$ 4,504,464</u>

See accompanying notes to non-consolidated financial statements.

# BURLINGTON HYDRO ELECTRIC INC.

## Non-Consolidated Statement of Cash Flows

Year ended December 31, 2008, with comparative figures for 2007

	2008	2007
Operations:		
Net earnings	\$ 8,818,596	\$ 2,941,392
Change in non-cash operating working capital:		
Accounts receivable	3,973	(4,039)
Accounts payable and accrued liabilities	(37,635)	41,908
Payable to Burlington Hydro Inc.	225	-
Payment in lieu of taxes	15,655	(109,025)
	8,800,814	2,870,236
Financing:		
Dividends paid	(12,900,000)	(2,900,000)
Investments:		
Receivable from Burlington Electricity Services Inc.	4,036,000	100,000
Increase (decrease) in cash and temporary investments	(63,186)	70,236
Cash and temporary investments, beginning of year	350,693	280,457
Cash and temporary investments, end of year	\$ 287,507	\$ 350,693

See accompanying notes to non-consolidated financial statements.

# BURLINGTON HYDRO ELECTRIC INC.

## Notes to Non-Consolidated Financial Statements

Year ended December 31, 2008

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On December 1, 1999, Burlington Hydro Electric Inc. (the "Corporation") was incorporated under the Business Corporations Act with net assets contributed from the predecessor hydro-electric commission. The incorporation was required in accordance with the Electricity Act, 1998 (Ontario) (the "EA"). The Corporation is a holding company. Active operations commenced on January 1, 2000.

### **1. Basis of presentation:**

These non-consolidated financial statements have been prepared for tax return filing purposes in accordance with the significant accounting policies described in note 2. The basis of accounting used to prepare these non-consolidated financial statements materially differs from Canadian generally accepted accounting principles because the Corporation's subsidiaries are accounted for using the cost method. The Corporation has also distributed to its shareholder consolidated financial statements prepared for the same period in accordance with Canadian generally accepted accounting principles.

### **2. Significant accounting policies:**

The financial statements are prepared in accordance with Canadian generally accepted accounting principles. Significant accounting policies are as follows:

#### **(a) Temporary investments:**

Investments are recorded at fair value.

#### **(b) Investment in subsidiary companies:**

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles except that they have not been consolidated with those of the Corporation's subsidiaries. Consolidated financial statements have been prepared in addition to these financial statements.

The Corporation's investment in the subsidiary companies is accounted for by the cost method, under which the investments are carried at the cost thereof and the net earnings of the subsidiary companies are reflected in the determination of the net earnings of the Corporation only to the extent of dividends received from the subsidiaries.

Since these financial statements have not been prepared for general purposes, some users may require further information.

# BURLINGTON HYDRO ELECTRIC INC.

Notes to Non-Consolidated Financial Statements, page 2

Year ended December 31, 2008

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## 2. Significant accounting policies (continued):

### (c) Payments in lieu of taxes ("PILs"):

The Corporation is currently exempt from taxes under the Income Tax Act (Canada) ("ITA") and the Ontario Corporations Tax Act ("OCTA").

Pursuant to the EA, the Corporation is required to compute taxes under the ITA and OCTA and remit such amounts there under computed to the Ministry of Finance (Ontario).

The Corporation applies the asset and liability method of accounting for income taxes. Under the asset and liability method, future tax assets and liabilities are recognized, to the extent such are determined likely to be realized, for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Future tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on future tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the date of enactment or substantive enactment.

### (d) Financial instruments:

All financial instruments are classified into one of the following categories – held-for-trading, available for sale, held-to-maturity, other liabilities or loans and receivables. All financial instruments are carried on the balance sheet at fair value except for loans and receivables, held-to-maturity investments and other liabilities, which are measured at amortized cost. The Corporation has chosen to apply Handbook Section 3861 *Financial Instruments – Disclosure and Presentation*.

The Corporation has classified its financial instruments as follows:

Cash and temporary investments	Held for trading
Accounts receivable	Loans and receivables
Receivable from Burlington Electricity Services Inc.	Loans and receivables
Accounts payable and accrued liabilities	Other liabilities
Payable to Burlington Hydro Inc.	Other liabilities

### Derivatives and hedge accounting

The Corporation does not have derivatives and does not engage in derivative trading or speculative activities. Hedge accounting has not been used in the preparation of these financial statements.

# BURLINGTON HYDRO ELECTRIC INC.

Notes to Non-Consolidated Financial Statements, page 3

Year ended December 31, 2008

## 3. Investment in subsidiary companies:

The investment in subsidiary companies consists of the following:

	2008	2007
Burlington Hydro Inc.:		
2,000 common shares	\$ 45,139,138	\$ 45,139,138
Burlington Electricity Services Inc.:		
2,544 common shares	636,100	636,100
	<u>\$ 45,775,238</u>	<u>\$ 45,775,238</u>

## 4. Receivable from Burlington Electricity Services Inc.:

The amount receivable from Burlington Electricity Services Inc. was a note receivable due on demand, bearing interest at 8.25%. The note was repaid on August 1, 2008.

## 5. Capital stock:

Capital stock consists of the following:

	2008	2007
Authorized:		
Unlimited number of common shares		
Issued:		
2,000 common shares	\$ 45,639,338	\$ 45,639,338

## 6. Supplemental cash flow information:

	2008	2007
Cash received during the year from interest	\$ 219,771	\$ 342,896
Cash paid during the year for payments in lieu of taxes	62,904	175,290

# BURLINGTON HYDRO ELECTRIC INC.

Notes to Non-Consolidated Financial Statements, page 4

Year ended December 31, 2008

## 7. Public liability insurance:

The Corporation is a member of the Municipal Electric Association Reciprocal Insurance Exchange ("MEARIE"), which was created on January 1, 1987. A reciprocal insurance exchange may be defined as a group of persons formed for the purpose of exchanging reciprocal contracts of indemnity or inter-insurance with each other through the same attorney. MEARIE provides general liability insurance to member electric utilities in accordance with the Power Corporation Act of Ontario; subsection 116(2), to a maximum of \$20,000,000 per occurrence.

Insurance premiums charged to each municipal electric utility consists of a levy per thousand dollars of service revenue subject to a credit/surcharge based on each electric utility's claims experience.

## 8. Transactions with related parties:

Related parties are the Corporation's subsidiaries, Burlington Hydro Inc. and Burlington Electricity Services Inc.

The following is a summary of transactions with related parties:

	2008	2007
Interest income	\$ 193,778	\$ 325,859
Management fee income	125,267	119,350
Dividend income	8,664,000	2,700,000
Administration Expense	2,000	2,000

The above transactions are in the normal course of operations and are measured at the exchange amount of consideration established and agreed to by the related parties.

Accounts receivable are due from related parties and are non-interest bearing.

## 9. Payments in lieu of taxes:

The provision for PILs varies from amounts, which would be computed by applying the Corporation's combined statutory income tax rate as follows:

The following is a summary of transactions with related parties:

	2008	2007
Basic rate applied to income before PILs	33.50%	36.12%
Decrease in PILs resulting from:		
Permanent differences between income for accounting purposes and taxable income	(33.01)	(35.20)
Effective rate applied to income before PILs	0.49%	0.92%

# BURLINGTON HYDRO ELECTRIC INC.

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Year ended December 31, 2008

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## **10. Capital disclosures:**

The main objectives of the Corporation when managing capital are to ensure prudent management of its capital structure and to deliver the appropriate financial returns.

The Corporation's definition of capital includes shareholder's equity. As at December 31, 2008, shareholder's equity amounts to \$46,062,398 (2007 - \$50,143,802).

## **11. Financial instruments:**

The carrying values of cash and temporary investments, accounts receivable, accounts payable and accrued liabilities, and payable to Burlington Hydro Inc. approximate fair values because of the short maturity of these instruments. It was not practicable to estimate the fair value of the investment in subsidiary companies and the receivable from Burlington Electricity Services Inc. as these investments are not publicly traded.

## **12. Emerging accounting changes:**

### **International Financial Reporting Standards ["IFRS"]**

On February 13, 2008, the AcSB announced that publicly accountable enterprises will be required to change over to IFRS effective January 1, 2011. Some of the converged standards will be implemented in Canada during the transition period with the remaining standards adopted at the change over date. The Corporation has launched an internal initiative to govern the conversion process and is currently in the process of evaluating the potential impact of the conversion to IFRS on its financial statements.

1    **MATERIALITY THRESHOLD**

2    The materiality threshold used to throughout this application has been prescribed by the Filing  
3    Requirements as 0.5% of distribution revenue requirement for distributors with a revenue  
4    requirement greater than \$10 million and less than or equal to \$200 million. Burlington Hydro  
5    has based the threshold calculation on the proposed revenue requirement of \$31,317,814 and  
6    adopted a variance analysis threshold of \$156,589 throughout this analysis.

7



## **EXHIBIT 2 – RATE BASE**

### **Tab 1 – Rate Base Overview**

- Schedule 1 - Rate Base Overview
- Schedule 2 - Rate Base Variances

### **Tab 2 – Gross Assets – Property, Plant & Equipment**

- Schedule 1 - Overview of Burlington Hydro Distribution System
- Schedule 2 - Overview of Capital Budget Requirements
- Schedule 3 - Gross Assets – Property, Plant & Equipment

### **Tab 3 – Accumulated Depreciation**

- Schedule 1 - Continuity Schedules

### **Tab 4 – Allowance for Working Capital**

- Schedule 1 - Working Capital Account Details
- Schedule 2 - Cost of Power Calculations

### **Tab 5 – Capital Expenditures**

- Schedule 1 - Capital Projects Tables
- Schedule 2 - Capital Project Descriptions – 2004 Actual
- Schedule 3 - Capital Project Descriptions – 2005 Actual
- Schedule 4 - Capital Project Descriptions – 2006 Actual
- Schedule 5 - Capital Project Descriptions – 2007 Actual
- Schedule 6 - Capital Project Descriptions – 2008 Actual
- Schedule 7 - Capital Project Descriptions – 2009 Bridge Year
- Schedule 8 - Capital Project Descriptions – 2010 Test Year
- Schedule 9 - Forecasted Budget – 2011 and 2012

### **Tab 6 – Asset Management Plan**

- Schedule 1 – Asset Management Strategy
- Schedule 2 – System Performance Report
- Schedule 3 – Inspection Report

### **Tab 7 – Service Quality and Reliability Performance**

1 **RATE BASE:**

2 **Rate Base Overview:**

3 The rate base used for the purpose of calculating the revenue requirement used in this  
 4 Application follows the definition used in the 2006 EDR Handbook as an average of the balances  
 5 at the beginning and the end of the 2010 Test Year, plus a working capital allowance, which is  
 6 15% of the sum of the cost of power and controllable expenses.

7 The net fixed assets include those distribution assets that are associated with activities that enable  
 8 the conveyance of electricity for distribution purposes. The Burlington Hydro rate base  
 9 calculation excludes any non-distribution assets. Controllable expenses include operations and  
 10 maintenance, billing and collecting and administration expenses.

11 Burlington Hydro has provided its rate base calculations for the years 2006 Board Approved,  
 12 2006 Actual, 2007 Actual, 2008 Actual, 2009 Bridge Year and 2010 Test Year in the table  
 13 below. Burlington Hydro has calculated its 2010 rate base as \$104,740,059. This forecasted test  
 14 year rate base is approximately 8.6% higher than the 2006 Board Approved rate base of  
 15 \$96,409,348, reflecting an annual average increase of less than 2.2% per year.

Description	2006 Board Approved	2006 Actual	2007 Actual	2008 Actual	2009 Bridge Year	2010 Test Year
Gross Fixed Assets	160,313,471	174,649,666	181,777,529	191,554,784	200,001,284	208,837,384
Accumulated Depreciation	(83,114,114)	(97,933,293)	(104,290,507)	(110,492,858)	(117,510,344)	(124,881,690)
Net Book Value	77,199,357	76,716,373	77,487,022	81,061,926	82,490,940	83,955,694
Average Net Book Value	77,199,357	77,255,073	77,101,698	79,274,474	81,776,433	83,223,317
Working Capital	128,066,606	135,411,896	138,476,666	133,114,052	143,630,890	143,444,942
Working Capital Allowance	19,209,991	20,311,784	20,771,500	19,967,108	21,544,633	21,516,741
Rate Base	96,409,348	97,566,857	97,873,198	99,241,582	103,321,067	104,740,059

16  
 17 Burlington Hydro has provided a summary below of its calculations of the cost of power and  
 18 controllable expenses used in the calculations for determining working capital for the years 2006  
 19 Board Approved, 2006 Actual, 2007 Actual, 2008 Actual, 2009 Bridge Year and 2010 Test Year.

1 Details of Burlington Hydro's calculation of its working capital allowance are provided at  
 2 Exhibit 2, Tab 4.

3

Description	2006 BA	2006 Actuals	2007 Actual	2008 Actual	2009 Bridge Year	2010 Test Year
Cost of Power	116,840,330	123,230,754	125,505,112	119,783,988	129,314,322	128,414,948
Operations	2,846,088	3,501,950	3,607,258	4,383,027	4,157,707	4,513,354
Maintenance	2,154,744	2,652,339	2,664,758	2,411,913	2,613,009	2,894,945
Billing and Collecting	1,972,864	1,997,392	2,091,157	2,298,488	2,317,744	2,348,908
Community Relations	411,491	436,651	538,029	41,317	47,101	80,687
Administration and General Expenses	3,841,088	3,501,772	3,791,023	3,910,354	4,901,006	4,963,100
Other Distribution Expenses	-	91,038	279,329	284,965	280,000	229,000
Working Capital	128,066,606	135,411,896	138,476,666	133,114,052	143,630,890	143,444,942

4

1 **RATE BASE VARIANCE ANALYSIS:**

2 The following table sets out Burlington Hydro's rate base and working capital calculations for  
 3 2006 Board Approved and Actual, 2007 Actual, 2008 Actual, 2009 Bridge Year and 2010 Test  
 4 Year, and the following variances:

- 5
- 6 • 2006 Actual against 2006 Board Approved;
  - 7 • 2007 Actual against 2006 Actual;
  - 8 • 2008 Actual against 2007 Actual
  - 9 • 2009 Bridge Year against 2008 Actual; and
  - 2010 Test Year against 2009 Bridge Year.

Description	2006 Board Approved	2006 Actual	Variance 2006 BA to 2006 Actual	2007 Actual	Variance 2006 Actual to 2007 Actual	2008 Actual	Variance 2007 Actual to 2008 Actual	2009 Bridge Year	Variance 2008 Actual to 2009 BY	2010 Test Year	Variance 2009 BY to 2010 TY
Gross Fixed Assets	160,313,471	174,649,666	14,336,195	181,777,529	7,127,864	191,554,784	9,777,255	200,001,284	8,446,500	208,837,384	8,836,100
Accumulated Depreciation	(83,114,114)	(97,933,293)	(14,819,179)	(104,290,507)	(6,357,214)	(110,492,858)	(6,202,351)	(117,510,344)	(7,017,486)	(124,881,690)	(7,371,345)
Net Book Value	77,199,357	76,716,373	(482,984)	77,487,022	770,649	81,061,926	3,574,904	82,490,940	1,429,014	83,955,694	1,464,755
Average Net Book Value	77,199,357	77,255,073	55,715	77,101,698	(153,375)	79,274,474	2,172,777	81,776,433	2,501,959	83,223,317	1,446,884
Working Capital	128,066,606	135,411,896	7,345,290	138,476,666	3,064,771	133,114,052	(5,362,614)	143,630,890	10,516,837	143,444,942	(185,948)
Working Capital Allowance	19,209,991	20,311,784	1,101,794	20,771,500	459,716	19,967,108	(804,392)	21,544,633	1,577,526	21,516,741	(27,892)
Rate Base	96,409,348	97,566,857	1,157,509	97,873,198	306,340	99,241,582	1,368,385	103,321,067	4,079,485	104,740,059	1,418,992

10  
11

12 Burlington Hydro notes that the 2006 OEB Approved rate base was determined through the 2006  
 13 EDR process and is based on the 2004 year end rate base adjusted for Tier 1 Adjustments.  
 14 Accordingly, the variance between 2006 Actual and 2006 OEB Approved spans a two-year  
 15 period.

16 Burlington Hydro has calculated the materiality threshold to be \$156,589 for 2010 in accordance  
 17 with the Filing Requirements.

18 Burlington Hydro offers the following comments in respect of the relevant variances identified  
 19 above:

20

1    **2010 Test Year:**

2    As shown in the table above, the total rate base in the 2010 test year is forecast to be  
3    \$104,740,059. Average net fixed assets accounts for \$83,223,317 of this total. The allowance  
4    for working capital totals \$21,516,741.

5       •   **2010 Test Year vs. 2009 Bridge Year:**

6    The total rate base is expected to be \$1,418,992 higher in the 2010 Test Year than in the 2009  
7    Bridge Year. This increase is shown in the table above and is attributable to an increase in  
8    average net fixed assets of \$1,446,884. The increase in fixed assets along with the required  
9    detailed information for projects is discussed in detail by capital project in Exhibit 2, Tab 5,  
10   Schedule 8.

11   The working capital allowance decreased by \$27,892 from the 2009 Bridge Year. A detailed  
12   calculation of the working capital allowance for the 2010 Test Year can be found at Exhibit 2,  
13   Tab 4, Schedule 1.

14       •   **2009 Bridge Year vs. 2008 Actual:**

15   The total rate base for the 2009 Bridge Year is expected to be \$103,321,067, which represents an  
16   increase of \$4,079,485 over the 2008 Actual year. This change results in part from an increase in  
17   average net assets of \$2,501,959. This increase is primarily due to capital expenditures. The  
18   working capital allowance increased by \$1,577,526 from 2008. A detailed calculation of the  
19   working capital allowance for the 2009 Bridge Year can be found at Exhibit 2, Tab 4.

20       •   **2008 Actual vs. 2007 Actual:**

21   The rate base of \$99,241,582 for 2008 Actual increased over 2007 Actual by \$1,368,385. This  
22   increase is made up of a change in average net assets of \$2,172,777 as a result of capital  
23   expenditures. The working capital allowance decreased by \$804,392.

24       •   **2007 Actual vs. 2006 Actual:**

1 The rate base of \$97,873,198 for 2007 Actual increased over 2006 Actual by \$306,340. This  
2 increase is made up of a decrease in average net assets of \$153,375 and an increase in the  
3 working capital allowance of \$459,716.

4 • **2006 Actual vs. 2006 Board Approved:**

5 The rate base of \$97,566,857 for 2006 Actual was higher than the 2006 Board Approved by  
6 \$1,157,509. The difference reflects the fact that the 2006 Board Approved amounts were  
7 calculated as the average of the 2003 and 2004 actual amounts.

8 The variance between the 2006 Actual and the 2006 Board Approved included the difference  
9 between the 2004 actual and the 2006 Board Approved amounts as well as the 2005 normal  
10 investments.

11

1 **The Burlington Hydro Distribution System:**

2 Burlington Hydro owns and operates the electricity distribution system in its licensed service  
3 area in the City of Burlington, serving approximately 63,000 Residential, General Service, Street  
4 Light and Unmetered Scattered Load customers/connections.

5 Burlington Hydro is supplied through the Hydro One transmission system at primary voltages of  
6 230 kV and 115 kV. Electricity is then distributed through Burlington Hydro's service area of  
7 188 square kilometres, over 641 kilometres of underground cable and 1,002 kilometres of  
8 overhead conductor. Burlington Hydro delivers electricity at its primary supply voltage to larger  
9 General Service >50 kW (27.6 kV wye), General Service (27.6, 8.0 or 4 kV wye) and Residential  
10 (16.0, 8.0 or 2.4 kV) customers. Primary voltage is stepped down through 32 Burlington Hydro-  
11 owned distribution stations to service General Service (347/600 wye 600 delta, 240 delta,  
12 120/208 wye, three phase) and Residential (120/240 single phase) customers. Voltage is stepped  
13 down from the 27.6, 8, and 4.16 kV primary feeders through approximately 9,000 LDC owned  
14 distribution transformers.

15 Burlington Hydro monitors its distribution system through a control system at its main office.  
16 The control center operates the Supervisory Control and Data Acquisition ("SCADA") system  
17 twenty-four hours a day, seven days a week.

18 Burlington Hydro owns and maintains approximately 63,000 meters installed on its customers'  
19 premises for the purpose of measuring consumption of electricity for billing purposes. Meters  
20 vary in type by customer and include meters capable of measuring kWh consumption, kW and  
21 kVA demand as well as hourly interval data. Burlington Hydro is currently active in installing  
22 smart meters as part of the Province of Ontario's smart meter initiative, based on the June 25,  
23 2009, Ontario Regulation 235/08 was filed by the Ontario Provincial Government giving  
24 Burlington Hydro Inc. authorization to proceed with its Smart Meter installation. Costs  
25 associated with this initiative are being tracked within the approved OEB accounts and are not  
26 included in the proposed revenue requirement.

1 **Overview of Capital Budget Requirements:**

2 In managing its distribution system assets, Burlington Hydro's main objective is to optimize  
3 performance of the assets at a reasonable cost with due regard for system reliability, public &  
4 worker safety and customer service requirements. This Application incorporates Burlington  
5 Hydro's 2010 Capital and Operating, Maintenance & Administration Budgets in determining the  
6 revenue requirement to bring these plans to fruition. A description of the budget process  
7 followed at Burlington Hydro is found at Exhibit 1, Tab 2, Schedule 2. Determination of the  
8 capital budget is also dependant on the items described within the Asset Management Plan at  
9 Tab 6 of this Exhibit.

10 Burlington Hydro assets fall into two broad categories – distribution plant, which includes assets  
11 such as wires, overhead and underground electricity distribution infrastructure, transformers,  
12 meters and substations; and general plant which includes assets such as substation buildings,  
13 SCADA, equipment and tools. More detailed lists of distribution and general plant categories  
14 can be found in the Gross Assets Table at Exhibit 2, Tab 2, Schedule 3.

15 Burlington Hydro's capital budget items include:

16 • **Customer Demand:**

17 These are projects that Burlington Hydro undertakes to meet its customer service obligations in  
18 accordance with the OEB's Distribution System Code (the "DSC") and Burlington Hydro's  
19 Conditions of Service. Activities include connecting new customers, building new subdivisions  
20 and relocating system plant for roadway reconstruction work. Capital contributions toward the  
21 cost of these projects are collected by Burlington Hydro in accordance with the DSC and the  
22 provisions of its Conditions of Service. Burlington Hydro uses the economic evaluation  
23 methodology from the DSC to determine the level of capital contribution for each project and  
24 those levels are injected into the annual capital budget.

25



1       • **Renewal:**

2       Renewal projects are completed when assets reach their end of useful life and must be replaced.  
3       Burlington Hydro completes visual inspections of its plant and performs predictive testing on  
4       certain assets where such testing is available, and replaces assets based on inspection and testing  
5       activities as warranted. In some cases the projects involve spot replacement of assets; in others,  
6       the projects involve complete asset replacement within a geographic area. New assets require  
7       less maintenance, deliver better reliability and reduce safety risks to the general public.

8       • **Security:**

9       The probability and impact of asset failure are considered at peak load to determine the risk the  
10      failure creates. In these cases, projects are developed to add switching devices or create a  
11      backup feeder supply to reduce the risk to typical restoration times for Burlington Hydro.

12      • **Capacity:**

13      Load growth caused by new customer connections and increased demand of existing customers  
14      over time can result in a need for capacity improvements on the system. Projects can take the  
15      form of new or upgraded feeders, transformers or voltage conversion projects, substations or  
16      transformer stations. These projects are not customer-specific, but rather, they benefit many  
17      customers.

18      • **Reliability:**

19      The main driver for these investments is an analysis of what measures could be undertaken to  
20      improve Burlington Hydro reliability performance as measured by SAIDI, SAIFI and CAIDI  
21      indices. These indices are indicators of the reliability of Burlington Hydro's distribution system.  
22      These activities will support maintenance of or improvement to the Service Quality Indices  
23      measured and submitted to the OEB each year by Burlington Hydro. The Asset Management  
24      Report provided in Exhibit 2, Tab 6 supports the capital and maintenance programs needed to  
25      maintain and enhance the reliability of Burlington Hydro's distribution system.

1       • **Regulatory Requirements:**

2       These projects are system capital investments, which are being driven by regulatory  
3       requirements. These requirements may include, among others, directions from the OEB, the  
4       IESO, the Ministry of Energy or the Ministry of Environment. In 2009 and 2010 Burlington  
5       Hydro has placed into this category those projects relating to the elimination of long-term load  
6       transfers pursuant to the DSC.

7       • **Substations:**

8       Substation investments are undertaken to improve or maintain reliability to large numbers of  
9       customers and to maintain security and safety at the substations. The renewal or retirement of  
10      Burlington Hydro's 4.16 kV substations is the subject of a review being undertaken as part of the  
11      Asset Management Strategy. Since 1985, Burlington Hydro has been expanding the 27.6kV  
12      system with the objective of no further expansion of the 4.16kV network. This could eventually  
13      lead to a reduction in the number of distribution stations, reduced number of distribution feeders  
14      and improved efficiency in the delivery of electricity.

15      • **Customer Connections and Metering:**

16      Capital expenditures in this pool include meter installations, meter upgrades, and the capital  
17      components of wholesale and retail meter verification activities. Burlington Hydro has initiated a  
18      smart meter program, as approved by Ontario Regulation 235/08 (Authorized Discretionary  
19      Metering Activity & Procurement), and anticipates installation of all smart meters by the end of  
20      2010. The 2010 capital budget captures costs associated with installation of smart meters by  
21      existing Burlington Hydro staff. Asset costs and incremental installation costs are captured in  
22      the approved OEB variance account and are not included in the proposed revenue requirement.

23      Burlington Hydro capital projects for the 2010 Test Year are discussed in further detail below.

24      Burlington Hydro has provided project-specific justifications in Exhibit 2, Tab 5, Schedule 8.

1 **Gross Assets – Property, Plant and Equipment**

2 The following table sets out Burlington Hydro's gross assets for 2006 Board Approved and  
3 Actual, 2007 Actual, 2008 Actual, 2009 Bridge Year and 2010 Test Year, and the following  
4 variances:

- 5 • 2006 Actual against 2006 Board Approved;
- 6 • 2007 Actual against 2006 Actual;
- 7 • 2008 Actual against 2007 Actual
- 8 • 2009 Bridge Year against 2008 Actual; and
- 9 • 2010 Test Year against 2009 Bridge Year.

10 The 2009 Bridge and 2010 Test Years' gross asset balances reflect the capital expenditure  
11 programs forecast for both years. These programs are described in detail in Burlington Hydro's  
12 written evidence at Exhibit 2, Tab 5, Schedules 7 and 8, respectively.

OEB #	Description	2006 BA (\$)	2006 Actual (\$)	Variance from 2006 BA	2007 Actual (\$)	Variance from 2006 Actual	2008 Actual (\$)	Variance from 2007 Actual	2009 Bridge (\$)	Variance from 2008 Actual	2010 Test (\$)	Variance from 2009 Bridge
<b>Land and Buildings</b>												
1805	Land	202,703	202,703	(0)	202,703	-	202,703	-	202,703	-	202,703	-
1806	Land Rights	12,933	12,933	(1)	12,933	-	189,351	176,418	189,351	-	189,351	-
1808	Buildings and Fixtures	1,634,499	1,829,386	194,887	1,882,378	52,993	2,017,246	134,868	2,122,246	105,000	2,302,246	180,000
1905	Land	96,300	96,300	(0)	96,300	-	96,300	-	96,300	-	96,300	-
1906	Land Rights	-	-	-	-	-	-	-	-	-	-	-
1810	Leasehold Improvements	-	-	-	-	-	-	-	-	-	-	-
	<i>Subtotal Land and Buildings</i>	<i>1,946,435</i>	<i>2,141,321</i>	<i>194,886</i>	<i>2,194,314</i>	<i>52,993</i>	<i>2,505,599</i>	<i>311,286</i>	<i>2,610,599</i>	<i>105,000</i>	<i>2,790,599</i>	<i>180,000</i>
<b>TS Primary Above 50</b>												
1815	Transformer Station Equip.- Normally Primary Above 50 kV	-	-	-	-	-	-	-	-	-	-	-
	<i>Subtotal TS Primary Above 50</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<b>DS</b>												
1820	Distribution Station Equipment - Normally Below 50 kV	11,006,092	11,718,256	712,164	12,436,755	718,499	12,783,395	346,640	13,060,895	277,500	13,418,395	357,500
	<i>Subtotal DS</i>	<i>11,006,092</i>	<i>11,718,256</i>	<i>712,164</i>	<i>12,436,755</i>	<i>718,499</i>	<i>12,783,395</i>	<i>346,640</i>	<i>13,060,895</i>	<i>277,500</i>	<i>13,418,395</i>	<i>357,500</i>
<b>Poles and Wires</b>												
1830	Poles, Towers and Fixtures	16,503,668	18,599,786	2,096,118	19,774,464	1,174,678	22,037,933	2,263,469	24,130,933	2,093,000	26,058,933	1,928,000
1835	Overhead Conductors and Devices	27,046,977	30,854,105	3,807,128	32,920,085	2,065,980	35,342,997	2,422,912	36,975,997	1,633,000	38,543,997	1,568,000
1840	Underground Conduit	8,734,975	9,299,739	564,764	9,877,236	577,498	10,733,310	856,073	12,179,310	1,446,000	13,054,310	875,000
1845	Underground Conductors and Devices	16,350,328	18,567,240	2,216,912	19,608,762	1,041,522	20,652,799	1,044,037	24,012,099	3,359,300	25,825,399	1,813,300
	<i>Subtotal Poles and Wires</i>	<i>68,635,948</i>	<i>77,320,870</i>	<i>8,684,922</i>	<i>82,180,548</i>	<i>4,859,678</i>	<i>88,767,039</i>	<i>6,586,491</i>	<i>97,298,339</i>	<i>8,531,300</i>	<i>103,482,639</i>	<i>6,184,300</i>
<b>Line Transformers</b>												
1850	Line Transformers	31,467,251	35,988,759	4,521,508	37,693,619	1,704,860	39,911,353	2,217,734	42,011,353	2,100,000	43,811,353	1,800,000
	<i>Subtotal Line Transformers</i>	<i>31,467,251</i>	<i>35,988,759</i>	<i>4,521,508</i>	<i>37,693,619</i>	<i>1,704,860</i>	<i>39,911,353</i>	<i>2,217,734</i>	<i>42,011,353</i>	<i>2,100,000</i>	<i>43,811,353</i>	<i>1,800,000</i>
<b>Services and Meters</b>												
1855	Services	20,704,409	22,716,215	2,011,806	23,565,934	849,719	24,660,397	1,094,463	25,764,097	1,103,700	26,786,797	1,022,700
1860	Meters	11,457,573	13,138,828	1,681,255	13,511,654	372,826	13,557,072	45,418	14,276,572	719,500	15,211,572	935,000
1861	Smart Meters	-	-	-	-	-	-	-	-	-	-	-
	<i>Subtotal Services and Meters</i>	<i>32,161,982</i>	<i>35,855,042</i>	<i>3,693,060</i>	<i>37,077,587</i>	<i>1,222,545</i>	<i>38,217,469</i>	<i>1,139,881</i>	<i>40,040,669</i>	<i>1,823,200</i>	<i>41,998,369</i>	<i>1,957,700</i>
<b>General Plant</b>												
1908	Buildings and Fixtures	6,932,309	7,127,585	195,276	7,324,801	197,216	7,583,713	258,913	7,933,713	350,000	8,183,713	250,000
1910	Leasehold Improvements	-	-	-	-	-	-	-	-	-	-	-
	<i>Subtotal General Plant</i>	<i>6,932,309</i>	<i>7,127,585</i>	<i>195,276</i>	<i>7,324,801</i>	<i>197,216</i>	<i>7,583,713</i>	<i>258,913</i>	<i>7,933,713</i>	<i>350,000</i>	<i>8,183,713</i>	<i>250,000</i>
<b>IT Assets</b>												
1920	Computer Equipment - Hardware	1,515,909	1,741,989	226,080	1,786,300	44,311	1,836,832	50,532	1,892,832	56,000	1,952,832	60,000
1921	Computer Equipment	-	-	-	-	-	-	-	-	-	-	-
1921	Computer Equipment - Hardware post March 22, 2005	-	-	-	-	-	-	-	-	-	-	-
1925	Computer Software	2,419,130	3,047,368	628,238	3,243,125	195,756	3,501,452	258,327	4,180,452	679,000	4,390,452	210,000
	<i>Subtotal IT Assets</i>	<i>3,935,039</i>	<i>4,789,357</i>	<i>854,318</i>	<i>5,029,425</i>	<i>240,067</i>	<i>5,338,284</i>	<i>308,859</i>	<i>6,073,284</i>	<i>735,000</i>	<i>6,343,284</i>	<i>270,000</i>
<b>Equipment</b>												
1915	Office Furniture and Equipment	1,099,121	1,161,831	62,710	1,183,589	21,758	1,191,252	7,663	1,269,152	77,900	1,397,252	128,100
1930	Transportation Equipment	2,696,036	3,097,390	401,354	3,371,030	273,640	3,473,084	102,055	3,928,084	455,000	4,113,084	185,000
1935	Stores Equipment	292,425	292,425	0	292,425	-	292,425	-	292,425	-	292,425	-
1940	Tools, Shop and Garage Equipment	1,108,754	1,176,488	67,734	1,257,524	81,035	1,277,349	19,825	1,329,349	52,000	1,379,849	50,500
1945	Measurement and Testing Equipment	331,294	337,608	6,314	337,608	-	354,348	16,740	368,948	14,600	381,948	13,000
1950	Power Operated Equipment	-	-	-	-	-	-	-	-	-	-	-
1955	Communication Equipment	192,331	191,861	(470)	191,861	-	191,861	-	191,861	-	191,861	-
1960	Miscellaneous Equipment	-	-	-	-	-	-	-	-	-	-	-
	<i>Subtotal Equipment</i>	<i>5,719,961</i>	<i>6,257,603</i>	<i>537,642</i>	<i>6,634,036</i>	<i>376,433</i>	<i>6,780,318</i>	<i>146,282</i>	<i>7,379,818</i>	<i>599,500</i>	<i>7,756,418</i>	<i>376,600</i>
<b>Other Distribution Assets</b>												
1825	Storage Battery Equipment	-	-	-	-	-	-	-	-	-	-	-
1970	Load Management Controls - Customer Premises	-	-	-	-	-	-	-	-	-	-	-
1975	Load Management Controls - Utility Premises	-	-	-	-	-	-	-	-	-	-	-
1980	System Supervisory Equipment	2,653,528	2,653,528	(0)	2,653,528	-	2,759,678	106,150	2,884,678	125,000	3,044,678	160,000
1985	Sentinel Lighting Rental Units	-	-	-	-	-	-	-	-	-	-	-
1990	Other Tangible Property	-	-	-	-	-	-	-	-	-	-	-
1995	Contributions and Grants - Credit	(4,604,790)	(9,202,656)	(4,597,866)	(11,447,083)	(2,244,428)	(13,092,065)	(1,644,982)	(19,292,065)	(6,200,000)	(21,992,065)	(2,700,000)
1996	Hydro One S/S Contribution	-	-	-	-	-	-	-	-	-	-	-
1565	Conservation and Demand Management	459,716	-	(459,716)	-	-	-	-	-	-	-	-
	<i>Subtotal Other Distribution Assets</i>	<i>(1,491,546)</i>	<i>(6,549,128)</i>	<i>(5,057,582)</i>	<i>(8,793,555)</i>	<i>(2,244,428)</i>	<i>(10,332,387)</i>	<i>(1,538,832)</i>	<i>(16,407,387)</i>	<i>(6,075,000)</i>	<i>(18,947,387)</i>	<i>(2,540,000)</i>
	<b>Gross Asset Total</b>	<b>160,313,471</b>	<b>174,649,666</b>	<b>14,336,195</b>	<b>181,777,529</b>	<b>7,127,864</b>	<b>191,554,784</b>	<b>9,777,255</b>	<b>200,001,284</b>	<b>8,446,500</b>	<b>208,837,384</b>	<b>8,836,100</b>

1 **ACCUMULATED DEPRECIATION**

2 Burlington Hydro uses the straight line method of amortization to determine the depreciation  
3 expense for all assets on a pooled basis. Amortization is calculated over the estimated remaining  
4 useful life of the asset, commencing in the month when the asset was installed and being used for  
5 its intended use. For the purposes of this rate application, Burlington Hydro used the half year  
6 rule for calculating depreciation expense for the 2010 Test Year. Information on Burlington  
7 Hydro's depreciation rates and associated policies are found at Exhibit 4, Tab 7.

8 Details of Burlington Hydro's depreciation by account number are provided in the Fixed Asset  
9 Continuity Schedules found at Schedule 1 of this Exhibit.

**Fixed Asset Continuity Schedule  
As at December 31, 2006**

OEB	Description	Cost				Accumulated Depreciation				Net Book Value
		Opening Balance	Additions	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	
1805	Land	202,703	0	0	202,703	0	0	0	0	202,703
1806	Land Rights	12,933	0	0	12,933	9,114	349	0	9,463	3,469
1808	Buildings and Fixtures	1,823,286	6,100	0	1,829,386	757,437	45,362	0	802,799	1,026,586
1810	Leasehold Improvements	0	0	0	0	0	0	0	0	0
1815	Transformer Station Equipment - Normally Primary a	0	0	0	0	0	0	0	0	0
1820	Distribution Station Equipment - Normally Primary b	11,573,432	144,824	0	11,718,256	6,634,410	337,275	0	6,971,685	4,746,571
1825	Storage Battery Equipment	0	0	0	0	0	0	0	0	0
1830	Poles, Towers and Fixtures	17,566,581	1,033,205	0	18,599,786	8,889,757	695,610	0	9,585,367	9,014,420
1835	Overhead Conductors and Devices	28,812,661	2,041,444	0	30,854,105	15,087,891	1,131,879	0	16,219,771	14,634,334
1840	Underground Conduit	9,198,769	100,969	0	9,299,739	4,876,397	345,111	0	5,221,508	4,078,231
1845	Underground Conductors and Devices	18,022,960	544,280	0	18,567,240	8,533,006	696,996	0	9,230,001	9,337,238
1850	Line Transformers	33,969,644	2,019,116	0	35,988,759	17,273,695	1,207,671	0	18,481,365	17,507,394
1855	Services	21,811,530	904,685	0	22,716,215	11,657,726	844,140	0	12,501,866	10,214,349
1860	Meters	12,537,448	601,380	0	13,138,828	6,158,408	438,222	0	6,596,630	6,542,198
1865	Other Installations on Customer's Premises	0	0	0	0	0	0	0	0	0
1905	Land	96,300	0	0	96,300	0	0	0	0	96,300
1906	Land Rights	0	0	0	0	0	0	0	0	0
1908	Buildings and Fixtures	7,072,957	54,628	0	7,127,585	2,531,743	168,039	0	2,699,782	4,427,803
1910	Leasehold Improvements	0	0	0	0	0	0	0	0	0
1915	Office Furniture and Equipment	1,093,705	82,020	13,894	1,161,831	949,091	30,229	13,894	965,426	196,406
1920	Computer Equipment - Hardware	1,657,665	84,324	0	1,741,989	1,395,048	98,086	0	1,493,134	248,855
1925	Computer Software	2,923,909	123,460	0	3,047,368	2,230,830	150,738	0	2,381,568	665,800
1930	Transportation Equipment	2,936,993	427,727	267,331	3,097,390	2,388,514	201,014	267,025	2,322,503	774,887
1935	Stores Equipment	292,425	0	0	292,425	289,493	942	0	290,435	1,990
1940	Tools, Shop and Garage Equipment	1,148,233	28,256	0	1,176,488	955,215	40,544	0	995,758	180,730
1945	Measurement and Testing Equipment	337,608	0	0	337,608	308,749	6,131	0	314,880	22,728
1950	Power Operated Equipment	0	0	0	0	0	0	0	0	0
1955	Communication Equipment	191,861	0	0	191,861	191,782	79	0	191,861	0
1960	Miscellaneous Equipment	0	0	0	0	0	0	0	0	0
1970	Load Management Controls - Customer Premises	0	0	0	0	0	0	0	0	0
1975	Load Management Controls - Utility Premises	0	0	0	0	0	0	0	0	0
1980	System Supervisory Equipment	2,653,528	0	0	2,653,528	1,809,763	168,746	0	1,978,509	675,019
1985	Sentinel Lighting Rentals	0	0	0	0	0	0	0	0	0
1990	Other Tangible Property	0	0	0	0	0	0	0	0	0
1995	Contributions and Grants	(6,168,201)	(3,034,454)	0	(9,202,656)	(952,912)	(368,106)	0	(1,321,018)	(7,881,638)
		0	0	0	0	0	0	0	0	0
		0	0	0	0	0	0	0	0	0
	<b>Total before Work in Process</b>	<b>169,768,928</b>	<b>5,161,963</b>	<b>281,225</b>	<b>174,649,666</b>	<b>91,975,156</b>	<b>6,239,056</b>	<b>280,919</b>	<b>97,933,293</b>	<b>76,716,373</b>
	Work in Process				0	0	0	0	0	0
	<b>Total after Work in Process</b>	<b>169,768,928</b>	<b>5,161,963</b>	<b>281,225</b>	<b>174,649,666</b>	<b>91,975,156</b>	<b>6,239,056</b>	<b>280,919</b>	<b>97,933,293</b>	<b>76,716,373</b>

**Fixed Asset Continuity Schedule  
As at December 31, 2007**

OEB	Description	Cost				Accumulated Depreciation				Net Book Value
		Opening Balance	Additions	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	
1805	Land	202,703	0	0	202,703	0	0	0	0	202,703
1806	Land Rights	12,933	0	0	12,933	9,463	2,869	0	12,332	600
1808	Buildings and Fixtures	1,829,386	52,993	0	1,882,378	802,799	45,850	0	848,649	1,033,729
1810	Leasehold Improvements	0	0	0	0	0	0	0	0	0
1815	Transformer Station Equipment - Normally Prim	0	0	0	0	0	0	0	0	0
1820	Distribution Station Equipment - Normally Prim	11,718,256	718,499	0	12,436,755	6,971,685	333,166	0	7,304,851	5,131,904
1825	Storage Battery Equipment	0	0	0	0	0	0	0	0	0
1830	Poles, Towers and Fixtures	18,599,786	1,174,678	0	19,774,464	9,585,367	750,673	0	10,336,040	9,438,424
1835	Overhead Conductors and Devices	30,854,105	2,065,980	0	32,920,085	16,219,771	1,219,893	0	17,439,664	15,480,421
1840	Underground Conduit	9,299,739	577,498	0	9,877,236	5,221,508	365,031	0	5,586,539	4,290,697
1845	Underground Conductors and Devices	18,567,240	1,041,522	0	19,608,762	9,230,001	733,251	0	9,963,253	9,645,509
1850	Line Transformers	35,988,759	1,704,860	0	37,693,619	18,481,365	1,275,865	0	19,757,230	17,936,389
1855	Services	22,716,215	849,719	0	23,565,934	12,501,866	870,497	0	13,372,363	10,193,571
1860	Meters	13,138,828	372,826	0	13,511,654	6,596,630	465,832	0	7,062,461	6,449,193
1865	Other Installations on Customer's Premises	0	0	0	0	0	0	0	0	0
1905	Land	96,300	0	0	96,300	0	0	0	0	96,300
1906	Land Rights	0	0	0	0	0	0	0	0	0
1908	Buildings and Fixtures	7,127,585	197,216	0	7,324,801	2,699,782	168,258	0	2,868,040	4,456,761
1910	Leasehold Improvements	0	0	0	0	0	0	0	0	0
1915	Office Furniture and Equipment	1,161,831	84,484	62,726	1,183,589	965,426	37,955	61,426	941,954	241,635
1920	Computer Equipment - Hardware	1,741,989	44,311	0	1,786,300	1,493,134	94,315	0	1,587,450	198,850
1925	Computer Software	3,047,368	195,756	0	3,243,125	2,381,568	176,183	0	2,557,751	685,373
1930	Transportation Equipment	3,097,390	343,127	69,487	3,371,030	2,322,503	218,899	69,487	2,471,915	899,114
1935	Stores Equipment	292,425	0	0	292,425	290,435	942	0	291,377	1,048
1940	Tools, Shop and Garage Equipment	1,176,488	81,035	0	1,257,524	995,758	40,011	0	1,035,769	221,755
1945	Measurement and Testing Equipment	337,608	0	0	337,608	314,880	5,573	0	320,452	17,156
1950	Power Operated Equipment	0	0	0	0	0	0	0	0	0
1955	Communication Equipment	191,861	0	0	191,861	191,861	0	0	191,861	0
1960	Miscellaneous Equipment	0	0	0	0	0	0	0	0	0
1970	Load Management Controls - Customer Premises	0	0	0	0	0	0	0	0	0
1975	Load Management Controls - Utility Premises	0	0	0	0	0	0	0	0	0
1980	System Supervisory Equipment	2,653,528	0	0	2,653,528	1,978,509	167,165	0	2,145,674	507,854
1985	Sentinel Lighting Rentals	0	0	0	0	0	0	0	0	0
1990	Other Tangible Property	0	0	0	0	0	0	0	0	0
1995	Contributions and Grants	(9,202,656)	(2,244,428)	0	(11,447,083)	(1,321,018)	(484,101)	0	(1,805,119)	(9,641,964)
0		0	0	0	0	0	0	0	0	0
	<b>Total before Work in Process</b>	<b>174,649,666</b>	<b>7,260,076</b>	<b>132,212</b>	<b>181,777,529</b>	<b>97,933,293</b>	<b>6,488,127</b>	<b>130,913</b>	<b>104,290,507</b>	<b>77,487,022</b>
0	Work in Process	0	0	0	0	0	0	0	0	0
	<b>Total after Work in Process</b>	<b>174,649,666</b>	<b>7,260,076</b>	<b>132,212</b>	<b>181,777,529</b>	<b>97,933,293</b>	<b>6,488,127</b>	<b>130,913</b>	<b>104,290,507</b>	<b>77,487,022</b>

**Fixed Asset Continuity Schedule  
As at December 31, 2008**

OEB	Description	Cost				Accumulated Depreciation				Net Book Value
		Opening Balance	Additions	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	
1805	Land	202,703	0	0	202,703	0	0	0	0	202,703
1806	Land Rights	12,933	176,418	0	189,351	12,332	2,869	0	15,201	174,149
1808	Buildings and Fixtures	1,882,378	134,868	0	2,017,246	848,649	48,912	0	897,561	1,119,685
1810	Leasehold Improvements	0	0	0	0	0	0	0	0	0
1815	Transformer Station Equipment - Normally Prim	0	0	0	0	0	0	0	0	0
1820	Distribution Station Equipment - Normally Prim	12,436,755	346,640	0	12,783,395	7,304,851	365,245	0	7,670,096	5,113,299
1825	Storage Battery Equipment	0	0	0	0	0	0	0	0	0
1830	Poles, Towers and Fixtures	19,774,464	2,263,469	0	22,037,933	10,336,040	772,398	0	11,108,438	10,929,495
1835	Overhead Conductors and Devices	32,920,085	2,422,912	0	35,342,997	17,439,664	1,225,792	0	18,665,456	16,677,541
1840	Underground Conduit	9,877,236	856,073	0	10,733,310	5,586,539	368,710	0	5,955,249	4,778,060
1845	Underground Conductors and Devices	19,608,762	1,044,037	0	20,652,799	9,963,253	723,055	0	10,686,308	9,966,492
1850	Line Transformers	37,693,619	2,217,734	0	39,911,353	19,757,230	1,364,574	0	21,121,805	18,789,549
1855	Services	23,565,934	1,094,463	0	24,660,397	13,372,363	840,923	0	14,213,286	10,447,111
1860	Meters	13,511,654	45,418	0	13,557,072	7,062,461	469,136	0	7,531,597	6,025,474
1865	Other Installations on Customer's Premises	0	0	0	0	0	0	0	0	0
1905	Land	96,300	0	0	96,300	0	0	0	0	96,300
1906	Land Rights	0	0	0	0	0	0	0	0	0
1908	Buildings and Fixtures	7,324,801	258,913	0	7,583,713	2,868,040	176,307	0	3,044,347	4,539,367
1910	Leasehold Improvements	0	0	0	0	0	0	0	0	0
1915	Office Furniture and Equipment	1,183,589	7,663	0	1,191,252	941,954	42,753	0	984,707	206,545
1920	Computer Equipment - Hardware	1,786,300	50,532	0	1,836,832	1,587,450	78,599	0	1,666,049	170,784
1925	Computer Software	3,243,125	258,327	0	3,501,452	2,557,751	193,964	0	2,751,715	749,737
1930	Transportation Equipment	3,371,030	491,108	389,053	3,473,084	2,471,915	226,927	389,053	2,309,789	1,163,295
1935	Stores Equipment	292,425	0	0	292,425	291,377	702	0	292,080	345
1940	Tools, Shop and Garage Equipment	1,257,524	19,825	0	1,277,349	1,035,769	41,644	0	1,077,413	199,936
1945	Measurement and Testing Equipment	337,608	16,740	0	354,348	320,452	4,912	0	325,364	28,984
1950	Power Operated Equipment	0	0	0	0	0	0	0	0	0
1955	Communication Equipment	191,861	0	0	191,861	191,861	0	0	191,861	0
1960	Miscellaneous Equipment	0	0	0	0	0	0	0	0	0
1970	Load Management Controls - Customer Premises	0	0	0	0	0	0	0	0	0
1975	Load Management Controls - Utility Premises	0	0	0	0	0	0	0	0	0
1980	System Supervisory Equipment	2,653,528	106,150	0	2,759,678	2,145,674	167,665	0	2,313,339	446,339
1985	Sentinel Lighting Rentals	0	0	0	0	0	0	0	0	0
1990	Other Tangible Property	0	0	0	0	0	0	0	0	0
1995	Contributions and Grants	(11,447,083)	(1,644,982)	0	(13,092,065)	(1,805,119)	(523,683)	0	(2,328,801)	(10,763,264)
0		0	0	0	0	0	0	0	0	0
0		0	0	0	0	0	0	0	0	0
	<b>Total before Work in Process</b>	<b>181,777,529</b>	<b>10,166,308</b>	<b>389,053</b>	<b>191,554,784</b>	<b>104,290,507</b>	<b>6,591,404</b>	<b>389,053</b>	<b>110,492,858</b>	<b>81,061,926</b>
	Work in Process	0			0	0			0	0
	<b>Total after Work in Process</b>	<b>181,777,529</b>	<b>10,166,308</b>	<b>389,053</b>	<b>191,554,784</b>	<b>104,290,507</b>	<b>6,591,404</b>	<b>389,053</b>	<b>110,492,858</b>	<b>81,061,926</b>



**Fixed Asset Continuity Schedule  
As at December 31, 2009**

OEB	Description	Cost				Accumulated Depreciation				Net Book Value
		Opening Balance	Additions	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	
1805	Land	202,703	0	0	202,703	0	0	0	202,703	
1806	Land Rights	189,351	0	0	189,351	15,201	2,829	18,030	171,320	
1808	Buildings and Fixtures	2,017,246	105,000	0	2,122,246	897,561	56,601	954,162	1,168,085	
1810	Leasehold Improvements	0	0	0	0	0	0	0	0	
1815	Transformer Station Equipment - Normally Prima	0	0	0	0	0	0	0	0	
1820	Distribution Station Equipment - Normally Prima	12,783,395	277,500	0	13,060,895	7,670,096	361,484	8,031,581	5,029,315	
1825	Storage Battery Equipment	0	0	0	0	0	0	0	0	
1830	Poles, Towers and Fixtures	22,037,933	2,093,000	0	24,130,933	11,108,438	816,135	11,924,573	12,206,359	
1835	Overhead Conductors and Devices	35,342,997	1,633,000	0	36,975,997	18,665,456	1,261,685	19,927,141	17,048,856	
1840	Underground Conduit	10,733,310	1,446,000	0	12,179,310	5,955,249	398,673	6,353,923	5,825,387	
1845	Underground Conductors and Devices	20,652,799	3,359,300	0	24,012,099	10,686,308	792,014	11,478,321	12,533,778	
1850	Line Transformers	39,911,353	2,100,000	0	42,011,353	21,121,805	1,465,993	22,587,798	19,423,555	
1855	Services	24,660,397	1,103,700	0	25,764,097	14,213,286	865,500	15,078,787	10,685,311	
1860	Meters	13,557,072	719,500	0	14,276,572	7,531,597	497,317	8,028,914	6,247,657	
1865	Other Installations on Customer's Premises	0	0	0	0	0	0	0	0	
1870	Leased Property on Customer Premises									
1875	Street Lighting and Signal Systems									
1905	Land	96,300	0	0	96,300	0	0	0	96,300	
1906	Land Rights	0	0	0	0	0	0	0	0	
1908	Buildings and Fixtures	7,583,713	350,000	0	7,933,713	3,044,347	187,084	3,231,430	4,702,283	
1910	Leasehold Improvements	0	0	0	0	0	0	0	0	
1915	Office Furniture and Equipment	1,191,252	77,900	0	1,269,152	984,707	40,268	1,024,975	244,177	
1920	Computer Equipment - Hardware	1,836,832	56,000	0	1,892,832	1,666,049	76,372	1,742,421	150,411	
1925	Computer Software	3,501,452	679,000	0	4,180,452	2,751,715	321,386	3,073,101	1,107,350	
1930	Transportation Equipment	3,473,084	455,000	0	3,928,084	2,309,789	295,438	2,605,227	1,322,857	
1935	Stores Equipment	292,425	0	0	292,425	292,080	378	292,458	(33)	
1940	Tools, Shop and Garage Equipment	1,277,349	52,000	0	1,329,349	1,077,413	42,380	1,119,793	209,556	
1945	Measurement and Testing Equipment	354,348	14,600	0	368,948	325,364	5,508	330,872	38,076	
1950	Power Operated Equipment	0	0	0	0	0	0	0	0	
1955	Communication Equipment	191,861	0	0	191,861	191,861	0	191,861	0	
1960	Miscellaneous Equipment	0	0	0	0	0	0	0	0	
1970	Load Management Controls - Customer Premise	0	0	0	0	0	0	0	0	
1975	Load Management Controls - Utility Premises	0	0	0	0	0	0	0	0	
1980	System Supervisory Equipment	2,759,678	125,000	0	2,884,678	2,313,339	178,121	2,491,460	393,218	
1985	Sentinel Lighting Rentals	0	0	0	0	0	0	0	0	
1990	Other Tangible Property	0	0	0	0	0	0	0	0	
1995	Contributions and Grants	(13,092,065)	(6,200,000)	0	(19,292,065)	(2,328,801)	(647,683)	(2,976,484)	(16,315,581)	
		0			0	0	0			
		0			0	0	0			
	<b>Total before Work in Process</b>	<b>191,554,784</b>	<b>8,446,500</b>	<b>0</b>	<b>200,001,284</b>	<b>110,492,858</b>	<b>7,017,486</b>	<b>0</b>	<b>117,510,344</b>	<b>82,490,940</b>
	Work in Process	0			0	0			0	
	<b>Total after Work in Process</b>	<b>191,554,784</b>	<b>8,446,500</b>	<b>0</b>	<b>200,001,284</b>	<b>110,492,858</b>	<b>7,017,486</b>	<b>0</b>	<b>117,510,344</b>	<b>82,490,940</b>

**Fixed Asset Continuity Schedule  
As at December 31, 2010**

OEB	Description	Cost				Accumulated Depreciation				Net Book Value
		Opening Balance	Additions	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	
1805	Land	202,703	0	0	202,703	0	0	0	202,703	
1806	Land Rights	189,351	0	0	189,351	18,030	2,829	20,859	168,491	
1808	Buildings and Fixtures	2,122,246	180,000	0	2,302,246	954,162	62,301	1,016,462	1,285,784	
1810	Leasehold Improvements	0	0	0	0	0	0	0	0	
1815	Transformer Station Equipment - Normally Prima	0	0	0	0	0	0	0	0	
1820	Distribution Station Equipment - Normally Prima	13,060,895	357,500	0	13,418,395	8,031,581	364,067	8,395,648	5,022,748	
1825	Storage Battery Equipment	0	0	0	0	0	0	0	0	
1830	Poles, Towers and Fixtures	24,130,933	1,928,000	0	26,058,933	11,924,573	891,182	12,815,755	13,243,177	
1835	Overhead Conductors and Devices	36,975,997	1,568,000	0	38,543,997	19,927,141	1,316,452	21,243,592	17,300,405	
1840	Underground Conduit	12,179,310	875,000	0	13,054,310	6,353,923	442,108	6,796,031	6,258,279	
1845	Underground Conductors and Devices	24,012,099	1,813,300	0	25,825,399	11,478,321	890,391	12,368,713	13,456,687	
1850	Line Transformers	42,011,353	1,800,000	0	43,811,353	22,587,798	1,538,327	24,126,125	19,685,229	
1855	Services	25,764,097	1,022,700	0	26,786,797	15,078,787	900,864	15,979,651	10,807,146	
1860	Meters	14,276,572	935,000	0	15,211,572	8,028,914	530,407	8,559,321	6,652,250	
1865	Other Installations on Customer's Premises	0	0	0	0	0	0	0	0	
1870	Leased Property on Customer Premises	0	0	0	0	0	0	0	0	
1875	Street Lighting and Signal Systems	0	0	0	0	0	0	0	0	
1905	Land	96,300	0	0	96,300	0	0	0	96,300	
1906	Land Rights	0	0	0	0	0	0	0	0	
1908	Buildings and Fixtures	7,933,713	250,000	0	8,183,713	3,231,430	197,882	3,429,312	4,754,401	
1910	Leasehold Improvements	0	0	0	0	0	0	0	0	
1915	Office Furniture and Equipment	1,269,152	128,100	0	1,397,252	1,024,975	46,808	1,071,783	325,469	
1920	Computer Equipment - Hardware	1,892,832	60,000	0	1,952,832	1,742,421	75,792	1,818,213	134,620	
1925	Computer Software	4,180,452	210,000	0	4,390,452	3,073,101	381,192	3,454,293	936,159	
1930	Transportation Equipment	3,928,084	185,000	0	4,113,084	2,605,227	321,337	2,926,564	1,186,520	
1935	Stores Equipment	292,425	0	0	292,425	292,458	0	292,458	(33)	
1940	Tools, Shop and Garage Equipment	1,329,349	50,500	0	1,379,849	1,119,793	40,918	1,160,711	219,138	
1945	Measurement and Testing Equipment	368,948	13,000	0	381,948	330,872	6,551	337,423	44,525	
1950	Power Operated Equipment	0	0	0	0	0	0	0	0	
1955	Communication Equipment	191,861	0	0	191,861	191,861	0	191,861	0	
1960	Miscellaneous Equipment	0	0	0	0	0	0	0	0	
1970	Load Management Controls - Customer Premise	0	0	0	0	0	0	0	0	
1975	Load Management Controls - Utility Premises	0	0	0	0	0	0	0	0	
1980	System Supervisory Equipment	2,884,678	160,000	0	3,044,678	2,491,460	187,621	2,679,081	365,597	
1985	Sentinel Lighting Rentals	0	0	0	0	0	0	0	0	
1990	Other Tangible Property	0	0	0	0	0	0	0	0	
1995	Contributions and Grants	(19,292,065)	(2,700,000)	0	(21,992,065)	(2,976,484)	(825,683)	(3,802,167)	(18,189,898)	
		0								
		0								
	<b>Total before Work in Process</b>	<b>200,001,284</b>	<b>8,836,100</b>	<b>0</b>	<b>208,837,384</b>	<b>117,510,344</b>	<b>7,371,345</b>	<b>124,881,690</b>	<b>83,955,694</b>	
	Work in Process	0	3,300,000		3,300,000	0		0	3,300,000	
	<b>Total after Work in Process</b>	<b>200,001,284</b>	<b>12,136,100</b>	<b>0</b>	<b>212,137,384</b>	<b>117,510,344</b>	<b>7,371,345</b>	<b>124,881,690</b>	<b>87,255,694</b>	

1 **WORKING CAPITAL CALCULATION:**

2 **Overview:**

3 Burlington Hydro's working capital allowance is forecast to be \$21,516,741 for 2010 and is  
4 based on the "15% of specific OM&A accounts formula approach" referred to at page 15 of the  
5 Board's Filing Requirements. Burlington Hydro has provided its calculations by account for  
6 each of 2006 Actual, 2007 Actual, the 2009 Bridge Year and the 2010 Test Year in Schedule 1 of  
7 this Tab. Burlington Hydro has provided a spreadsheet setting out Burlington Hydro's Cost of  
8 Power calculations as Schedule 2.



1 **2009 COST OF POWER FORECAST CALCULATION:**

<b>Electricity - Commodity</b>	<b>2009 Forecasted Metered kWhs</b>	<b>2009 Loss Factor</b>			
<b>Class per Load Forecast</b>			<b>2009</b>		
Residential	525,074,536	1.0429	547,600,234	\$0.0607	\$33,250,286
Street Lighting	9,223,186	1.0429	9,618,860	\$0.0607	\$584,057
Sentinel Lighting		1.0429	0	\$0.0607	\$0
GS<50kW	171,794,967	1.0429	179,164,971	\$0.0607	\$10,878,897
GS>50kW	914,058,878	1.0429	953,272,004	\$0.0607	\$57,882,676
Intermediate		1.0429	0	\$0.0607	\$0
Unmetered Scattered Load	3,919,270	1.0429	4,087,407	\$0.0607	\$248,187
<b>TOTAL</b>	<b>1,624,070,837</b>		<b>1,689,656,069</b>		<b>\$102,844,104</b>

<b>Transmission - Network</b>	<b>Volume Metric</b>			
<b>Class per Load Forecast</b>		<b>2009</b>		
Residential	kWh	547,600,234	\$0.0053	\$2,902,281
Street Lighting	kW	25,572	\$1.5031	\$38,437
Sentinel Lighting	kW	0		\$0
GS<50kW	kWh	179,164,971	\$0.0049	\$877,908
GS>50kW	kW	2,353,610	\$2.0273	\$4,771,474
Intermediate	kW	0		\$0
Unmetered Scattered Load	kWh	4,087,407	\$0.0049	\$20,028
<b>TOTAL</b>	<b>kW</b>			<b>\$8,610,129</b>

<b>Transmission - Connection</b>	<b>Volume Metric</b>			
<b>Class per Load Forecast</b>		<b>2009</b>		
Residential	kWh	547,600,234	\$0.0051	\$2,792,761
Street Lighting	kW	25,572	\$1.3982	\$35,755
Sentinel Lighting	kW	0		\$0
GS<50kW	kWh	179,164,971	\$0.0045	\$806,242
GS>50kW	kW	2,353,610	\$1.8611	\$4,380,304
Intermediate	kW	0		\$0
Unmetered Scattered Load	kWh	4,087,407	\$0.0045	\$18,393
<b>TOTAL</b>				<b>\$8,033,456</b>

<b>Wholesale Market Service</b>				
<b>Class per Load Forecast</b>	<b>2009</b>			
Residential		547,600,234	\$0.0052	\$2,847,521
Street Lighting		9,618,860	\$0.0052	\$50,018
Sentinel Lighting		0	\$0.0052	\$0
GS<50kW		179,164,971	\$0.0052	\$931,658
GS>50kW		953,272,004	\$0.0052	\$4,957,014
Intermediate		0	\$0.0052	\$0
Unmetered Scattered Load		4,087,407	\$0.0052	\$21,255
<b>TOTAL</b>				<b>\$8,807,466</b>

<b>Rural Rate Assistance</b>				
<b>Class per Load Forecast</b>	<b>2009</b>			
Residential		547,600,234	\$0.0013	\$711,880
Street Lighting		25,572	\$0.0013	\$33
Sentinel Lighting		0	\$0.0013	\$0
GS<50kW		179,164,971	\$0.0013	\$232,914
GS>50kW		2,353,610	\$0.0013	\$3,060
Intermediate		0	\$0.0013	\$0
Unmetered Scattered Load		4,087,407	\$0.0013	\$5,314
<b>TOTAL</b>				<b>\$953,201</b>

<b>2009</b>				
4705-Power Purchased	\$102,844,104			
4708-Charges-WMS	\$8,807,466			
4714-Charges-NW	\$8,610,129			
4716-Charges-CN	\$8,033,456			
4730-Rural Rate Assistance	\$953,201			
4750-Low Voltage	\$65,966			
<b>TOTAL</b>	<b>129,314,322</b>			

1 **2010 COST OF POWER FORECAST CALCULATION:**

<b>Electricity - Commodity</b>	2010				
<b>Class per Load Forecast</b>	<b>Forecasted Metered kWhs</b>	<b>2010 Loss Factor</b>	<b>2010</b>		
Residential	520,407,965	1.0405	541,484,488	\$0.0607	\$32,878,938
Street Lighting	9,421,002	1.0405	9,802,552	\$0.0607	\$595,211
Sentinel Lighting		1.0405	0	\$0.0607	\$0
GS<50kW	171,414,280	1.0405	178,356,558	\$0.0607	\$10,829,810
GS>50kW	910,133,799	1.0405	946,994,218	\$0.0607	\$57,501,489
Intermediate		1.0405	0	\$0.0607	\$0
Unmetered Scattered Load	3,918,008	1.0405	4,076,687	\$0.0607	\$247,536
<b>TOTAL</b>	<b>1,615,295,054</b>		<b>1,676,637,816</b>		<b>\$102,052,985</b>

<b>Transmission - Network</b>		<b>Volume</b>			
<b>Class per Load Forecast</b>		<b>Metric</b>	<b>2010</b>		
Residential		kWh	541,484,488	\$0.0055	\$2,978,165
Street Lighting		kW	26,120	\$1.5557	\$40,635
Sentinel Lighting		kW	0		\$0
GS<50kW		kWh	178,356,558	\$0.0051	\$909,618
GS>50kW		kW	2,343,504	\$2.0983	\$4,917,374
Intermediate		kW	0		\$0
Unmetered Scattered Load		kWh	4,076,687	\$0.0051	\$20,791
<b>TOTAL</b>					<b>\$8,866,583</b>

<b>Transmission - Connection</b>		<b>Volume</b>			
<b>Class per Load Forecast</b>		<b>Metric</b>	<b>2010</b>		
Residential		kWh	541,484,488	\$0.0050	\$2,707,422
Street Lighting		kW	26,120	\$1.3674	\$35,717
Sentinel Lighting		kW	0		\$0
GS<50kW		kWh	178,356,558	\$0.0044	\$784,769
GS>50kW		kW	2,343,504	\$1.8202	\$4,265,645
Intermediate		kW	0		\$0
Unmetered Scattered Load		kWh	4,076,687	\$0.0044	\$17,937
<b>TOTAL</b>					<b>\$7,811,491</b>

<b>Wholesale Market Service</b>					
<b>Class per Load Forecast</b>			<b>2010</b>		
Residential			541,484,488	\$0.0052	\$2,815,719
Street Lighting			9,802,552	\$0.0052	\$50,973
Sentinel Lighting			0	\$0.0052	\$0
GS<50kW			178,356,558	\$0.0052	\$927,454
GS>50kW			946,994,218	\$0.0052	\$4,924,370
Intermediate			0	\$0.0052	\$0
Unmetered Scattered Load			4,076,687	\$0.0052	\$21,199
<b>TOTAL</b>					<b>\$8,739,715</b>

<b>Rural Rate Assistance</b>					
<b>Class per Load Forecast</b>			<b>2010</b>		
Residential			541,484,488	\$0.0013	\$703,930
Street Lighting			26,120	\$0.0013	\$34
Sentinel Lighting			0	\$0.0013	\$0
GS<50kW			178,356,558	\$0.0013	\$231,864
GS>50kW			2,343,504	\$0.0013	\$3,047
Intermediate			0	\$0.0013	\$0
Unmetered Scattered Load			4,076,687	\$0.0013	\$5,300
<b>TOTAL</b>					<b>\$944,174</b>

<b>2010</b>					
4705-Power Purchased	\$102,052,985				
4708-Charges-WMS	\$8,739,715				
4714-Charges-NW	\$8,866,583				
4716-Charges-CN	\$7,811,491				
4730-Rural Rate Assistance	\$944,174				
4750-Low Voltage					
<b>TOTAL</b>	<b>128,414,948</b>				

1    **CAPITAL EXPENDITURES**

2    The following section sets out Burlington Hydro's capital expenditures, listed by project, and  
3    broken out by Uniform System of Accounts. This information has been presented for 2004  
4    Actual, 2005 Actual, 2006 Actual, 2007 Actual, 2008 Actual, 2009 Bridge Year and 2010 Test  
5    Year. These tables are located at Exhibit 2, Tab 4, Schedule 1.

6    A written description of capital expenditures by project for each of those years is included in the  
7    following Schedules of Exhibit 2, Tab 4:

- 8       • Schedule 2 – 2004 Actual
- 9       • Schedule 3 – 2005 Actual;
- 10      • Schedule 4 – 2006 Actual;
- 11      • Schedule 5 – 2007 Actual;
- 12      • Schedule 6 – 2008 Actual;
- 13      • Schedule 7 – 2009 Bridge Year;
- 14      • Schedule 8 – 2010 Test Year; and
- 15      • Schedule 9 – Budget for 2011 and 2012.

Capital Additions by Project - 2004																	
Year: 2004																	
Uniform System of Accounts Number																	
Project Description	1808	1820	1830	1835	1840	1845	1850	1855	1860	1908	1915	1920	1925	1930	1940	1995	Total
	Buildings and Fixtures	Distribution Station Equipment - Normally Primary below 50 kV	Poles, Towers and Fixtures	Overhead Conductors and Devices	Underground Conduit	Underground Conductors and Devices	Line Transformers	Services	Meters				Computer Software	Transportation Equipment		Contributions and Grants - Credit	
Towerline MS	\$ 377,573																\$ 377,573
DPU Relays - Marley and Walkers MS		\$ 50,828															\$ 50,828
Battery Banks and Chargers - Eastbrook/Harvester MS		\$ 21,061															\$ 21,061
Cooling Fans for Substation Transformers - Hampton Heath/Nelson MS		\$ 24,952															\$ 24,952
Substation Transformer Oil Replacement		\$ 41,537															\$ 41,537
Transducers		\$ 3,563															\$ 3,563
Repaint Transformer and Switchgear - Lowville MS		\$ 38,917															\$ 38,917
Appleby Line North of Dundas - Relocate Poles for New Walmart			\$ 5,923	\$ 8,582													\$ 14,505
H6 Hwy from Plains Rd. to Old York Road		\$ 8,006	\$ 9,542				\$ 3,013	\$ 350									\$ 20,911
Pole Replacement		\$ 168,582	\$ 24,584				\$ 41,645	\$ 968									\$ 235,779
Motorized Switches		\$ 37,678	\$ 629,026														\$ 666,703
MTO Reconstruction of Guelph Line Interchange		\$ 1,830															\$ 1,830
Appleby Line North of Uppermiddle Rd. - Grade Separation		\$ 136,748	\$ 95,202		\$ 2,080	\$ 53,508	\$ 5,908										\$ 293,446
Structures - Overhead Primary		\$ 323,063															\$ 323,063
Structures - Overhead Secondary		\$ 3,746															\$ 3,746
Brant St. ROW Storm Damage - Replace 10 Poles		\$ 6,865	\$ 86,251														\$ 93,117
Conductors - Overhead Primary			\$ 358,387														\$ 358,387
Permalli Insulator Replacement Program			\$ 3,511														\$ 3,511
Conductors - Overhead Secondary			\$ 16,763														\$ 16,763
Palmer Primary Cable Replacement Ph 2					\$ 189,250	\$ 346,433	\$ 2,077	\$ 13,510									\$ 551,270
Lakeshore Rd. Reconstruction - Maple to Nelson					\$ 31,942	\$ 1,691											\$ 33,634
Lakeshore Rd. West of Brant - Clean up of Contaminated Soil					\$ 15,542												\$ 15,542
Structures - Underground Primary					\$ 206,830												\$ 206,830
Orchard Community Various Perimeter Adjustments					\$ 148	\$ 59,302											\$ 59,450
Structures - Underground Secondary					\$ 755												\$ 755
Conductors - Underground Primary					\$ 502,050												\$ 502,050
Uppermiddle Rd. West of Cavendish - Replacement of Primary Cables					\$ 126,072			\$ 86,560									\$ 212,631
Conductors - Underground Secondary					\$ 12,337												\$ 12,337
Various Oil Sampling - Submersible and Overhead Transformers					\$ 5,258	\$ 159,270											\$ 164,528
Transformers - Overhead Primary					\$ 267,169												\$ 267,169
Transformers - Underground Primary					\$ 987,120												\$ 987,120
Spare Transformers						\$ 378,629											\$ 378,629
Conductors - Overhead Services						\$ 84,907		\$ 84,907									\$ 84,907
Conductors - Underground Services						\$ 431,742		\$ 431,742									\$ 431,742
Structures - Overhead Services						\$ 9,411		\$ 9,411									\$ 9,411
Structures - Underground Services						\$ 9,831		\$ 9,831									\$ 9,831
Subdivisions Assumed				\$ 174,946			\$ 138,201	\$ 103,830									\$ 416,977
Meters Installed								\$ 617,595									\$ 617,595
Primary Metering Tank Replacement for Palermo Feeders								\$ 30,570									\$ 30,570
Wholesale Metering Equipment								\$ 86,233									\$ 86,233
Service Upgrade Program								\$ 7,352									\$ 7,352
Spare Meters								\$ 6,874									\$ 6,874
TVD Avalanche Messaging software													\$ 53,848				\$ 53,848
GIS Modules 1 and 2 (Einghouse)													\$ 34,240				\$ 34,240
AutoCAD Upgrades (3 copies)													\$ 4,793				\$ 4,793
System Analysis Model - Dess (Short Circuit)													\$ 11,810				\$ 11,810
Daffron Custom Programming													\$ 24,658				\$ 24,658
Virus Protection for Systrends Spoke EBT Server													\$ 13,208				\$ 13,208
Migrate Lotus Notes from AS/400 to a PC Server													\$ 2,916				\$ 2,916
Replacement Vehicles (3 Vehicles)													\$ 93,006				\$ 93,006
Replacement for Digger Truck #20													\$ 261,640				\$ 261,640
Fire Alarm Upgrade								\$ 5,441									\$ 5,441
Overhead Door Repairs								\$ 21,387									\$ 21,387
Filing Cabinets - Information Services								\$ 1,061									\$ 1,061
Photo Copier								\$ 7,687									\$ 7,687
Miscellaneous								\$ 6,794									\$ 6,794
Portable Radio/Mic on BHI System								\$ 1,813									\$ 1,813
Fax Machine								\$ 3,364									\$ 3,364
Personal Computers								\$ 34,517									\$ 34,517
Meter Shop Network Closet								\$ 4,334									\$ 4,334
Update/Replace Phone Notification System								\$ 5,080									\$ 5,080
Laptops								\$ 14,620									\$ 14,620
Printer - Control Room								\$ 2,353									\$ 2,353
Radios														\$ 3,087			\$ 3,087
Assorted Truck Tools														\$ 9,162			\$ 9,162
Primary Cable Thumper														\$ 37,202			\$ 37,202
Assorted Tools														\$ 6,793			\$ 6,793
Test Equipment														\$ 12,628			\$ 12,628
Capital Contributions																\$ (538,645)	\$ (538,645)
<b>Total</b>	<b>\$ 377,573</b>	<b>\$ 180,858</b>	<b>\$ 692,441</b>	<b>\$ 1,406,793</b>	<b>\$ 446,547</b>	<b>\$ 1,106,651</b>	<b>\$ 1,983,031</b>	<b>\$ 741,110</b>	<b>\$ 748,624</b>	<b>\$ 26,828</b>	<b>\$ 20,719</b>	<b>\$ 60,904</b>	<b>\$ 145,474</b>	<b>\$ 354,646</b>	<b>\$ 68,871</b>	<b>\$ (538,645)</b>	<b>\$ 7,822,426</b>



Capital Additions by OEB Accounts - 2005

Year: 2005		Uniform System of Accounts Number																
Projects	1805	1830	1835	1840	1845	1850	1855	1860	1908	1915	1920	1925	1930	1940	1960	1995	Total	
	Land	Poles, Towers and Fixtures	Overhead Conductors and Devices	Underground Conduit	Underground Conductors and Devices	Line Transformers	Services	Meters	Buildings and Fixtures	Office Furniture and Equipment	Computer Equipment - Hardware	Computer Software	Transportation Equipment	Tools, Shop and Garage Equipment	Miscellaneous Equipment	Contributions and Grants - Credit		
DPU Relay Installations - Walkers Station	32,749																32,749	
Battery Bank Charger - Harvester Interchange Stations	17,990																17,990	
Conversion of Substation Communications to Fibre	8,128																8,128	
Recommissioning of Various Stations	107,506																107,506	
Transducers	4,774																4,774	
Jlb Crane - Tyandaga Station	14,768																14,768	
Switchgear Conversion - Pinecove Station	290,995																290,995	
Pole Replacement Program		82,406				2,453											84,859	
SCADAMATE Program		13,084	514,851														527,934	
Appleby Line Grade Separation		4,222															4,222	
Structures - Overhead Primary		531,808															531,808	
Structures - Overhead Secondary		83,971															83,971	
Orchard Subdivision - Perimeter Adjustments		118	4,008	42,354	94,214	3,540	61,311										205,545	
#6 HWY @ Plains Rd West to Old York Rd.		1,084	5,034			469	469										7,056	
Conductors - Overhead Primary			206,541														206,541	
Conductors - Overhead Secondary			16,031														16,031	
Subdivisions Assumed			233,774			186,979	52,734										473,487	
Distribution System Improvements			82,048														82,048	
Palmer Subdivision Primary Cable Rebuild - PH3				187	143,388	203,072	88,809										435,457	
Lakeshore Road - 27.6KV Feeder Extension				110,740	26,314												137,054	
Structures - Underground Primary				86,914													86,914	
Structures - Underground Secondary				326													326	
Fault Indicator Installations					40,030	30,736											70,766	
Lead Cable Replacement					110,772												110,772	
Conductors - Underground Primary					703,227												703,227	
Conductors - Underground Secondary					1,360												1,360	
Overhead Submersible Transformer Oil Testing						40,690											40,690	
Transformers - Overhead Primary						308,419											308,419	
Transformers - Underground Primary						822,963											822,963	
#4406 Hawthorne - Replacement of Overhead Transformer						934											934	
Spare Transformers						(89,379)											(89,379)	
Conductors - Overhead Service							65,806										65,806	
Structures - Overhead Service							25,118										25,118	
Structures - Underground Service							18,716										18,716	
Conductors - Underground Service							398,402										398,402	
Temporary Services Revenue 2005							8,400										8,400	
Temporary Services Revenue 2002 - 2004							16,800										16,800	
Metering								516,547									516,547	
Data Star Changes								1,168									1,168	
Wholesale Metering Upgrades at Burlington TS and Cumberland TS								124,755									124,755	
Bull Moose Tube								28,421									28,421	
Spare Meters								(10,402)									(10,402)	
Smart Metering Pilot Harbourlights Condos								61,957									61,957	
UPS Upgrade									26,933								26,933	
Replace Roof for the Centre Portion of Main Office									33,580								33,580	
Handicap Concrete Ramps									6,600								6,600	
Garage/Storage Lighting									24,260								24,260	
Lighting Retrofit Project									35,861								35,861	
Communication Equip to Complete the Token Ring to Ethernet											29,722						29,722	
Personal Computers (general provision)											26,544						26,544	
Laptops (locators/remotes for trouble trucks)											14,322						14,322	
Laser Printers (2nd floor/construction)											11,075						11,075	
Computer Replacement (safety dept)											3,903						3,903	
Powersedge											25,738						25,738	
GIS Upgrade - Module 3/4 (OMS, WMS, Great Plains)												211,952					211,952	
ICSP Software Protocol - Comm to Barrie Control Cen												43,512					43,512	
Computerized Maintenance Management System												30,000					30,000	
Autocad Update												5,051					5,051	
Smart Metering Pilot												33,315					33,315	
Voluntary Demand Response												48,000					48,000	
Dallan Cust. Programming												57,920					57,920	
Winulal Software												2,292					2,292	
Replacement for Truck 35 (paid over 2 yrs - \$300k)													90,531				90,531	
New Pickup for new supervisor														33,812			33,812	
Disposals														(1,296)			(1,296)	
Office Furniture																	14,056	
Tools, Shop and Garage Equipment										14,056							14,056	
Miscellaneous Equipment															12,606		12,606	
Contributions and Grants															(470)	(1,294,089)	(1,294,089)	
<b>Total</b>	<b>444,162</b>	<b>716,693</b>	<b>1,062,287</b>	<b>240,521</b>	<b>1,119,305</b>	<b>1,510,877</b>	<b>736,566</b>	<b>722,446</b>	<b>127,234</b>	<b>14,056</b>	<b>111,304</b>	<b>432,042</b>	<b>123,047</b>	<b>12,606</b>	<b>(470)</b>	<b>(1,294,089)</b>	<b>6,111,337</b>	

**Capital Additions by OEB Accounts - 2006**

**Year: 2006**

**Uniform System of Accounts Number**

Projects	1808	1820	1830	1835	1840	1845	1850	1855	1860	1908	1915	1920	1925	1930	1940	1995	Total
	Buildings and Fixtures	Distribution Station Equipment - Normally Primary below 50 kV	Poles, Towers and Fixtures	Overhead Conductors and Devices	Underground Conduit	Underground Conductors and Devices	Line Transformers	Services	Meters	Buildings and Fixtures	Office Furniture and Equipment	Computer Equipment - Hardware	Computer Software	Transportation Equipment	Tools, Shop and Garage Equipment	Contributions and Grants - Credit	
Upgrade Relays to Solid State - Walkers Station		24,778															24,778
Upgrade Relays to Solid State - Current Transducers		3,671															3,671
Recommission Substations - Various Locations		103,447															103,447
SCADA System Upgrade		12,168															12,168
Conversion of Communications to Fibre		761															761
Pole Replacement Program			215,655	109,176			4,226										329,057
SCADAMATE Program			139,811	157,146													296,957
#155 Dundas - Hanson Brick Meter Tank Replacement			12,461	4,404													16,866
#1215 Appleby Line - Install 4 Sidewalk Slabs			5,648														5,648
Hydro ROW - Pole Replacement Bridgeview MS to Old York Road			24,854	24,854													49,708
Structures - Overhead Primary			506,355														506,355
Structures - Overhead Secondary			122,753														122,753
North Side of QEW at Guelph Line			3,078														3,078
Uppermiddle Road Cable Replacement - Ph 2			2,589		2,553	530											5,672
Conductors - Overhead Primary				367,700													367,700
Replacement of Permalit Deadend Insulators				37,807													37,807
Conductors - Overhead Secondary				40,486													40,486
Subdivisions Assumed				782,741			498,886	229,472									1,511,100
System Optimization				517,129													517,129
Lakeshore Road 27.6kV Feeder Extension					280	33											313
Palmer Subdivision Primary Cable Rebuild PH 3						673											673
Conductors - Underground Primary						418,851											418,851
Conductors - Underground Secondary						2,525											2,525
Transformer Oil Testing							90,214										90,214
Transformer - Overhead Primary							306,223										306,223
Transformer - Underground Primary							1,335,848										1,335,848
Spare Transformers							(216,279)										(216,279)
Conductors - Overhead Services								83,932									83,932
Conductors - Underground Services								534,686									534,686
Temporary Services Revenue								10,200									10,200
Metering Installed									468,052								468,052
Wholesale Metering Upgrades at Burlington and Cumberland TS									(460)								(460)
Smart Meters Installed									28,371								28,371
Spare Meters									28,046								28,046
Smart Metering Pilot									77,372								77,372
Work Management/Standards													34,451				34,451
Utilocate Module													3,618				3,618
Daffron Cust. Programming													15,589				15,589
Financials/WMS - custom programming													24,741				24,741
MV90 Software Smart Metering													34,575				34,575
MV90 Installation													10,486				10,486
Replacement for Digger Truck #35														228,046			228,046
Small Vehicle Replacement														199,681			199,681
Disposals														(267,331)			(267,331)
Fairwood & Woodward MS						121,668											121,668
Structures - Underground Primary					98,136												98,136
Structures - Underground Services								46,394									46,394
Buildings and Fixture Upgrades	6,100									54,628							60,728
Office Furniture and Equipment Upgrades											68,126						68,126
Computer Equipment - Hardware												84,324					84,324
Tools, Shop and Garage Equipment															28,256		28,256
Contributions and Grants																(3,034,454)	(3,034,454)
<b>Total</b>	<b>6,100</b>	<b>144,824</b>	<b>1,033,205</b>	<b>2,041,444</b>	<b>100,969</b>	<b>544,280</b>	<b>2,019,119</b>	<b>904,685</b>	<b>601,380</b>	<b>54,628</b>	<b>68,126</b>	<b>84,324</b>	<b>123,460</b>	<b>160,397</b>	<b>28,256</b>	<b>(3,034,454)</b>	<b>4,880,740</b>

Capital Additions by OEB Accounts - 2007

Year: 2007																	Uniform System of Accounts Number																
Projects	1808	1820	1830	1835	1840	1845	1850	1855	1860	1908	1915	1920	1925	1930	1940	1995	Total																
	Buildings and Fixtures	Station Equipment - Normally Primary below 50 kV	Poles, Towers and Fixtures	Overhead Conductors and Devices	Underground Conduit	Underground Conductors and Devices	Line Transformers	Services	Meters	Buildings and Fixtures	Office Furniture and Equipment	Computer Equipment - Hardware	Computer Software	Transportation Equipment	Tools, Shop and Garage Equipment	Contributions and Grants - Credit																	
Upgrade Relays To Solid State		4,745															4,745																
Switchgear Replacement - Elizabeth MS		322,257															322,257																
Recommission Various MS		115,107															115,107																
Repaint Appleby MS T1 & T2		24,075															24,075																
Battery Bank and Charges		9,157															9,157																
SCADA System Upgrade		241,961															241,961																
Pole Replacement Program			179,570	117,328			5,293										302,191																
ROW Pole Replacement Brant to TS39			53,899	38,442													92,341																
Hydro One ROW - Burloak to Bronte Feeders			301,788	77,323													379,111																
Structures - Overhead Primary			524,574														524,574																
Structures - Overhead Secondary			51,176														51,176																
CDM Distribution System Improvements SCADAMATES			991	498,832													499,823																
Conductors - Overhead Primary				338,468													338,468																
Conductors - Overhead Secondary				39,122													39,122																
Fault Indicator Installations				7,622													7,622																
Pollard Windows									23,239								23,239																
Tyandage Cable Replacement Program					176,056	184,760											360,816																
Downtown Lakeshore Road 27.6kV Feeder Extension					273,944	304,410											578,354																
Brant Street Streetscape Refurbishment by City - Manhole Adjustment					72,177												72,177																
Structures - Underground Primary					46,248												46,248																
Dryden Avenue Extension - City Project					154												154																
Structures - Underground Secondary					8,919												8,919																
Fairwood and Woodward MS Lead Cable Replacement						8											8																
Lasalle Towers at Northshore Blvd.						85,710	4,514										90,223																
Lowville MS - Replacement of Lead Cable						83,661											83,661																
Conductors - Underground Primary						365,604											365,604																
Conductors - Underground Secondary						17,369											17,369																
Transformer Oil Testing							60,610										60,610																
Transformers - Underground Primary							947,444										947,444																
Subdivisions				572,445			302,883	149,760									1,025,089																
Transformers - Overhead Primary							221,682										221,682																
PCB Compliance - Transformer Replacement							38,366										38,366																
Pinecove MS - Spare Transformer Repair							18,696										18,696																
Spare Transformers							105,372										105,372																
Conductors - Overhead Service								87,688									87,688																
Structures - Overhead Service								13,241									13,241																
Conductors - Underground Service								564,003									564,003																
Structures - Underground Service								21,029									21,029																
Temporary Services Revenue								14,000									14,000																
Meters Installed									229,525								229,525																
Smart Meters Installed									(34,795)								(34,795)																
Cross Phase Analysis (Rodan)									11,500								11,500																
Spare Meters									94,866								94,866																
Smart Metering Pilot - General Services									48,491								48,491																
Hot Water Heater										8,950							8,950																
Storage Room										4,130							4,130																
Roof Repairs										160,812							160,812																
Driveway Repairs										13,824							13,824																
Office Building										9,500							9,500																
Enterprise												27,649					27,649																
Materials Management												74,172					74,172																
Custom Programming												14,014					14,014																
Lotus Notes												12,960					12,960																
GIS Product Evaluation												24,859					24,859																
U2 License Dispatcher Software												8,561					8,561																
Web Security Suite												3,240					3,240																
Wi Fi Network												30,300					30,300																
Small Vehicle Replacement														343,127	(69,487)		343,127																
Disposals																	(69,487)																
Howard and Partridge			1,197														1,197																
SCADAMATE Program				62,681	376,396												439,076																
Building and Fixture Upgrades	52,993																52,993																
Office Furniture and Equipment Upgrades										21,758							21,758																
Tools, Shop and Garage Equipment															81,035		81,035																
Computer Equipment - Hardware												44,311					44,311																
Contributions and Grants																(2,244,428)	(2,244,428)																
<b>Total</b>	<b>52,993</b>	<b>718,499</b>	<b>1,174,678</b>	<b>2,065,979</b>	<b>577,498</b>	<b>1,041,522</b>	<b>1,704,860</b>	<b>849,720</b>	<b>372,826</b>	<b>197,216</b>	<b>21,758</b>	<b>44,311</b>	<b>195,756</b>	<b>273,640</b>	<b>81,035</b>	<b>(2,244,428)</b>	<b>7,127,864</b>																

Capital Additions by OEB Accounts - 2008																					
Year: 2008																					
Projects	Uniform System of Accounts Number																				
	1806	1808	1820	1830	1835	1840	1845	1850	1855	1860	1908	1915	1920	1925	1930	1940	1945	1980	1995	Total	
	Land Rights	Buildings and Fixtures	Distribution Station Equipment - Normally Primary below 50 kV	Poles, Towers and Fixtures	Overhead Conductors and Devices	Underground Conduit	Underground Conductors and Devices	Line Transformers	Services	Meters	Buildings and Fixtures	Office Furniture and Equipment	Computer Equipment - Hardware	Computer Software	Transportation Equipment	Tools, Shop and Garage Equipment	Measurement and Testing Equipment	System Supervisory Equipment	Contributions and Grants - Credit		
Land Rights - Palermo Feeders	176,418																			176,418	
Roof Repairs		16,896																			16,896
Substation		108,974																			108,974
Fence		8,098																			8,998
Upgrade Relays to Solid State			32,303																		32,303
Recommission Substations			175,356																		175,356
Battery Banks and Chargers			11,554																		11,554
SCADA System Upgrade			127,426																106,150		233,576
POLE REPLACEMENT PROGRAM				38,258	70,436	392,929	12,424	9,524	27,283												550,855
SCADAMATE PROGRAM				157,092	426,243																583,334
UPPERMIDDLE ROAD GRADE SEPARATION STORM SEWER				6,452	2,872																9,324
FAIRVIEW STREET WIDENING AT WALMART				64,703	39,812	20,270	29,429	2,827													177,041
POLE REPLACEMENT IN ROW - LEIGHLAND TO FAIRVIEW				140,627	46,998																187,624
QEW/BURLOAK CROSSING OF BRONTE FEEDER				51,868	103,913	3,880															159,660
HYDRO ONE ROW BRONTE FEEDERS INSTALLATION				556,916	519,015			1,969													1,077,901
UPPERMIDDLE ROAD GRADE SEPARATION BY CITY				164,813	178,748	35,295	39,582	2,255													420,694
TREMAINE RD SOUTH OF NO. 1 SIDE RD				70,151	43,630			7,106													120,887
STRUCTURES-OVERHEAD PRIMARY				344,149																	344,149
NO 6 HWY - MTO ROAD CONSTRUCTION				22,522	11,484			87													34,093
DERRY RD FEEDER INSTALLATION				2,630	22,415																25,045
STRUCTURES-OVERHEAD SECONDARY				14,855																	14,855
UPPERMIDDLE/BURLOAK REGION PROJECT				155,861	133,437	1,806															291,104
GUELPH LINE SOUTH OF PROSPECT - CITY RECONSTRUCTION				64,035	40,170			98,626		28,134											230,965
Walkers and Uppermiddle - Commercial Service				5,850		3,662		14,846	1,967												26,325
ROW POLE REPLACEMENT - BRANT STREET TO TS39				37,688	59,041																96,729
BURLINGTON HYDRO TO PROVIDE CLEAR PASSAGE FOR OVERSIZED LOAD					1,646																1,646
CONDUCTORS-OVERHEAD PRIMARY					190,779																190,779
CONDUCTORS-OVERHEAD SECONDARY					27,474																27,474
FAULT INDICATOR INSTALLATIONS					267																267
Subdivisions Assumed					274,530				182,094	161,051											617,674
FAIRVIEW STREET & BRANT STREET - WALMART SERVICE						108,105	45,929														154,034
HAVENDALE SUBDIVISION PRIMARY CABLE REPLACEMENT						166,781	147,392	27,630													341,803
TYANDAGA SUBDIVISION PRIMARY CABLE REPLACEMENT						3,773	4,166														7,938
DOWNTOWN LAKESHORE ROAD - 27.8KV FEEDER EXTENSION						88	165														253
STRUCTURES UNDERGROUND PRIMARY						40,808															40,808
BURLINGTON PERFORMING ARTS CENTRE - BURIAL OF POLE LINE						62,670	66,755														129,425
MAPLEVIEW MALL EXTENSION						3,137	101,853														104,991
RAVINES OF GLOUCESTER - NEW SERVICE						2,940	100	1,184													4,223
QEW WIDENING BY MTO - BRANT STREET TO BURLOAK DRIVE						777			1,024												1,800
PALMER SUBDIVISION PRIMARY CABLE REPLACEMENT						4															4
BRANT STREET STREETSCAPE BY CITY - MANHOLE ADJUSTMENT							1,249														1,249
CONDUCTORS-UNDERGROUND PRIMARY								486,033													486,033
STRUCTURES UNDERGROUND SECONDARY							7,900														7,900
MATTAMY HOMES - #4011 DUNDAS - COMMERCIAL DEVELOPMENT								80													80
LOWVILLE M.S. - REPLACEMENT OF LEAD CABLES								(5,735)													(5,735)
TRANSFORMERS-UNDERGROUND PRIMARY									1,054,611												1,054,611
CONDUCTORS-UNDERGROUND SECONDARY							2,391														2,391
TRANSFORMERS-OVERHEAD PRIMARY								321,963													321,963
ARTISANS #1370- REPLACEMENT OF TRANSFORMER FOR VOLTAGE CHANGE								438													438
PCB TRANSFORMER REPLACEMENT PROGRAM								528,448													528,448
SPARE TRANSFORMERS								75,631													75,631
CONDUCTORS-OVERHEAD SERVICE									77,210												77,210
CONDUCTORS-UNDERGROUND SERVICE									823,280												823,280
STRUCTURES-OVERHEAD SERVICES									5,750												5,750
STRUCTURES-UNDERGROUND SERVICE									20,132												20,132
Sun Screen																					17,291
Carpet Roof																					47,120
Painting																					132,805
Rain Screen																					21,751
Roof Repairs																					6,121
Fence Alarm																					2,505
Garage Sliding																					31,320
GIS Mapping																					191,963
Licenses																					51,378
Daffton Cust. Programming																					14,986
Disposals																					(389,053)
Van																					69,888
Vehicles																					421,221
Palermo Feeder				345,000	230,000																575,000
Temporary Services Revenue									(49,400)												(49,400)
Meters										45,418											45,418
Office Furniture and Equipment Upgrades												7,663									7,663
Computer Equipment - Hardware													50,532								50,532
Tools, Shop and Garage Equipment																				19,825	19,825
Measurement and Testing Equipment																					16,740
Contributions and Grants																					(1,644,982)
<b>Total</b>	<b>176,418</b>	<b>134,868</b>	<b>346,640</b>	<b>2,263,469</b>	<b>2,422,911</b>	<b>856,073</b>	<b>1,044,037</b>	<b>2,217,733</b>	<b>1,094,463</b>	<b>45,418</b>	<b>258,913</b>	<b>7,663</b>	<b>50,532</b>	<b>258,327</b>	<b>102,055</b>	<b>19,825</b>	<b>16,740</b>	<b>106,150</b>	<b>(1,644,982)</b>	<b>(1,644,982)</b>	<b>9,777,252</b>

**Capital Additions by OEB Accounts - 2009**

Year: 2009		Uniform System of Accounts Number																	Total
Projects	1808 Buildings and Fixtures	1820 Distribution Station Equipment - Normally Primary below 50 kV	1830 Poles, Towers and Fixtures	1835 Overhead Conductors and Devices	1840 Underground Conduit	1845 Underground Conductors and Devices	1850 Line Transformers	1855 Services	1860 Meters	1908 Buildings and Fixtures	1915 Office Furniture and Equipment	1920 Computer Equipment - Hardware	1925 Computer Software	1930 Transportation Equipment	1940 Tools, Shop and Garage Equipment	1945 Measurement and Testing Equipment	1980 System Supervisory Equipment	1995 Contributions and Grants - Credit	Total
Overall Building	60,000																		60,000
Distribution Stations	15,000																		15,000
Miscellaneous Building Repairs Including Driveway	30,000									10,000									40,000
Upgrade Relays to Solid State		80,000																	80,000
Re-commissioning of Various Stations		130,000																	130,000
Metaclad Equipment Refurbish/Paint		20,000																	20,000
Upgrade RTUs		25,000																	25,000
Battery Bank Chargers		10,000																	10,000
Transducers		5,000																	5,000
Miscellaneous Projects		7,500																	7,500
Burlington Performing Arts Centre			40,000	40,000	500,000	1,390,000	5,000	10,000											1,985,000
Downtown Lakeshore Road - 27.6 kV Feeder Extension			10,000	2,000	200,000	538,000													750,000
Butyl Insulated Cable Replacement Program			20,000	9,000	13,000	6,000		2,000											50,000
12 Mile Trail Conversion to Underground - 16kV			20,000		70,000	40,000	30,000	20,000											180,000
Pole Replacement Program			420,000	100,000	10,000	20,000	120,000	50,000											720,000
Motorized ABS Program			98,000	297,000		1,300		3,700											400,000
City Projects -Waterdown Road, Harrison Court			150,000	130,000			15,000	20,000											315,000
Rebuild Crossings - Plains Road at Royal Botanical Gardens			85,000	70,000		2,000	25,000	3,000											185,000
Region Projects - Appleby Line, Burford Drive & Uppermiddle Road			600,000	550,000	100,000	100,000	30,000	85,000											1,465,000
General Service - Overhead			300,000	190,000			200,000	50,000											740,000
MTO Projects - QEW Widening, #6 Highway Reconstruction			350,000	245,000	20,000	25,000	25,000	10,000											675,000
Cable Rebuild (North Brant Hills)					13,000	12,000													25,000
General Service - Underground					120,000	875,000	550,000	50,000											1,595,000
Subdivisions Assumed					400,000	200,000	600,000	800,000											2,000,000
PCB Compliance - Transformer Replacement							500,000												500,000
Relocate Wholesale Metering (Palermo TS)									84,000										84,000
Cross Phase Analysis (Rodan)									30,000										30,000
Current Limiters (Customer Service)									5,500										5,500
Primary Metering Tank Replacement									25,000										25,000
Metering Upgrades 2.5 Element to 3 Element									25,000										25,000
Meters Installed									200,000										200,000
1340 Brant Street										340,000									340,000
Daffron Cust. Programming												20,000							20,000
Health and Safety Software												3,000							3,000
GIS Mapping System Upgrades and New Landbase												650,000							650,000
OCE Printer Software												6,000							6,000
New and/or Replacements (>4500kg)														370,000					370,000
New and/or Replacements (<4500kg)														85,000					85,000
Control Room Upgrades																	125,000		125,000
Burlington Mall						125,000													125,000
Fault Indicators						25,000													25,000
Wholesale Metering (IT Metering at Cumberland TS)									350,000										350,000
Tools, Shop and Garage Equipment															52,000				52,000
Measurement and Testing Equipment																14,600			14,600
Computer Equipment - Hardware												56,000							56,000
Office Furniture and Equipment Upgrade											77,900								77,900
Contributions and Grants																		(6,200,000)	(6,200,000)
<b>Total</b>	<b>105,000</b>	<b>277,500</b>	<b>2,093,000</b>	<b>1,633,000</b>	<b>1,446,000</b>	<b>3,359,300</b>	<b>2,100,000</b>	<b>1,103,700</b>	<b>719,500</b>	<b>350,000</b>	<b>77,900</b>	<b>56,000</b>	<b>679,000</b>	<b>455,000</b>	<b>52,000</b>	<b>14,600</b>	<b>125,000</b>	<b>(6,200,000)</b>	<b>8,446,500</b>

**Capital Additions by OEB Accounts - 2010**

**Year: 2010**

**Uniform System of Accounts Number**

Projects	1808	1820	1830	1835	1840	1845	1850	1855	1860	1908	1915	1920	1925	1930	1940	1945	1980	1995	Total	
	Buildings and Fixtures	Distribution Station Equipment - Normally Primary below 50 kV	Poles, Towers and Fixtures	Overhead Conductors and Devices	Underground Conduit	Underground Conductors and Devices	Line Transformers	Services	Meters	Buildings and Fixtures	Office Furniture and Equipment	Computer Equipment - Hardware	Computer Software	Transportation Equipment	Tools, Shop and Garage Equipment	Measurement and Testing Equipment	System Supervisory Equipment	Contributions and Grants - Credit		
Distribution Stations	175,000																		175,000	
Miscellaneous Building Repairs Including Driveway	5,000																		5,000	
Upgrade Relays to Solid State		80,000																	80,000	
Re-commission Substations		140,000																	140,000	
Metalclad Equipment Refurbish/Paint		20,000																	20,000	
Vacuum Breaker Conversions (Asbestos Removal)		105,000																	105,000	
Transducers		5,000																	5,000	
Misc. Projects		7,500																	7,500	
Cable Rebuild (North Brant Hills)					250,000	250,000	50,000												550,000	
Fault Indicators						25,000													25,000	
Hampton MS 27 kV Cable Replacement			7,000	7,000	25,000	161,000													200,000	
General Service - Underground					145,000	850,000	550,000	50,000											1,595,000	
General Service - Overhead			360,000	320,000			220,000	75,000											975,000	
Burlington Mall						250,000													250,000	
Butyl Insulated Cable Replacement Program			20,000	9,000	13,000	6,000		2,000											50,000	
Subdivisions Assumed					400,000	200,000	600,000	800,000											2,000,000	
Pole Replacement Program			420,000	100,000	10,000	20,000	100,000	50,000											700,000	
Motorized ABS Program			98,000	297,000		1,300		3,700											400,000	
City Projects (Mainway Grade Separation Harvester, King Road)			360,000	280,000	15,000	30,000	40,000	15,000											740,000	
Sherwood Forest Park Feeder Tie			30,000	25,000															55,000	
Guelph Ln Pole Replacement-Uppermiddle to Reservoir MS			75,000	38,000	17,000	18,000	5,000	2,000											155,000	
Spruce Conductor Upgrade - Hampton Heath to Burloak			50,000	90,000		1,000	5,000	9,000											155,000	
Rebuild Crossings (Dundas West of Tremaine)			110,000	75,000															185,000	
Region Projects			175,000	125,000															300,000	
Rear Lot Rebuild Program			83,000	52,000			25,000	15,000											175,000	
Mount Forest MS 4 kV Tie xing QEW			140,000	150,000		1,000	5,000	1,000											297,000	
PCB Free Compliance - Transformer Replacement							200,000												200,000	
Meters Installed									500,000										500,000	
Primary Metering Tank Replacement									25,000										25,000	
Cross Phase Analysis (Rodan)									30,000										30,000	
Wholesale Metering (IT Metering at Cumberland TS)									380,000										380,000	
1340 Brant Street										250,000									250,000	
Misc. Office Equipment											8,000								8,000	
Ergonomics											40,000								40,000	
Employee Communication Stations											5,800								5,800	
Sound Monitoring/Noise Regulation											3,600								3,600	
AED's											10,200								10,200	
Security System Upgrade											5,000								5,000	
Postage Equipment											5,500								5,500	
Telephone Upgrade PBX, Voice Mail, VOIP, ACD Systems											50,000								50,000	
Daffron Cust. Programming													20,000						20,000	
Windows 7 Operating System Site Licence														25,000					25,000	
GIS Interfaces (OMS, Ortho Mapping, etc.)														125,000					125,000	
Customer Account Inquiry on Website														25,000					25,000	
Daffron iXp Dashboard														15,000					15,000	
New and/or Replacements (<4500kg)															35,000				35,000	
Upgrade RTU's														150,000					150,000	
Control Room Upgrades																	60,000		60,000	
Tools Shop and Garage Equipment															50,500		100,000		100,000	
Measurement and Testing Equipment																13,000			13,000	
Computer Equipment												60,000							60,000	
Contributions and Grants																			(2,700,000)	
<b>Total</b>	<b>180,000</b>	<b>357,500</b>	<b>1,928,000</b>	<b>1,568,000</b>	<b>875,000</b>	<b>1,813,300</b>	<b>1,800,000</b>	<b>1,022,700</b>	<b>935,000</b>	<b>250,000</b>	<b>128,100</b>	<b>60,000</b>	<b>210,000</b>	<b>185,000</b>	<b>50,500</b>	<b>13,000</b>	<b>160,000</b>	<b>(2,700,000)</b>	<b>(2,700,000)</b>	<b>8,836,100</b>

1 **Capital Project Descriptions - 2004**

2 **Project Name: Towerline MS**

3 *2004 Budget Amount: \$377,573*

4 The original site for Towerline Municipal Substation was at the north/east corner of Appleby  
5 Line and Uppermiddle Road. Development around the substation was growing making the land  
6 more valuable for development. The City of Burlington and a local Developer had made a land  
7 swap deal requiring Burlington Hydro to relocate the entire Towerline substation approx. 500m  
8 further north on Appleby line thus un-encumbering the original site making way for prime high  
9 density residential development. The same transformer and switchgear equipment was used  
10 although a new building, duct and cables were required. The new building would house the T1 &  
11 T2 transformers and the 13.8kV switchgear. Perimeter adjustments for the feeder cable egress  
12 and supply was required on both sides of Appleby Line. An extensive extension of the duct and  
13 manhole system for the 13.8kV feeders was required along the east side of Appleby Line and  
14 tied into the distribution system to restore normal operations. Site landscaping was also a  
15 requirement as streetscape was critical.

16 **Project Name: DPU Relays – Marley and Walkers MS**

17 *2004 Budget Amount: \$50,828*

18 The purpose of the circuit breaker relay is to signal the circuit breaker to operate based on  
19 voltage and current settings. Upgrade of solid state relays is necessary to replace aging electro  
20 mechanical relay systems. The solid state DPU relay will benefit the distribution system by  
21 improving performance and reliability with limited maintenance activities.

22 **Project Name: Battery Banks and Chargers – Easterbrook/Harvester MS**

23 *2004 Budget Amount: \$21,061*

24 Battery banks and chargers were replaced due to aging and less reliable equipment. The nickel  
25 cadmium batteries supply power for critical equipment such as feeder protection relays, remote  
26 terminal units, and circuit breakers. The old batteries were replaced with a more dependable  
27 sealed lead acid type that is designed for longer life and requires less maintenance.

1 The new charger provides stable battery charge for alarms and all solid state equipment such as  
2 the relays and RTU's (Remote Terminal Unit).

3 **Project Name: Cooling Fans for Substation Transformers – Hampton Heath/Nelson MS**  
4 *2004 Budget Amount: \$24,952*

5 Transformers are designed to operate at a specific temperature rise. Transformer oil, cooling fins  
6 and air circulation are the transformers primary cooling agents. Cooling fans are installed on  
7 transformer as a means to cool the transformer oil thus increasing the transformer load capacity -  
8 up to 33% higher than the nameplate capacity rating. Most transformers are designed to be  
9 cooled naturally by providing sufficient air circulation. Increasing the transformer load capacity  
10 enables the utility to maximize the operating life of the transformer and defer or eliminate a  
11 capital expenditure to upgrade the transformer.

12 **Project Name: Substation Transformer Oil Replacement**  
13 *2004 Budget Amount: \$41,537*

14 As part of Burlington Hydro's substation inspection and maintenance program, the substation  
15 transformer oil is sampled routinely for testing purposes to detect levels of PCB's or monitor the  
16 development of destructive gases that can prematurely end the life span of the transformer.  
17 Laboratory testing of the oil detects abnormal dielectric strength. Four stations were targeted for  
18 oil replacement in 2004 due to weak dielectric strength – Grahams, Pinecove, Fairleigh, Fairview  
19 T1. Transformer oil is necessary to provide thermal insulation between the internal windings and  
20 cooling of the transformer during operation.

21 **Project Name: Transducers**  
22 *2004 Budget Amount: \$3,563*

23 New transducers replace defective units which provide analog read outs through SCADA  
24 system. The transducer lowers the relay current and voltage levels to milliamps needed for  
25 SCADA communications through the RTU. The transducers work effectively the same as a  
26 120/240 volt power adapter used to connect electronic equipment such as a PC but at a different  
27 voltage.



1 **Project Name: Repaint Transformer and Switchgear – Lowville MS**

2 *2004 Budget Amount: \$38,917*

3 Refurbishment of the Lowville T1 & T2 transformers and switchgear involves the removal of  
4 excessive rust and preparation for repainting in order to extend the service life of the equipment.

5 **Project Name: Appleby Line North of Dundas – Relocate Poles for New Walmart**

6 *2004 Budget Amount: \$14,505*

7 The City of Burlington's site plan requirements for the new Walmart Development included the  
8 widening of the west side of Appleby Line to accommodate a new turning lane and to manage  
9 the expected increased volume of traffic. The Appleby Line road widening required the  
10 relocation of 3 hydro poles supporting two major overhead feeders to a new designated offset.

11 **Project Name: #6 HWY form Plains Rd. to Old York Road**

12 *2004 Budget Amount: \$20,911*

13 The Ministry of Transportation planned the reconstruction of #6 HWY from the 403 HWY up to  
14 Dundas Street. HWY #6 is the west border line between the City of Burlington and the City of  
15 Hamilton. A section of the project conflicted with an existing 27.6kV hydro pole line on the east  
16 side of #6 HWY used as a feeder tie between Burlington Hydro and Horizon Utilities (Hamilton  
17 Hydro at that time). To accommodate the initial stages of the project the complete removal of the  
18 hydro pole line was necessary – approx 10 spans. Hamilton Hydro and Burlington Hydro agreed  
19 to permanently discontinue the feeder tie and would plan reinstatement of future assets  
20 separately. Future plans by Burlington Hydro included the installation of a new pole line within  
21 the limits of the new service road running parallel to #6 HWY on the east side.

22 **Project Name: Pole Replacement**

23 *2004 Budget Amount: \$235,779*

24 Burlington Hydro replaces poles every year. For a full description of this program, see the "Pole  
25 Replacement Program" portion of the Project Justification 2010

26

1 **Project Name: Motorized Switches**

2 *2004 Budget Amount: \$666,703*

3 Burlington Hydro's SCADAMATE Program is a project spanning several years. For the full  
4 description of this program please see the "Motorized ABS Program" section of the Project  
5 Justification 2010.

6 **Project Name: MTO Reconstruction of Guelph Line Interchange**

7 *2004 Budget Amount: \$1,830*

8 The Ministry of Transportation's reconstruction of the Guelph Line/QEW interchange  
9 commenced in 2001 and extended into 2004 with minor perimeter adjustment required by  
10 Burlington Hydro in 2004. These charges reflect the cost to perform minor relocation of hydro  
11 plant to accommodate new road construction and proposed grade cut and fills.

12 **Project Name: Appleby Line North of Uppermiddle Rd. – Grade Separation**

13 *2004 Budget Amount: \$293,446*

14 The Region of Halton and the CNR had mutually planned a joint venture to eliminate the level  
15 crossing of CNR track on Appleby Line by lowering the grade of the Region road and cross  
16 under the CNR tracks which will remain at the same grade. This type of civil infrastructure  
17 project is called a grade separation. The proposed grade separation involved significant grade  
18 changes within the limits of the construction area requiring Burlington Hydro to relocate the  
19 existing pole line. The routing of the new pole line would follow the top of the slope where the  
20 grade remains close to the original grade. The old pole line was removed once the new circuits  
21 were tied into the existing system.

22 This project also required the replacement of an underground primary feed supplying power to  
23 the Orchard Community on the opposite side of the main pole line. The existing cover over the  
24 primary supply duct structure would be compromised by the proposed change in road grade.

25

1 **Project Name: Structures – Overhead Primary**

2 *2004 Budget Amount: \$323,063*

3 Burlington Hydro completes maintenance on various structures every year. For a full description  
4 of this program, see the “General Service – Overhead” portion of the Project Justification 2010.

5 **Project Name: Structures – Overhead Secondary**

6 *2004 Budget Amount: \$3,746*

7 Burlington Hydro completes maintenance on various structures every year. For a full description  
8 of this program, see the “General Service – Overhead” portion of the Project Justification 2010.

9 **Project Name: Brant St. ROW Storm Damage – Replace 10 Poles**

10 *2004 Budget Amount: \$93,117*

11 Burlington Hydro owns two major pole lines within the Hydro One corridor which runs parallel  
12 to the QEW HWY on the south side of the QEW. The 4 overhead feeders egress from Hydro  
13 One’s Burlington Transformer Station located west of Brant Street approx 2 km. A micro-burst  
14 with enough wind shear force caused numerous poles within the pole line to break within the  
15 corridor west of Brant Street. The micro-burst is a localized high velocity wind with impact force  
16 causing damage to small but vital section of the distribution system.

17 **Project Name: Conductors – Overhead Primary**

18 *2004 Budget Amount: \$358,387*

19 Burlington Hydro completes maintenance on various structures every year. For a full description  
20 of this program, see the “General Service – Overhead” portion of the Project Justification 2010.

21 **Project Name: Permali Insulator Replacement Program**

22 *2004 Budget Amount: \$3,511*

23 The 28kV and 15 kV Permali strain insulators were installed throughout the distribution system  
24 and were used by a number of utilities. Strain insulators are used at the end of an overhead wire  
25 and attached to a pole or crossarm (deadend framing). Burlington Hydro noticed a higher than  
26 normal failure rate of these Permali insulators and suspected a problem with the product. A  
27 product bulletin received from Hydro One advising all Utilities of the Permali insulator failures  
28 occurring throughout the industry, thus confirming Burlington Hydro’s suspicions of a design

1    flaw. The 13.8kV and 4kV distribution systems experience fewer failures than the 27.6kV.  
2    Burlington Hydro initiated a program to replace the thousands of Permali insulators on all  
3    voltage levels.

4    **Project Name: Conductors – Overhead Secondary**  
5    *2004 Budget Amount: \$16,763*

6    Burlington Hydro completes maintenance on various structures every year. For a full description  
7    of this program, see the “General Service – Overhead” portion of the Project Justification 2010.

8    **Project Name: Palmer Primary Cable Replacement Ph 2**  
9    *2004 Budget Amount: \$551,270*

10   Burlington Hydro’s annual primary cable replacement program targets underground subdivisions  
11   of vintage age where the primary cables are showing obvious signs of aging and degrading  
12   evident in the number of system faults due to cable failures. The standard construction method  
13   was to direct bury the primary cable without duct which left no option but to locate the fault,  
14   excavate and splice the cable to effect repair and restore power. Burlington Hydro records all  
15   events causing system interruptions and uses this recorded information to update a City drawing  
16   showing the cable faults colour coded by year of the occurrence. System problems caused by  
17   accidental excavations are not considered and therefore not included in the analysis of asset  
18   replacement. Burlington Hydro out sources the engineering design, civil work, electrical work,  
19   and project management functions for the cable replacement programs. Burlington Hydro utilizes  
20   available excavation technologies (directional boring) to minimize the disruption to  
21   neighbourhood streetscape resulting in a cost effective method to improve system reliability and  
22   performance while minimizing the inconvenience placed on customers. Also included in the  
23   scope of work is the replacement of transformers and the refurbishment of the submersible  
24   transformer vaults by cleaning the vaults and reconfiguring the secondary cables to provide a  
25   safe work space, thus enabling hydro crews to work safely and efficiently while performing  
26   maintenance or restoring power. In some instances Burlington Hydro must replace or repair  
27   driveway aprons damaged during the boring operation.

1 **Project Name: Lakeshore Rd. Reconstruction – Maple to Nelson**

2 *2004 Budget Amount: \$33,634*

3 City plans for revitalizing the City of Burlington include the approval of new commercial and  
4 residential condominium developments in the Burlington downtown core. New development has  
5 occurred and is expected to progress over the next several years or more. The downtown core is  
6 supplied by an underground 4kV distribution system which has a limited capacity to power  
7 compared to a 27.6kV distribution system. Based upon information provided by the City of  
8 Burlington Development Committee, the estimated size and expected number of new site  
9 developments, it was quick to arrive at the conclusion that the installation of an underground  
10 27.6kV feeder was necessary to prevent saturating or overloading the 4kV distribution system.  
11 By saturating the 4kV system, the existing customers would not have the available capacity to  
12 upgrade their service entrance. Due to the complexity of planning a new underground 27.6kV  
13 feeder in an established urban area within limited utility corridor space occupied by an existing  
14 4kV distribution system, it was necessary to outsource the design and project management  
15 services. This project is expected to progress over several years in phases as site plan  
16 applications are approved and construction commences. Plans to convert existing general service  
17 customers from 4kV to the new 27.6kV system thus further relieving the 4kV system.

18 **Project Name: Lakeshore Rd. West of Brant – Clean up of Contaminated Soil**

19 *2004 Budget Amount: \$15,542*

20 A new high rise condominium development at the north/west corner of Lakeshore Rd. and Brant  
21 St. was being constructed. The development site was the location of a gasoline station and repair  
22 garage. An environmental assessment revealed that contaminants had spilled into the  
23 surrounding soil beyond the limits of the site i.e. on to City road allowance. The developer was  
24 required to excavate and remove the contaminated soil until soil testing showed no contaminated  
25 soil. The area of the planned excavation required the undermining of an existing Burlington  
26 Hydro duct structure and feeder cable. It was necessary for Burlington Hydro to isolate and  
27 temporarily remove the cables from the duct structure in the event the efforts to support the duct  
28 structure without sustaining damage had failed. Following the removal of the contaminated soil

1 and restoration activities, Burlington Hydro reinstated the cables and restored the system to  
2 normal.

3 **Project Name: Structures – Underground Primary**

4 *2004 Budget Amount: \$206,830*

5 Burlington Hydro completes maintenance on various structures every year. For a full description  
6 of this program, see the “General Service – Underground” portion of the Project Justification  
7 2010.

8 **Project Name: Orchard Community Various Perimeter Adjustments**

9 *2004 Budget Amount: \$59,449*

10 The Orchard Community consists of numerous residential developments and several institutional  
11 developments falling within the boundary of Appleby Line, Uppermiddle Road, Burloak Drive  
12 and Dundas Street. Developments were approved to begin construction by the City in a manner  
13 that was not conducive to supplying power in a logical and systematic method thereby requiring  
14 significant amount of temporary works and perimeter adjustments to follow the progress and  
15 energization of these development while adhering to City of Burlington imposed construction  
16 restrictions in the areas where established homes existed. A number of the existing properties  
17 would eventually be purchased and redeveloped as part of the Orchard Community. The  
18 remaining properties were to be incorporated into the underground distribution system which  
19 required significant overhead to underground conversions. There were areas within the Orchard  
20 Subdivision that did not fall under the responsibility of a Developer which required the  
21 installation of underground infrastructure to tie various developments together as delineated in  
22 the Orchard Community master plan.

23 **Project Name: Structures – Underground Secondary**

24 *2004 Budget Amount: \$755*

25 Burlington Hydro completes maintenance on various structures every year. For a full description  
26 of this program, see the “General Service – Underground” portion of the Project Justification  
27 2010.

1 **Project Name: Conductors – Underground Primary**

2 *2004 Budget Amount: \$502,050*

3 Burlington Hydro completes maintenance on various structures every year. For a full description  
4 of this program, see the “General Service – Underground” portion of the Project Justification  
5 2010.

6 **Project Name: Uppermiddle Rd. West of Cavendish – Replace Primary Cable**

7 *2004 Budget Amount: \$212,631*

8 The 13.8kV feeder cable within a duct and manhole system which run along the North side of  
9 Uppermiddle Rd. from Brant Street eastward has been problematic with cable failures and water  
10 filling up the . A duct and manhole system is an underground system of ducts and chambers used  
11 to run cable through making installation of long cables runs possible and facilitates maintenance  
12 efforts when cables fail. The section of structure from Brant Street east to the 407 HWY and  
13 slightly beyond follows a gradual sloping grade downward. During inclement weather the  
14 manholes fill with water due to poor or no drainage installed. The scope of the first phase of the  
15 cable replacement is to replace approximately 700 circuit metres of 350 copper 15 kV primary  
16 cables from SC 10 east to the east side of the 407 HWY. The new cable was spliced at the  
17 manholes using new cold shrink splices which guaranteed superior performance even in wet  
18 conditions. Despite the splices capability to perform in wet conditions, Burlington Hydro chose  
19 to eliminate the water build up by installing sump pumps in a couple of the manholes at the  
20 lower end of the duct structure. Each sump pump requires 120 volt service to operate which  
21 needed to be installed from the closest available supply point.

22 **Project Name: Conductors – Underground Secondary**

23 *2004 Budget Amount: \$12,337*

24 Burlington Hydro completes maintenance on various structures every year. For a full description  
25 of this program, see the “General Service – Underground” portion of the Project Justification  
26 2010.

27

1 **Project Name: Various Oil Sampling – Submersible and Overhead Transformers**

2 *2004 Budget Amount: \$164,528*

3 Federal regulations requires the identification of all transformers containing cooling oil with  
4 PCB's greater than 50 parts per million. Burlington Hydro's strategy to identify these  
5 transformers was to first rely on existing transformer records found in the CIS and the records  
6 residing in the Burlington Hydro control room. As these transformer records are not all complete  
7 with PCB data, therefore, it was necessary to implement a transformer oil sampling and analysis  
8 program. Transformers older than 1980 were targeted for sampling and testing, since 1980 was  
9 the cut off when government regulation prohibited the use of PCB in transformer cooling oils.  
10 The estimated number of transformers to be sampled and tested over the next several years is:

- 11
  - overhead – 1850; padmount – 377; vault - 78

12 Burlington Hydro also ordered dissolved gas analysis of the vault style transformers to help  
13 assess transformer condition. Burlington Hydro does not stock replacement vault style  
14 transformers, therefore, regularly scheduled inspections and testing are essential.

15 **Project Name: Transformers – Overhead Primary**

16 *2004 Budget Amount: \$267,169*

17 Burlington Hydro completes maintenance on various structures every year. For a full description  
18 of this program, see the "General Service – Overhead" portion of the Project Justification 2010.

19 **Project Name: Transformers – Underground Primary**

20 *2004 Budget Amount: \$987,120*

21 Burlington Hydro completes maintenance on various structures every year. For a full description  
22 of this program, see the "General Service – Underground" portion of the Project Justification  
23 2010.

24 **Project Name: Spare Transformers**

25 *2004 Budget Amount: \$378,629*

26 All transformers are initially classified as inventory when purchased. Each month those  
27 transformers that are in excess of our required inventory level are transferred to capital. Should a



1 month occur when our inventory of transformers is less than the required amount, the capital  
2 accounts will be reduced by the amounts required to restore the inventory levels.

3 **Project Name: Conductors – Overhead Services**

4 *2004 Budget Amount: \$84,907*

5 Burlington Hydro completes maintenance on various structures every year. For a full description  
6 of this program, see the “General Service – Overhead” portion of the Project Justification 2010.

7 **Project Name: Conductors – Underground Services**

8 *2004 Budget Amount: \$431,742*

9 Burlington Hydro completes maintenance on various structures every year. For a full description  
10 of this program, see the “General Service – Underground” portion of the Project Justification  
11 2010.

12 **Project Name: Structures – Overhead Services**

13 *2004 Budget Amount: \$9,411*

14 Burlington Hydro completes maintenance on various structures every year. For a full description  
15 of this program, see the “General Service – Overhead” portion of the Project Justification 2010.

16 **Project Name: Structures – Underground Services**

17 *2004 Budget Amount: \$9,831*

18 Burlington Hydro completes maintenance on various structures every year. For a full description  
19 of this program, see the “General Service – Underground” portion of the Project Justification  
20 2010.

21 **Project Name: Subdivisions Assumed**

22 **Fairview Village Ph 3, Creekway, Coral Gable Towns, Walkers Meadow, Walkers Meadow**  
23 **Ph3, Orchard Community Ph9**

24 *2004 Budget Amount: \$416,977*

25 Burlington Hydro is responsible for providing the following services for each proposed  
26 subdivision and townhouse development submitted when the Developer has chosen to decline

1 Burlington Hydro's offer to connect and hires their own electrical consultant and utility  
2 contractor approved by Burlington Hydro:

- 3 • project design review
- 4 • project inspection
- 5 • project administration
- 6 • material approval
- 7 • vendor selection
- 8 • determination of financial securities to be submitted
- 9 • perform perimeter adjustments required to connect new development to existing
- 10 distribution system
- 11 • install termination of primary cables at supply points
- 12 • provide assistance to developers contractor when required
- 13 • provide isolation of existing plant for developers contractor when necessary
- 14 • make necessary repairs to plant while the development is under warranty
- 15 • final project inspection

16 Following the completion and energization of the development, a 1 year warranty period is in  
17 effect. During this period the Developer owns and is responsible for the distribution assets. At  
18 the conclusion of the 1 year warranty period, several conditions must be satisfied before  
19 Burlington Hydro assumes the assets installed by the Developer and full responsibility.

20 **Project Name: Meters Installed**

21 *2004 Budget Amount: \$617,595*

22 This account captures the labour and material costs to install residential and general service  
23 secondary metering for full current and remote current meters in overhead and underground  
24 applications; and includes primary metering units for large industrial customers.

25 **Project Name: Primary Metering Tank Replacement for Palermo Feeders**

26 *2004 Budget Amount: \$30,570*

27 Hydro One's Palermo Transformer Station is located within the Oakville City Limits at Bronte  
28 Rd. and No. 1 Side Rd. Burlington Hydro has two 27.6kV feeders from Palermo TS that egress  
29 approx. 2 km through the City of Oakville before reaching the Burlington City limits at Tremaine  
30 Road. The provincial government (IESO) mandated the relocation of all wholesale metering  
31 within the TS structure on the transformer buss to outside of the TS compound. Since the land

1 beyond the TS compound area is not Burlington's distribution area, the wholesale metering units  
2 were required to be installed at the City of Burlington border – Tremaine Road, just south of No.  
3 1 Side Road. Two dry type primary metering units were installed complete with RTU's, current  
4 transformers and transducers enabling SCADA communications with Burlington Hydro's control  
5 centre. The labour and vehicle cost to install the primary metering units was captured on this  
6 account.

7 Also included was the labour for replacing the meters at Hydro One's Cumberland transformer  
8 station located within the station compound (in the original location) thus not requiring a  
9 significant amount of labour.

10 **Project Name: Wholesale Metering Equipment**

11 *2004 Budget Amount: \$86,233*

12 The new wholesale primary metering units and meters installed for the Palermo feeders and the  
13 Cumberland feeders, purchased through 2 vendors, were captured by this account. A total of 8  
14 meters - 4 meters at Cumberland TS, and 4 meters for Palermo TS, and 2 dry type polemount  
15 primary metering units for Palermo TS were purchased (approx \$5,000 for each meter and  
16 \$18,000 for each metering unit).

17 **Project Name: Service Upgrade Program**

18 *2004 Budget Amount: \$7,352*

19 The installation of 3 element metering in place of 2 ½ element metering provides greater  
20 accuracy of revenue data for invoicing and profiling purposes. Measurement Canada requires  
21 that 3 element revenue metering to be installed by LDC's for all new services, and for service  
22 upgrades.

23 **Project Name: Spare Meters**

24 *2004 Budget Amount: \$6,874*

25 All meters are initially classified as inventory when purchased. Each month those meters that are  
26 in excess of our required inventory level are transferred to capital. Should a month occur when

1 our inventory of meters is less than the required amount, the capital accounts will be reduced by  
2 the amounts required to restore the inventory levels.

3 **Project Name: TVD Avalanche Messaging Software**

4 *2004 Budget Amount: \$53,848*

5 The TVD demand response module was essential to help manage the influx of customer calls  
6 that come into our control room during an outage. The single operator must multi-task to perform  
7 various activities while in communication with line crews to assist with system operations and  
8 restoration efforts. During an outage the control room operator is able to program the TVD  
9 system with information about the severity of the outage and it's impact such as the area affected  
10 and the approximate time power will be restored. This information will be heard by all callers  
11 thereby minimizing the frustration of the customers calling in for an update on the power outage.

12 **Project Name: GIS Modules 1 and 2 (Enghouse)**

13 *2004 Budget Amount: \$34,240*

14 The Enghouse GIS was operating on a RISC 6000 AIX operating system which was no longer  
15 being supported by the vendor. The solution, in order to continue vendor product support, was to  
16 purchase and convert to a windows operating system which was conducive to interfacing with  
17 other windows based products and to provide a more user friendly environment for the  
18 technicians.

19 **Project Name: AutoCAD Upgrades (3 copies)**

20 *2004 Budget Amount: \$4,793*

21 AutoCAD drafting program is utilized by Engineering and station maintenance departments to  
22 prepare engineering drawings and transformer station protection and control schematics  
23 respectively. The updated versions became necessary to compatibility with computer upgrades  
24 and to take advantage of the improved functionality of AutoCAD. The Engineering department's  
25 primary drawing tool and asset data repository is the GIS, however, most consulting firms will  
26 use a version of AutoCAD. The GIS allows drawing in both GIS and AutoCAD formats to be  
27 converted from one format to another. Consultants can submit drawing in the AutoCAD format

1 and converted into the GIS format. The exercise of extracting drawing from the GIS is facilitated  
2 by the improved interface between the two products.

3 **Project Name: System Analysis Model – Dess (Short Circuit)**

4 *2004 Budget Amount: \$11,810*

5 The Dess software program is a system analysis tool used by Engineering staff to perform load  
6 flow analysis, calculate losses, perform short circuit calculations required for system protect  
7 studies and fuse coordination studies, phase balancing. The user can model the distribution  
8 system taken from the GIS and run various scenarios or states of the distribution system as a  
9 means to study system optimization without having to perform the actual switching in the field.

10 **Project Name: Daffron Custom Programming**

11 *2004 Budget Amount: \$24,658*

12 The OEB continue to introduce many regulatory changes in 2009. These changes have direct  
13 impact on our customer information system. In order to implement these changes in the required  
14 time, Burlington Hydro (in conjunction with other Ontario Daffron LDCs to share the costs)  
15 need the assistance of it's software vendor (Daffron) to incorporate these changes. This dollar  
16 amount represents an annual average over the last few years.

17 **Project Name: Virus Protection for Systrends Spoke EBT Service**

18 *2004 Budget Amount: \$13,208*

19 This account captured the cost of a new server required for two reasons: 1) to support the anti-  
20 virus and the anti-spam software products and 2) to support the EBT hub which is used to  
21 communicate with the various energy retailers.

22 **Project Name: Migrate Lotus Notes from AS/400 to a PC server**

23 *2004 Budget Amount: \$2,916*

24 Initially, Burlington Hydro's email system server was connected within the Burlington Hydro  
25 AS/400 Daffron mainframe system. During the 2003 North American hydro blackout,  
26 Burlington Hydro was expected to reduce consumption by turning off non essential system. The  
27 AS/400 system is a high energy draw and therefore was shut down during the blackout. In doing

1 so the email system was no longer functional and cut off all email communications with  
2 customers thereby increasing the tension felt by customers during the blackout when  
3 communications with the hydro ceased. Following the wake of the blackout, Burlington assessed  
4 weaknesses revealed in their system. A viable solution to this problem was to purchase a PC  
5 version of the Lotus Notes to operate separately apart from the AS/400 to a PC server which  
6 easily be supplied through backup supply.

7 **Project Name: Replacement Vehicles (3 vehicles)**

8 *2004 Budget Amount: \$93,006*

9 Small vehicles for supervisors and foreman are purchased and kept within the fleet for 8 years.  
10 Vehicles are recycled to various departments to manage the mileage put on the vehicles and  
11 therefore extend the life of the vehicle. The vehicles to be quoted are reflected in the rolling  
12 stock 10 year forecast.

13 **Project Name: Replacement for Digger truck #20**

14 *2004 Budget Amount: \$261,640*

15 This expenditure replaces truck #20 (from 1994). The purchase of a large vehicle is tendered in 3  
16 parts – chassis/boom/body. Upon awarding the tender, a period of one 1 year is required to build  
17 and test the truck. The replacement cycle for radial boom derrick vehicles is normally 12 years,  
18 however, the digger vehicle became problematic and was deemed unsafe by the manufacturer  
19 and recommended early trade in. The manufacturer did offer a more than reasonable trade in  
20 value towards the purchase of the new vehicle. This expenditure includes the chassis/boom/body  
21 coinciding with the budget strategy. The vehicles to be quoted are reflected in the rolling stock  
22 10 year forecast.

23

1 Guideline for Vehicle Replacement Cycle

Replacement Criteria Guideline:

1.	<4500kg Rolling Stock	8 years
2.	Radial Boom Derrick (RBD)	12 years
3.	Single or Double Bucket Truck	12 years
4.	Sprinter Van	12 years
5.	Dump Truck	20 years
6.	Trailers - Replacement	20 years
	- Refurbish	5 years (Not included in vehicle forecast)
7.	Backhoe	25 years
8.	Lift Truck	25 years

2 Actual replacement dates will vary depending on fleet dollars available for any given year.

3 **Project Name: Fire Alarm Upgrade**

4 *2004 Budget Amount: \$5,441*

5 This project was required to bring the alarm system at 1340 Brant Street, Burlington Hydro's  
6 main office, up to building code.

7 **Project Name: Overhead Door Repairs**

8 *2004 Budget Amount: \$21,387*

9 Repair the vehicle service entrance door into the garage area at 1340 Brant Street. The old door  
10 was no long stable and had to be rebuilt.

11 **Project Name: Filing Cabinets – Information Services**

12 *2004 Budget Amount: \$1,061*

13 Installation of cabinets complete with racking and hardware in the IS storage room for archiving  
14 of departmental files.

15 **Project Name: Photo Copier**

16 *2004 Budget Amount: \$7,687*

17 Replaced the old photo copier in the control room.

18 **Project Name: Miscellaneous**

19 *2004 Budget Amount: \$6,794*

20 Miscellaneous office equipment purchased in place of old equipment.

1 **Project Name: Portable Radio/Mic on BHI System**

2 *2004 Budget Amount: \$1,813*

3 Purchase of portable radio microphone for Burlington Hydro radio system to be used by crews  
4 operating the tension machines to allow constant communication with crews, required due to  
5 high noise levels generated by tensioning machine during their operation.

6 **Project Name: Fax Machine**

7 *2004 Budget Amount: \$3,364*

8 To replace a broken fax machine at 1340 Brant Street.

9 **Project Name: Personal Computers**

10 *2004 Budget Amount: \$34,517*

11 Burlington Hydro purchases Personal Computers every year. For a detailed description of this  
12 expenditure, see the “Computer Equipment – Hardware” portion of the Project Description 2010.

13 **Project Name: Meter Shop Network Closet**

14 *2004 Budget Amount: \$4,334*

15 Provide computer hub for the meter shop department computers used to collect remote meter  
16 readings.

17 **Project Name: Update/Replace Phone Notification System**

18 *2004 Budget Amount: \$5,080*

19 Existing switchboard was replaced with new and updated phone notification (customer call in)  
20 system. The system can also be used to send outbound messages to customers.

21 **Project Name: Laptops**

22 *2004 Budget Amount: \$14,620*

23 Burlington Hydro purchases Personal Computers every year. For a detailed description of this  
24 expenditure, see the “Computer Equipment – Hardware” portion of the Project Description 2010.

25



1 **Project Name: Printer – Control Room**

2 *2004 Budget Amount: \$2,353*

3 Laser purchased to replace defective dot matrix printer in the control room.

4 **Project Name: Radios**

5 *2004 Budget Amount: \$3,087*

6 Portable hand held for Burlington Hydro radio system to be used by trades staff when responding  
7 to trouble calls when in situations where they are away from the two-way radio located in the  
8 vehicles.

9 **Project Name: Assorted Truck Tools**

10 *2004 Budget Amount: \$9,162*

11 This expenditure is for specialized tools used by the trades staff for performance of capital and  
12 operating work on Burlington Hydro's distribution system.

13 **Project Name: Primary Cable Thumper**

14 *2004 Budget Amount: \$37,202*

15 This expenditure was required to replace an old thumper used for locating underground primary  
16 cable faults. The old thumper was broken and parts were no longer available.

17 **Project Name: Assorted Tools**

18 *2004 Budget Amount: \$6,793*

19 This expenditure is for specialized tools used by the trades staff for performance of capital and  
20 operating work on Burlington Hydro's distribution system.

21 **Project Name: Test Equipment**

22 *2004 Budget Amount: \$12,628*

23 This expenditure is for specialized tools used by Meter Department staff, for the performance of  
24 Capital and Operating work on Burlington Hydro's Metering system.

25

1 **Project Name: Capital Contributions and Grants**

2 *2004 Budget Amount: \$(538,645)*

3 Burlington Hydro's Conditions of Service provides the basis for determining the capital  
4 contributions to be paid by customers, developers, third parties and government authorities.  
5 Burlington Hydro's philosophy is "Growth Pays for Itself", and the respective parties are  
6 expected to comply with our conditions of service by contributing funds to Burlington Hydro  
7 which are applied towards the associated costs for the installation and/or modification of hydro  
8 infrastructure and connection assets as required.

9 The following table outlines the capital contributions accumulated in 2004:

2004	
Capital Contribution/Grant	Capital Project
(966,267)	General Service (Overhead, Underground, Meters)
(53,619)	Region of Halton Project
898,217	Subdivisions Assumed
(416,976)	Subdivisions
<b>(538,645)</b>	<b>Total</b>

10

1 **Capital Project Descriptions - 2005**

2 **Project Name: DPU Relay Installation– Walkers Station**

3 *2005 Budget Amount: \$32,749*

4 The purpose of the circuit breaker relay is to signal the circuit breaker to operate based on  
5 voltage and current settings. Upgrade of solid state relays is necessary to replace aging electro  
6 mechanical relay systems. The solid state DPU relay will benefit the distribution system by  
7 improving performance and reliability with limited maintenance activities.

8 **Project Name: Battery Bank Charger – Harvester Interchange Stations**

9 *2005 Budget Amount: \$17,990*

10 Battery banks and chargers were replaced due to aging and less reliable equipment. The nickel  
11 cadmium batteries supply power for critical equipment such as feeder protection relays, remote  
12 terminal units, and circuit breakers. The old batteries were replaced with a more dependable  
13 sealed lead acid type that is designed for longer life and requires less maintenance.

14 The new charger provides stable battery charge for alarms and all solid state equipment such as  
15 the relays and RTU's (Remote Terminal Unit).

16 **Project Name: Conversion of Substation Communications to Fibre**

17 *2005 Budget Amount: \$8,127*

18 Burlington Hydro's SCADA (Supervisory Control and Data Acquisition) communication path  
19 from the transformer station to Burlington Hydro's control centre utilizes hardwire phone lines.  
20 As the part of Burlington Hydro's implementation of distribution feeder switch automation and  
21 the ultimate alignment with regulatory smart meter directives requiring the back haul of a larger  
22 volume of data, choosing fibre optic cable as the back bone for Burlington Hydro's  
23 communications network was prudent to improve reliability and performance.

24

1 **Project Name: Re-commissioning of Various Stations**

2 *2005 Budget Amount: \$107,506*

3 Burlington Hydro completes re-commissioning on various distribution substations every year.  
4 For a full description of this program, see the “Re-commissioning of Various Stations” portion of  
5 the Project Justification 2010.

6 **Project Name: Transducers**

7 *2005 Budget Amount: \$4,774*

8 New transducers replace defective units which provide analog read outs through SCADA  
9 system. The transducer lowers the relay current and voltage levels to milliamps and millivolts for  
10 SCADA communications through the RTU.

11 **Project Name: Jib Crane – Tyandaga Station**

12 *2005 Budget Cost: \$14,768*

13 A jib crane was installed to lift the 200 pound arc-chutes from the 13kV feeder breakers for  
14 routine maintenance. The use of a crane is a safe and efficient method to perform inspections and  
15 maintenance.

16 **Project Name: Switchgear Conversion – Pinecove Station**

17 *2005 Budget Amount: \$290,995*

18 Replacement of station switchgear equipment to vacuum style switchgear at Pine cove station  
19 was necessary due to the age and difficulty or inability to acquire critical replacement  
20 components such as breaker and motor parts in order to maintain the old equipment. Vacuum  
21 technology requires less maintenance, replacement of parts, are faster and more efficient in  
22 performance.

23 **Project Name: Pole Replacement Program**

24 *2005 Budget Amount: \$84,859*

25 Burlington Hydro replaces poles every year. For a full description of this program, see the “Pole  
26 Replacement Program” portion of the Project Justification 2010.

1 **Project Name: SCADAMATE Program (Automated Switches)**

2 *2005 Budget Amount: \$527,934*

3 Burlington Hydro's SCADAMATE Program is a project spanning several years. For the full  
4 description of this program please see the "Motorized Recloser Program" section of the Project  
5 Justification 2010.

6 **Project Name: Appleby Line Grade Separation**

7 *2005 Budget Amount: \$4,222*

8 The City of Burlington and the CNR had mutually planned a joint venture to eliminate the level  
9 crossing of CNR track on Appleby Line by lowering the grade of the City road and cross under  
10 the CNR tracks which will remain at the same grade. This type of civil infrastructure project is  
11 called a grade separation. The proposed grade separation involved significant grade changes  
12 within the limits of the construction area requiring Burlington Hydro to relocate the existing pole  
13 line. The routing of the new pole line would follow the top of the slope where the grade remains  
14 close to the original grade. The old pole line was removed once the new circuits were tied into  
15 the existing system.

16 This project also required the replacement of an underground primary feed supplying power to  
17 the Orchard Community on the opposite side of the main pole line. The existing cover over the  
18 primary supply duct structure would be compromised by the proposed change in road grade.

1 Hydro pole line relocated well off the road in preparation of the grade separation



2

3

4 Completion of grade separation



5

1 **Project Name: Structures – Overhead Primary**

2 *2005 Budget Amount: \$531,808*

3 Burlington Hydro completes maintenance on various structures every year. For a full description  
4 of this program, see the “General Service – Overhead” portion of the Project Justification 2010.

5 **Project Name: Structures – Overhead Secondary**

6 *2005 Budget Amount: \$83,971*

7 Burlington Hydro completes maintenance on various structures every year. For a full description  
8 of this program, see the “General Service – Overhead” portion of the Project Justification 2010.

9 **Project Name: Orchard Subdivision – Perimeter Adjustments**

10 *2005 Budget Amount: \$205,545*

11 The Orchard Community consists of numerous residential developments and several institutional  
12 developments falling within the boundary of Appleby Line, Uppermiddle Road, Burloak Drive  
13 and Dundas Street. Developments were approved to begin construction by the City in a manner  
14 that was not conducive to supplying power in a logical and systematic method thereby requiring  
15 significant amount of temporary works and perimeter adjustments to follow the progress and  
16 energization of these development while adhering to City of Burlington imposed construction  
17 restrictions in the areas where established homes existed. A number of the existing properties  
18 would eventually be purchased and redeveloped as part of the Orchard Community. The  
19 remaining properties were to be incorporated into the underground distribution system which  
20 required significant overhead to underground conversions. There were areas within the Orchard  
21 Subdivision that did not fall under the responsibility of a Developer which required the  
22 installation of underground infrastructure to tie various developments together as delineated in  
23 the Orchard Community master plan.

24 **Project Name: #6 HWY – Plains Road to Old York Road**

25 *2005 Budget Amount: \$7,056*

26 The Ministry of Transportation proposed the reconstruction of #6 Highway from HWY 403 up to  
27 Dundas Street and the construction of a new service road parallel to #6 Highway on the east side.  
28 The MTO proposal required the removal of a three phase 27.6kV hydro line along the east side

1 of #6 Highway used as mutual backup for Horizon Utilities and Burlington Hydro. The feeder  
2 backup between the two utilities would not be restored since overhead crossings were prohibited  
3 by the MTO. Following the construction of the new service road, Burlington Hydro would install  
4 a new pole line from Plains Road up to the CN tracks for future servicing and to accommodate  
5 City of Burlington street light assets.

6 **Project Name: Conductors – Overhead Primary**

7 *2005 Budget Amount: \$206,541*

8 Burlington Hydro completes maintenance on various conductors every year. For a full  
9 description of this program, see the “General Service – Overhead” portion of the Project  
10 Justification 2010.

11 **Project Name: Conductors – Overhead Secondary**

12 *2005 Budget Amount: \$16,031*

13 Burlington Hydro completes maintenance on various conductors every year. For a full  
14 description of this program, see the “General Service – Overhead” portion of the Project  
15 Justification 2010.

16 **Project Name: Subdivisions Assumed**

17 *2005 Budget Amount: \$473,487*

18 For a full description, see the 2010 Project Justification.

19 **Project Name: Distribution System Improvements**

20 *2005 Budget Amount: \$82,048*

21 Expenditures under distribution system improvements blankets a variety of Conservation and  
22 Demand Management initiatives such as system optimization studies and the continued  
23 implementation of SCADAMATE switches in order to improve system reliability. The program  
24 also included CDM programs such as: supporting the retrofitting existing facilities with efficient  
25 lighting via rebates; encouraging customers to dispose of old inefficient refrigerators; promoting  
26 the use of LED and florescent lights.



1 **Project Name: Palmer Subdivision Primary Cable Rebuild (PH3)**

2 *2005 Budget Amount: \$435,457*

3 Burlington Hydro completes primary cable replacements for various areas every year. For a full  
4 description of this program, see the “Cable Rebuild” portion of the Project Justification 2010.

5 **Project Name: Lakeshore – 27.6kV Feeder Extension**

6 *2005 Budget Amount: \$137,054*

7 City plans for revitalizing the City of Burlington include the approval of new commercial and  
8 residential condominium developments in the Burlington downtown core. New development has  
9 occurred and is expected to progress over the next several years or more. The downtown core is  
10 supplied by an underground 4kV distribution system which has a limited capacity to power  
11 compared to a 27.6kV distribution system. Based upon information provided by the City of  
12 Burlington Development Committee, the estimated size and expected number of new site  
13 developments, it was quick to arrive at the conclusion that the installation of an underground  
14 27.6kV feeder was necessary to prevent saturating or overloading the 4kV distribution system.  
15 By saturating the 4kV system, the existing customers would not have the available capacity to  
16 upgrade their service entrance. Due to the complexity of planning a new underground 27.6kV  
17 feeder in an established urban area within limited utility corridor space occupied by an existing  
18 4kV distribution system, it was necessary to outsource the design and project management  
19 services. This project is expected to progress over several years in phases as site plan  
20 applications are approved and construction commences. Plans to convert existing general service  
21 customers from 4kV to the new 27.6kV system thus further relieving the 4kV system.

22 **Project Name: Structures – Underground Primary**

23 *2005 Budget Amount: \$86,914*

24 Burlington Hydro completes maintenance on various structures every year. For a full description  
25 of this program, see the “General Service – Underground” portion of the Project Justification  
26 2010.

27

1 **Project Name: Structures – Underground Secondary**

2 *2005 Budget Amount: \$326*

3 Burlington Hydro completes maintenance on various structures every year. For a full description  
4 of this program, see the “General Service – Underground” portion of the Project Justification  
5 2010.

6 **Project Name: Fault Indicator Installations**

7 *2005 Budget Amount: \$70,766*

8 Burlington Hydro completes Fault Indicator Installations for various areas every year. For a full  
9 description of this program, see the “Fault Indicator Installation” portion of the Project  
10 Justification 2010.

11 **Project Name: Lead Cable Replacement**

12 *2005 Budget Amount: \$110,772*

13 Burlington Hydro completes Cable Replacements for various distribution substations every year.  
14 For a full description of this program, see the “Cable Replacement” portion of the Project  
15 Justification 2010.

16 **Project Name: Conductors – Underground Primary**

17 *2005 Budget Amount: \$703,227*

18 Burlington Hydro completes maintenance on various conductors every year. For a full  
19 description of this program, see the “General Service - Underground” portion of the Project  
20 Justification 2010.

21 **Project Name: Conductors – Underground Secondary**

22 *2005 Budget Amount: \$1,360*

23 Burlington Hydro completes maintenance on various conductors every year. For a full  
24 description of this program, see the “General Service - Underground” portion of the Project  
25 Justification 2010.

1 **Project Name: Overhead & Submersible Transformer Oil Testing**

2 *2005 Budget Amount: \$40,690*

3 Burlington Hydro completes maintenance on transformers by testing the oil every year. For a full  
4 description of this program, see the “Transformer Oil Testing” portion of the Project Justification  
5 2007.

6 **Project Name: Transformers – Overhead Primary**

7 *2005 Budget Amount: \$308,419*

8 Burlington Hydro completes maintenance on various transformers every year. For a full  
9 description of this program, see the “General Service – Overhead” portion of the Project  
10 Justification 2010.

11 **Project Name: Transformers – Underground Primary**

12 *2005 Budget Amount: \$822,963*

13 Burlington Hydro completes maintenance on various transformers every year. For a full  
14 description of this program, see the “General Service – Underground” portion of the Project  
15 Justification 2010.

16 **Project Name: #4406 Hawthorne – Replacement of Overhead Transformer**

17 *2005 Budget Amount: \$934*

18 This defective transformer replacement was segregated from other defective transformer  
19 replacements that would fall under the general transformer account due to the spillage of PCB oil  
20 requiring an incident report to the MOE and the services of Team One Environmental to assist in  
21 the clean up of oil and surrounding landscape features. Due to the evasive clean up, significant  
22 landscaping was required by Aldershot Landscaping.

23 **Project Name: Spare Transformers**

24 *2005 Budget Amount: \$(89,377)*

25 All transformers are initially classified as inventory when purchased. Each month those  
26 transformers that are in excess of our required inventory level are transferred to capital. Should a

1 month occur when our inventory of transformers is less than the required amount, the capital  
2 accounts will be reduced by the amounts required to restore the inventory levels.

3 **Project Name: Conductors – Overhead Service**

4 *2005 Budget Amount: \$65,806*

5 Burlington Hydro completes maintenance on various conductors every year. For a full  
6 description of this program, see the “General Service – Overhead” portion of the Project  
7 Justification 2010.

8 **Project Name: Structures – Overhead Service**

9 *2005 Budget Amount: \$25,118*

10 Burlington Hydro completes maintenance on various structures every year. For a full description  
11 of this program, see the “General Service – Overhead” portion of the Project Justification 2010.

12 **Project Name: Structures – Underground Services**

13 *2005 Budget Amount: \$18,716*

14 Burlington Hydro completes maintenance on various structures every year. For a full description  
15 of this program, see the “General Service – Underground” portion of the Project Justification  
16 2010.

17 **Project Name: Conductors – Underground Service**

18 *2005 Budget Amount: \$398,402*

19 Burlington Hydro completes maintenance on various conductors every year. For a full  
20 description of this program, see the “General Service – Underground” portion of the Project  
21 Justification 2010.

22 **Project Name: Temporary Services Revenue 2005**

23 *2005 Budget Amount: \$8,400*

24 Temporary services revenue (flat rate connection fee only) is initially capitalized and eventually  
25 moved to revenue.

1 **Project Name: Temporary Services Revenue 2002 - 2004**

2 *2005 Budget Amount: \$16,800*

3 Temporary services revenue (flat rate connection fee only) is initially capitalized and eventually  
4 moved to revenue.

5 **Project Name: Metering Installed**

6 *2005 Budget Amount: \$516,547*

7 Burlington Hydro completes meter installations every year. For a full description of this  
8 program, see the “Metering Installed” portion of the Project Justification 2010.

9 **Project Name: Data Star Changes**

10 *2005 Budget Amount: \$1,168*

11 Data Star changes include the labour and material costs to upgrade the old interval recorders with  
12 new Sentinel and Vectron interval Meters.

13 **Project Name: Wholesale Metering Upgrades at Burlington TS and Cumberland TS**

14 *2005 Budget Amount: \$124,755*

15 Wholesale metering upgrades at Burlington TS and Cumberland TS is an IESO legislated  
16 requirement.

17 **Project Name: Bull Moose Tube**

18 *2005 Budget Amount: \$28,421*

19 The oil filled primary metering unit at one of Burlington Hydro’s customer owned substations  
20 (Bull Moose Tube) was scheduled for replacement with a pole mounted dry type unit due to the  
21 poor condition of the unit. This work was scheduled in junction with the customer’s expansion  
22 work which required the relocation of their substation compound and primary switchgear which  
23 housed the old primary metering unit.

24

1 **Project Name: Spare Meters**  
2 *2005 Budget Amount: \$(10,402)*

3 Burlington Hydro purchases spare meters. For a full description of this program, see the “Spare  
4 Meters” portion of the Project Justification 2007.

5 **Project Name: Smart Metering Pilot Harbourlights Condos**  
6 *2005 Budget Amount: \$61,957*

7 Smart metering pilot at the Harbourlights condominium apartments was Burlington Hydro’s first  
8 retrofit conservation project to convert an existing bulk metering customer to a multi-metered  
9 (individually metered) system using quadralogic metering technology which provides the  
10 functionality to remotely interrogate the meters and provide load data to the customer or  
11 regulators. Cost covered installation, equipment,ESA inspection and Commissioning . Building  
12 consisted of 83 units and 18 common element meters.

13 The goal of this project was to realize cost savings for the customers while contributing to reduce  
14 the overall system demand by the inherent nature for the customer to reduce their consumption  
15 when they become accountable for their own hydro bill. This arrangement and others will  
16 become a part of Burlington Hydro’s innovative Grid Smart City business plan and conservation  
17 initiatives.

18 **Project Name: UPS Upgrade**  
19 *2005 Budget Amount: \$26,933*

20 The UPS upgrade for Burlington Hydro’s IT department was necessary due to aging less reliable  
21 units that were on the verge of failure. The replacement units are all solid state requiring less  
22 maintenance.

23 **Project Name: Replace Roof for the Centre Portion of the Main Office**  
24 *2005 Budget Amount: \$33,580*

25 The replacement of a portion of the main office flat roof was necessary due to on going problems  
26 with water leaking into building causing problems to staff and office furniture and peripherals.

1 **Project Name: Handicap Concrete Ramps**

2 *2005 Budget Amount: \$6,600*

3 The provision of handicap access ramps from the customer parking lot to Burlington Hydro's  
4 main entrance; in response to customer and employee needs and to meet building code  
5 requirements.

6 **Project Name: Garage/Storage Lighting**

7 *2005 Budget Amount: \$24,260*

8 The replacement of old incandescent lights with efficient high pressure sodium lights to improve  
9 lighting levels while realizing a cost savings through lower energy bills. This project was  
10 justified by determining the capital pay back of 10 years.

11 **Project Name: Lighting Retrofit Project**

12 *2005 Budget Amount: \$35,861*

13 A conservation and demand initiative to install high efficient lighting in the main office area  
14 Burlington Hydro facility. Burlington Hydro realized significant savings as a result of this  
15 program.

16 **Project Name: Communication Equipment to Complete the Token Ring to Ethernet**

17 *2005 Budget Amount: \$29,722*

18 Token Ring is an IBM proprietary network cable which was suitable in a large mainframe  
19 environment of the 80's and 90's. Primarily due to it's slower transmission speed, Token Ring  
20 has been supplanted by Ethernet as the network cabling industry standard. Ethernet is faster,  
21 cheaper and readily available from many suppliers, not just IBM. With the phase out of Token  
22 Ring cable, hardware vendors (eg. printers) were marketing their new products, with Ethernet  
23 connectivity only, making it more and more difficult to purchase equipment compatible with  
24 Token Ring. The network cabling conversion project was initiated in 2004, and required the  
25 above dollars to complete in 2005.

26

1 **Project Name: Personal Computers (general provision)**

2 *2005 Budget Amount: \$26,544*

3 Burlington Hydro purchases Personal Computers every year. For a detailed description of this  
4 expenditure, see the “Computer Equipment – Hardware” portion of the Project Description 2010.

5 **Project Name: Laptops (locator/remotes for trouble trucks)**

6 *2005 Budget Amount: \$14,322*

7 This expenditure was for the purchase of 4 laptops for Burlington Hydro plant locators and  
8 station maintenance staff. These new laptops replaced old and slower laptops that were starting  
9 to show signs of failing. The locator laptop contains our mapping system to assist customers  
10 with excavation projects such as fence installations, pool installations and house additions. The  
11 station maintenance staff laptops are loaded with wiring diagrams to assist our technicians with  
12 projects such as rewiring a breaker at a substation.

13 **Project Name: Laser Printers (2<sup>nd</sup> floor/construction)**

14 *2005 Budget Amount: \$11,075*

15 Purchased 4 sheet feed laser printers to replace old dot matrix impact printers. The dot matrix  
16 impact printers were slow and very old, and annual service maintenance was becoming very  
17 expensive due to the lack of replacement parts.

18 **Project Name: Computer Replacement (Safety Department)**

19 *2005 Budget Amount: \$3,903*

20 The Health and Safety department required a high end PC workstation to run it’s industry  
21 specific software. Included in this workstation was a large hard drive to archive historical data  
22 for trend analysis.

23 **Project Name: Poweredge**

24 *2005 Budget Amount: \$25,738*

25 Burlington Hydro acquired an automated call answering software application to handle the  
26 numerous customer calls in the event of a power outage. A message explaining the outage, and  
27 approximated restoration time is recorded and played if the customer is calling from the affected



1 area. The software determines this by interrogating the callers area code and exchange. To run  
2 this Oracle based application, a large server capable of multi-tasking many calls simultaneously  
3 was required.

4 **Project Name: GIS Upgrade – Module ¾ (OMS, WMS, Great Plains)**

5 *2005 Budget Amount: \$211,952*

6 This account captured various charges during Burlington Hydro's efforts to comply with ESA  
7 Regulation 22/04 in having new P.Eng. approved design standards stating compliance with the  
8 regulation. Burling Hydro outsourced a consultant to provide representation and guidance in  
9 meeting the various regulatory requirements. The same firm was able to review and approve the  
10 standard drawings and section preambles for internal use. As part of this initiative, Burlington  
11 Hydro purchased a work management system (Daffron Winstake module) to be interfaced with  
12 the GIS in producing construction drawings, assembly units, bill of materials, and cost estimates  
13 through the GIS. The cost estimates and bill of materials will reflect the most current costs and  
14 update when the stores department updates their inventory system – i.e. the technicians will be  
15 working with the latest prices thereby providing accurate cost estimates.

16 **Project Name: ICCP Software Protocol – Communication to Barrie Control Centre**

17 *2005 Budget Amount: \$43,512*

18 Under the authority of Hydro One, the ICCP software protocol allows Burlington Hydro control  
19 room personnel to establish hold off conditions on 27.6kV feeders from Hydro One stations  
20 without having to call into the Hydro One control centre and wasting valuable time. Although the  
21 27.6kV feeders are owned by Burlington Hydro, the breakers at the Hydro One TS are owned by  
22 Hydro One. A hold off sets the Hydro One breaker relays at the TS to operate and open thus  
23 isolating the feeder if a fault occurs. A hold off is requested by a line crew(s) working on the  
24 overhead or underground hydro lines as a mean of protecting the equipment in case the line  
25 worker inadvertently makes phase to phase or phase ground contact causing a fault to occur. A  
26 hold of condition is not a normal state of a feeder.

27

1 **Project Name: Computerized Maintenance Management System**

2 *2005 Budget Amount: \$30,000*

3 This expenditure included the labour to implement the TVD Avalanche CSC Network system  
4 (by Telephony Video) to enable the recently purchased TVD software modules to interface with  
5 Burlington Hydro's existing communications network.

6 **Project Name: AutoCad Update**

7 *2005 Budget Amount: \$5,051*

8 AutoCAD is the mapping design software, utilized by Burlington Hydro's drafting and  
9 engineering staff. Updates to Burlington Hydro's master GIS mapping system are initiated and  
10 fed from AutoCAD drawings. Additional licenses were required and purchased in this year.

11 **Project Name: Smart Metering Pilot**

12 *2005 Budget Amount: \$33,315*

13 Alton Community Smart metering pilot – one a several pilots initiated by Burlington Hydro to  
14 install residential smart meters in place of the standard digital kWh revenue meters.

15 This represented the cost to install Smart Meter Pilot in Alton Community with collector on Pole.  
16 Some of the challenges identified were recessed meter bases in cabinets and to verify signal out  
17 to the collector possible through Metal cabinets - test proved positive.

18 **Project Name: Voluntary Demand Response**

19 *2005 Budget Amount: \$48,000*

20 The TVD demand response module was essential to help manage the influx of customer calls  
21 that come into our control room during an outage. The single operator must multi-task to perform  
22 various activities while in communication with line crews to assist with system operations and  
23 restoration efforts. During an outage the control room operator is able to program the TVD  
24 system with information about the severity of the outage and it's impact such as the area affected  
25 and the approximate time power will be restored. This information will be heard by all callers  
26 thereby minimizing the frustration of the customers calling in for an update on the power outage.

1 **Project Name: Daffron Cust. Programming**

2 *2005 Budget Amount: \$57,920*

3 The OEB introduced many regulatory changes in 2005. These changes had direct impact on our  
4 customer information system. In order to implement these changes in the required time,  
5 Burlington Hydro (in conjunction with other Ontario Daffron LDCs to share the costs) needed  
6 the assistance of it's software vendor (Daffron) to incorporate these changes.

7 **Project Name: Winfuel Software**

8 *2005 Budget Amount: \$2,292*

9 The Winfuel software is the fuel dispensing system used in the Stores department to record and  
10 track fuel consumption by vehicle. Since it's purchase, the software was a DOS format  
11 application which support for it was being discontinued by the vendor. Burlington Hydro needed  
12 to purchase the Windows version of this software to continue it's use and have the software  
13 supported.

14 **Project Name: Replacement for Truck 35 (paid over 2 years - \$300k)**

15 *2005 Budget Amount: \$90,531*

16 This expenditure replaces truck #35 (from 1990). The purchase of a large vehicle is tendered in 3  
17 parts - chassis/boom/body. Upon awarding the tender, a period of 1 year is required to build and  
18 test the truck. The replacement cycle for radial boom derrick vehicles is 12 years. This  
19 expenditure included the chassis only coinciding with the budget strategy. The vehicles to be  
20 quoted are reflected in the rolling stock 10 year forecast.

21 Guideline for Vehicle Replacement Cycle

22

Replacement Criteria Guideline:

- |                                  |  |
|----------------------------------|--|
| 1. <4500kg Rolling Stock         | 8 years                                    |
| 2. Radial Boom Derrick (RBD)     | 12 years                                   |
| 3. Single or Double Bucket Truck | 12 years                                   |
| 4. Sprinter Van                  | 12 years                                   |
| 5. Dump Truck                    | 20 years                                   |
| 6. Trailers - Replacement        | 20 years                                   |
| - Refurbish                      | 5 years (Not included in vehicle forecast) |
| 7. Backhoe                       | 25 years                                   |
| 8. Lift Truck                    | 25 years                                   |

Actual replacement dates will vary depending on fleet dollars available for any given year.

**Project Name: New Pickup for New Supervisor**

*2005 Budget Amount: \$33,812*

Small vehicles for supervisors and foreman are purchased and kept within the fleet for 8. Vehicles are recycled to various departments to manage the mileage put on the vehicles and therefore extend the life of the vehicle. The vehicles to be quoted are reflected in the rolling stock 10 year forecast.

**Project Name: Disposals**

*2005 Budget Amount: \$(1,296)*

Old vehicles are taken by the vendor and sold for market value by the vendor. Burlington Hydro receives a percentage of the sale cost as a benefit and is shown as a credit to this account.

**Project Name: Office Furniture**

*2005 Budget Amount: \$14,056*

Replacement of old work stations in the billing department with new ergonomic work stations. The old work stations did not have the required adjustability of work surface and chairs.

**Project Name: Tools, Shop and Garage Equipment**

*2005 Budget Amount: \$12,606*

This expenditure is for specialized tools used by the trades staff for performance of Capital and Operating work on Burlington Hydro's Distribution system.

1 **Project Name: Miscellaneous Equipment**

2 *2005 Budget Amount: \$(470)*

3 This expense is for the disposal of a 2-way radio on Truck #35 which was disposed of. The radio  
 4 was built in to the vehicle and therefore was disposed of with the vehicle.

5 **Project Name: Contributions and Grants**

6 *2005 Budget Amount: \$(1,294,089)*

7 Burlington Hydro's Conditions of Service provides the basis for determining the capital  
 8 contributions to be paid by customers, developers, third parties and government authorities.  
 9 Burlington Hydro's philosophy is "Growth Pays for Itself", and the respective parties are  
 10 expected to comply with our conditions of service by contributing funds to Burlington Hydro  
 11 which are applied towards the associated costs for the installation and/or modification of hydro  
 12 infrastructure and connection assets as required.

13 The following table outlines the capital contributions accumulated in 2005:

2005	
Capital Contribution/Grant	Capital Project
(926,825)	General Service (Overhead, Underground, Meters)
(38,369)	MTO Reconstruction at North Service Road and Guelph Line
312,954	Subdivision Buy Back
(641,849)	Subdivisions
<b>(1,294,089)</b>	<b>Total</b>

14

1 **Capital Project Description 2006**

2 **Project Name: Upgrade Relays to Solid State Walkers Station**

3 *2006 Budget Amount: \$24,778*

4 This is an ongoing cost of the 2005 project titled: “**DPU Relay Installation – Walkers Line**”.

5 For a full description, see the 2005 Project Justification.

6 **Project Name: Upgrade Relays to Solid State – Current Transducers**

7 *2006 Budget Amount: \$3,670*

8 This is an ongoing cost of the 2005 project titled: “**Relay Upgrade Transducers**”. For a full  
9 description, see the 2005 Project Justification.

10 **Project Name: Re-commissioning of Substations – Various Locations**

11 *2006 Budget Amount: \$103,447*

12 Burlington Hydro completes re-commissioning on various distribution substations every year.  
13 For a full description of this program, see the “Re-commissioning of Various Stations” portion of  
14 the Project Justification 2010.

15 **Project Name: SCADA System Upgrade**

16 *2006 Budget Amount: \$12,168*

17 The SCADA (Supervisory Control and Data Acquisition) system upgrade was necessary to  
18 replace outdated hardware and software for SCADA Master A and B panels. With the  
19 implementation of highly sophisticated automated switches and continual upgrade of station  
20 communication systems, the SCADA software and hardware upgrade was essential for  
21 compatibility and operational functionality.

22 **Project Name: Conversion of Communications to Fibre**

23 *2006 Budget Amount: \$761*

24 This is an ongoing cost of the 2005 project titled: “**Conversion of Substation Communications**  
25 **to Fibre**”. For a full description, see the 2005 Project Justification.

1 **Project Name: Pole Replacement Program**

2 *2006 Budget Amount: \$329,057*

3 Burlington Hydro replaces poles every year. For a full description of this program, see the “Pole  
4 Replacement Program” portion of the Project Justification 2010.

5 **Project Name: SCADAMATE Program**

6 *2006 Budget Amount: \$296,957*

7 Burlington Hydro’s SCADAMATE Program is a project spanning several years. For the full  
8 description of this program please see the “Motorized Recloser Program” section of the Project  
9 Justification 2010.

10 **Project Name: #5155 Dundas – Hanson Brick Meter Tank Replacement**

11 *2006 Budget Amount: \$16,866*

12 Burlington Hydro replaced old oil filled primary metering unit with a pole mount dry type  
13 primary metering unit and upgrade from 2 ½ element to 3 element metering. The structural work  
14 was necessary to provide the required strength and equipment space to meet design standards and  
15 compliance with Provincial regulation.

16 **Project Name: #1215 Appleby Line - Install 4 Sidewalk Slabs**

17 *2006 Budget Amount: \$5,648*

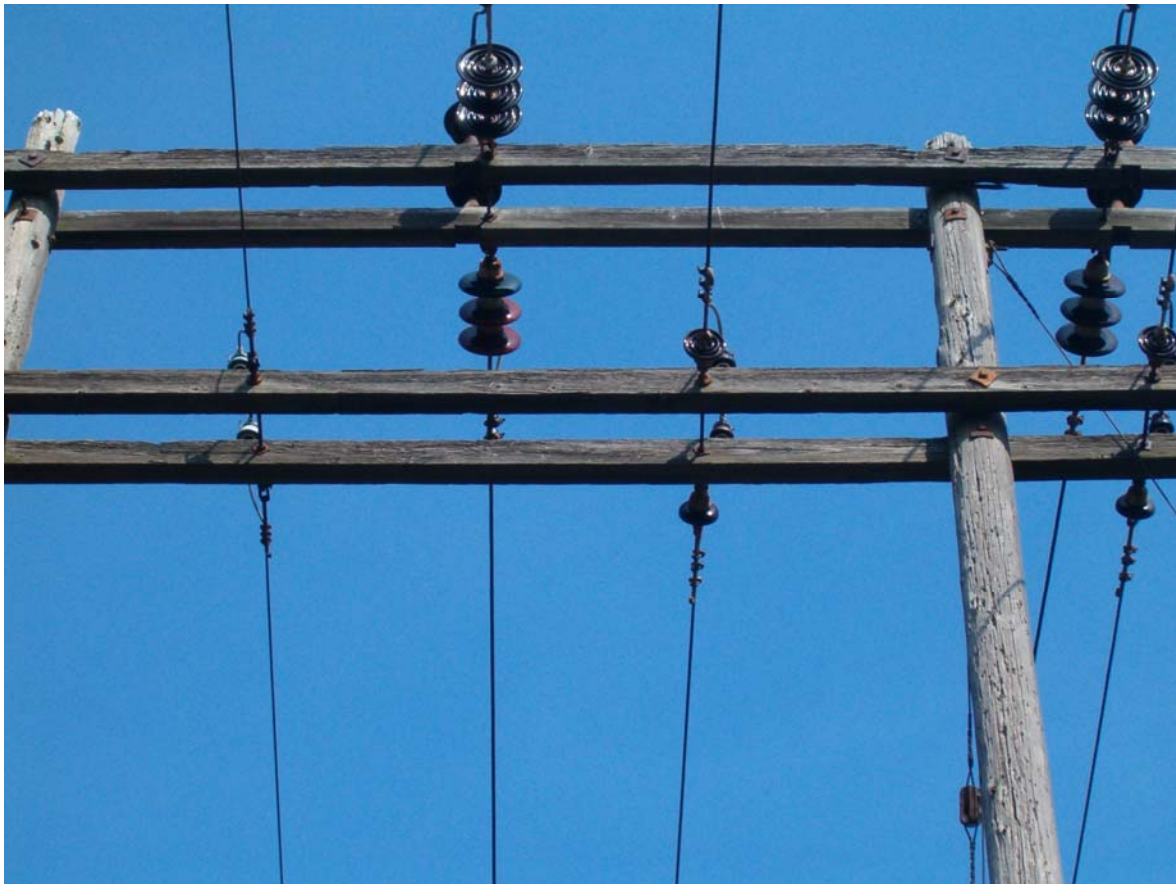
18 A new commercial development proposed on the east side of Appleby line is fed from the  
19 overhead 28kV primary pole line on the west side of Appleby Line via an underground 28kV  
20 primary service extending from the termination pole to the padmount transformer on the site.  
21 The routing of the underground primary cables run under the City road way. Installation of the  
22 duct structure was the responsibility of the customer’s contractor which required excavation at  
23 the termination pole. Typically the hydro service is energized prior to the site landscaping being  
24 completed. Burlington Hydro followed up to restore the landscaping at the termination to  
25 eliminate possible hazard to the public. The City of Burlington also requested Burlington hydro  
26 restore the site in accordance with their standards.

27

1 **Project Name: Hydro ROW Pole Replacement – Bridgeview MS to Old York Road**  
2 *2006 Budget Amount: \$49,708*

3 Bridgeview Municipal substation is supplies at 27.6kV from a pole line that runs east from  
4 Bridgeview substation along a Hydro ROW to Old York Road. There is no road way access to  
5 these poles and are out of sight from general public which makes routine inspections scarce  
6 unless someone is assigned the task to inspect the pole line. The west end of the pole line  
7 consists of a high risk ravine crossing which was in need of replacement as with the rest of the  
8 poles.

9 Old crossing structure showing signs of long time exposure at poles and crossarm supports



10

11



1 **Project Name: Structures – Overhead Primary**

2 *2006 Budget Amount: \$506,355*

3 Burlington Hydro completes maintenance on various structures every year. For a full description  
4 of this program, see the “General Service – Overhead” portion of the Project Justification 2010.

5 **Project Name: Structures – Overhead Secondary**

6 *2006 Budget Amount: \$122,753*

7 Burlington Hydro completes maintenance on various structures every year. For a full description  
8 of this program, see the “General Service – Overhead” portion of the Project Justification 2010.

9 **Project Name: North Side of QEW at Guelph Line**

10 *2006 Budget Amount: \$3,078*

11 This is a Ministry of Transportation project to reconstruct the Guelph interchange and the  
12 adjacent service roads, and access ramps. The proposed realignment of the highway exit and on  
13 ramps required the relocation of numerous poles and transfer of connection assets on both sides  
14 of Guelph Line.

15 **Project Name: Uppermiddle Road Cable Replacement – Phase 2**

16 *2006 Budget Amount: \$5,672*

17 Phase 1 of this project had been completed earlier. The second phase plan was similar to Phase 1  
18 which involved the replacement of aging underground primary feeder cables in an existing duct  
19 and manhole system. Problems in this section of system occurred due to poor drainage in the  
20 manholes where water runoff would collect and the existing heat shrink splices in the primary  
21 cables were failing. A consultant was hired to design a solution to include the installation of  
22 sump pumps in the manholes complete with power supply and replace existing primary cables.  
23 In manholes where splices could not be eliminated, the heat shrink splices were replaced with  
24 new cold shrink splices. Although the intent of the sump pumps is to eliminate water build up in  
25 the manholes, the cold shrink splices function extremely well while submerged under water.

26 Burlington Hydro completes primary cable replacements for various areas every year. For a full  
27 description of this program, see the “Cable Rebuild” portion of the Project Justification 2010.

1 **Project Name: Conductors – Overhead Primary**

2 *2006 Budget Amount: \$367,700*

3 Burlington Hydro completes maintenance on various conductors every year. For a full  
4 description of this program, see the “General Service – Overhead” portion of the Project  
5 Justification 2010.

6 **Project Name: Replacement of Permali Deadend Insulators**

7 *2006 Budget Amount: \$37,807*

8 The Permali deadend strain insulator is a product used by many utilities throughout their  
9 distribution system. Numerous system problems were experienced on account of these insulators  
10 failing and causing interruptions. The manufacturer acknowledged their products were failing  
11 prematurely under normal operating conditions despite performing yearly insulator washing.  
12 Burlington Hydro initiated the replacement of the problematic insulators which was expected to  
13 carry on over several years due to the number installed.

14 **Project Name: Conductors – Overhead Secondary**

15 *2006 Budget Amount: \$40,486*

16 Burlington Hydro completes maintenance on various conductors every year. For a full  
17 description of this program, see the “General Service – Overhead” portion of the Project  
18 Justification 2010.

19 **Project Name: Subdivisions Assumed**

20 *2006 Budget Amount: \$1,511,100*

21 This is an ongoing cost of the 2005 project titled: “Subdivisions Assumed”. For a full  
22 description, see the 2010 Project Justification.

23 **Project Name: System Optimization**

24 *2006 Budget Amount: \$517,129*

25 This is an ongoing cost of the 2005 project titled: “**SCADAMATE Program**”. For a full  
26 description, see the 2005 Project Justification.

1 **Project Name: Lakeshore Road – 27.6 Feeder Extension**

2 *2006 Budget Amount: \$313*

3 This is an ongoing cost of the 2005 project titled: “**Downtown Lakeshore Road – 27.6kV**  
4 **Feeder Extension**”. For a full description, see the 2005 Project Justification.

5 **Project Name: Palmer Subdivision Primary Cable Replacement**

6 *2006 Budget Amount: \$673*

7 Burlington Hydro completes primary cable replacements for various areas every year. For a full  
8 description of this program, see the “Cable Rebuild” portion of the Project Justification 2010.

9 **Project Name: Conductors – Underground Primary**

10 *2006 Budget Amount: \$418,851*

11 Burlington Hydro completes maintenance on various conductors every year. For a full  
12 description of this program, see the “General Service - Underground” portion of the Project  
13 Justification 2010.

14 **Project Name: Conductors – Underground Secondary**

15 *2006 Budget Amount: \$2,525*

16 Burlington Hydro completes maintenance on various conductors every year. For a full  
17 description of this program, see the “General Service - Underground” portion of the Project  
18 Justification 2010.

19 **Project Name: Transformer Oil Testing**

20 *2006 Budget Amount: \$90,214*

21 Burlington Hydro completes maintenance on transformers by testing the oil every year. For a full  
22 description of this program, see the “Transformer Oil Testing” portion of the Project Justification  
23 2007.

24

1 **Project Name: Transformers – Overhead Primary**

2 *2006 Budget Amount: \$306,223*

3 Burlington Hydro completes maintenance on various transformers every year. For a full  
4 description of this program, see the “General Service – Overhead” portion of the Project  
5 Justification 2010.

6 **Project Name: Transformers – Underground Primary**

7 *2006 Budget Amount: \$1,335,848*

8 Burlington Hydro completes maintenance on various transformers every year. For a full  
9 description of this program, see the “General Service – Underground” portion of the Project  
10 Justification 2010.

11 **Project Name: Spare Transformers**

12 *2006 Budget Amount: \$(216,279)*

13 All transformers are initially classified as inventory when purchased. Each month those  
14 transformers that are in excess of our required inventory level are transferred to capital. Should a  
15 month occur when our inventory of transformers is less than the required amount, the capital  
16 accounts will be reduced by the amounts required to restore the inventory levels.

17 **Project Name: Conductors – Overhead Service**

18 *2006 Budget Amount: \$83,923*

19 Burlington Hydro completes maintenance on various conductors every year. For a full  
20 description of this program, see the “General Service – Overhead” portion of the Project  
21 Justification 2010.

22 **Project Name: Conductors – Underground Services**

23 *2006 Budget Amount: \$534,686*

24 Burlington Hydro completes maintenance on various conductors every year. For a full  
25 description of this program, see the “General Service - Underground” portion of the Project  
26 Justification 2010

1 **Project Name: Temporary Services Revenue**

2 *2006 Budget Amount: \$10,200*

3 Temporary services revenue (flat rate connection fee only) is initially capitalized and eventually  
4 moved to revenue.

5 **Project Name: Metering Installed**

6 *2006 Budget Amount: \$468,052*

7 Burlington Hydro completes meter installations every year. For a full description of this  
8 program, see the “Metering Installed” portion of the Project Justification 2010.

9 **Project Name: Wholesale Metering Upgrades at Burlington TS and Cumberland TS**

10 *2006 Budget Amount: \$(460)*

11 Wholesale metering upgrades at Burlington TS and Cumberland TS is an IESO legislated  
12 requirement.

13 **Project Name: Smart Metering Installed**

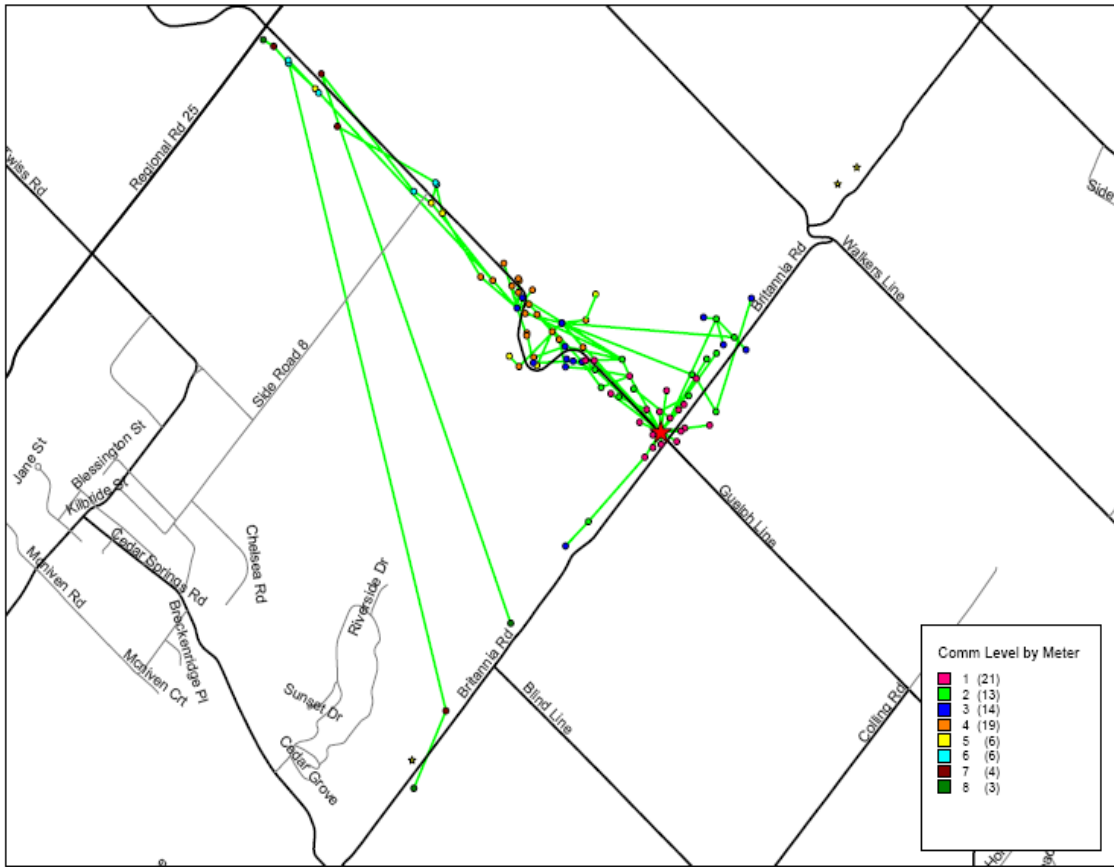
14 *2006 Budget Amount: \$28,371*

15 Through the approved Conservation and Demand Management plan, OEB approval was given to  
16 Burlington Hydro to initiate the installation of smart meters in place of the standard kWh  
17 revenue meters on residential homes in the Lowville area. The expenditure represents the  
18 installation labour cost and the meter re-verification changeouts per Measurement Canada Seal  
19 expiry by third Party company OZ (later becoming Trilliant).

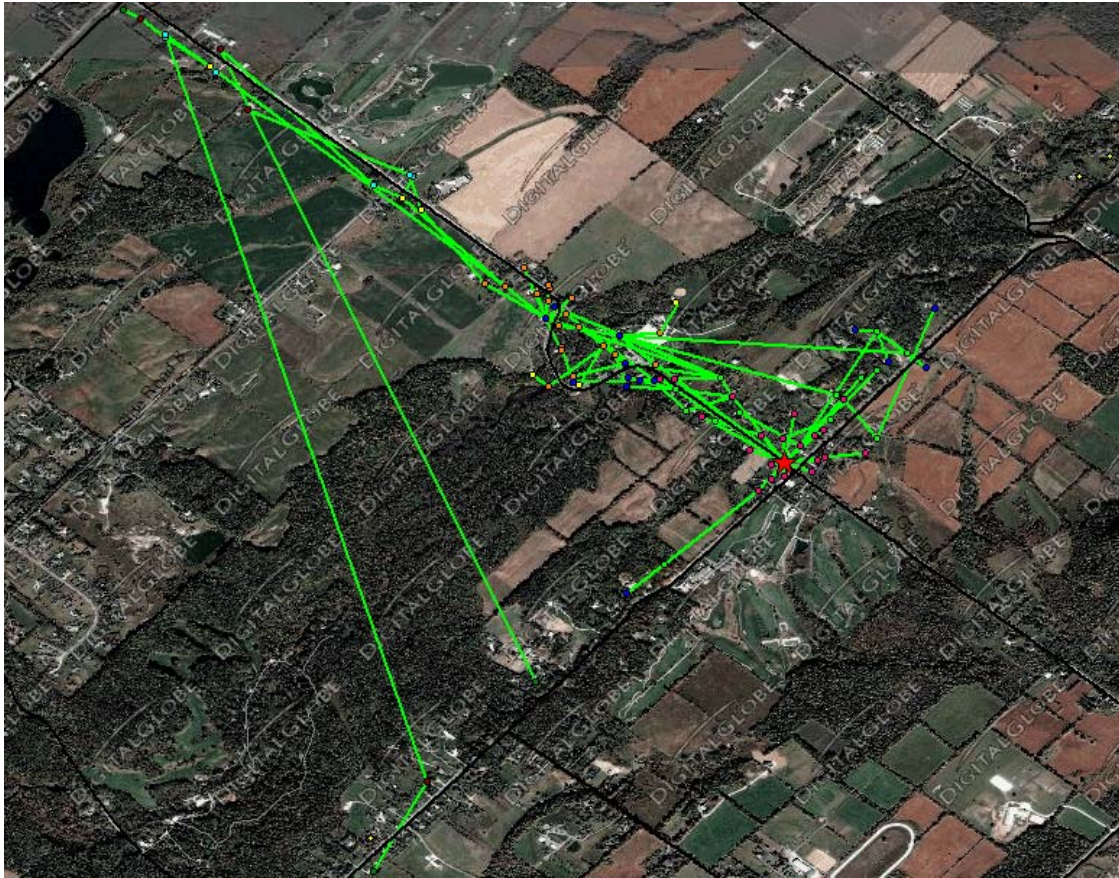
20 This pilot project involved the installation of 97 Elster Rex Smart Meters in Burlington’s  
21 Lowville community area to test the 900 MHz communication system in a worst case scenario of  
22 foliage and terrain elevation issues on the Niagara Escarpment. This area is known for radio dead  
23 zones and since smart meter technology is based on wireless communication between meters, the  
24 Lowville area was the ideal test site. This pilot also included the testing of the fibre optic  
25 connection for the collector system to back haul the data back from the smart meters to the server  
26 for analysis.

1 Lowville Test Area for Elster Rex Smart Meters

2  
3



1 Satellite Photo of Lowville Test Area



3

4 **Project Name: Spare Meters**  
5 *2006 Budget Amount: \$28,046*

6 Burlington Hydro purchases spare meters. For a full description of this program, see the “Spare  
7 Meters” portion of the Project Justification 2007.

8 **Project Name: Smart Metering Pilot**  
9 *2006 Budget Amount: \$77,372*

10 This account represented the cost to design, installation and testing of Downtown Burlington Wi-  
11 Fi with Smart Meter Pilot and backhauling of data.

1 This included the interconnection to the Smart Meter collectors and any Residential and  
2 Commercial Meters within the geographical area.

- 3       ▪ Designed Area:  
4       ▪ West Side: Maple Ave.  
5       ▪ South Side: Lake Ontario  
6       ▪ East Side: Pearl St.  
7       ▪ North Side: Caroline St.

8 **Project Name: Work Management/Standards**

9 *2006 Budget Amount: \$34,451*

10 The purchase of Daffron's Work Management module is to enhance the current Daffron material  
11 commitment function by providing engineering staff to create bill of materials using assembly  
12 units for engineering designs and ultimately create project estimates through labour and material  
13 assembly units. Currently the engineering technician commits each piece of material individually  
14 and prepares project estimates with basic spread sheet and manually entering the operation and  
15 labours hours and # of line crew expected.

16 **Project Name: Utilocate Module**

17 *2006 Budget Amount: \$3,618*

18 Utilocate is a software package that Burlington Hydro purchased to track customer/contractor  
19 requests for hydro locates from the time locates are received at Ontario One Call through the  
20 entire process when the locate is complete in the field by Burlington Hydro's locator. All the  
21 information is date stamped and archived for future reference. The Utilocate package is an  
22 interface that enables Burlington Hydro to receive locate information electronically from Ontario  
23 One Call and Burlington Hydro's locate contractor without manually entering the data in  
24 Burlington Hydro's access data base.

25 **Project Name: Daffron Custom Programming**

26 *2006 Budget Amount: \$15,589*



1 The OEB continued to introduce many regulatory changes in 2006. These changes had direct  
2 impact on our customer information system. In order to implement these changes in the required  
3 time, Burlington Hydro (in conjunction with other Ontario Daffron LDCs to share the costs)  
4 needed the assistance of it's software vendor (Daffron) to incorporate these changes.

5 **Project Name: Financials/WMS – Custom Programming**

6 *2006 Budget Amount: \$24,741*

7 Although Burlington Hydro was very pleased with the “off the shelf” version of Daffron’s web  
8 based financials and materials management systems, some program customization was required  
9 to improve it before implementation. The new web based version of these applications will  
10 replace the “green screen” menu driven version originally purchased in the mid 90’s. These  
11 dollars represent the change requests submitted in 2006.

12 **Project Name: MV90 Software Smart Metering**

13 *2006 Budget Amount: \$34,575*

14 The associated cost to purchase a software upgrade from the old version of MV-90 Version 5.0  
15 (DOS based) to the new MV-90XI Version I (Windows based) in order to accommodate the new  
16 smart meter pilot models (Quadlogic) and DST date change over.

17 The MV-90xi would accommodate the download of other Smart Meter Data for other Sub-  
18 metering pilots in Condo’s.

19 **Project Name: MV90 Installation**

20 *2006 Budget Amount: \$10,486*

21 Costs associated with the installation of the new version of MV 90 (see 1925-06-5) by Itron staff  
22 on Burlington Hydro site due to the complexity of the process. Due to different operating  
23 systems Itron Staff installed and transferred new software and old files across and created  
24 Network system from old Single station.

25

1 **Project Name: Replacement for Digger Truck #35**

2 *2006 Budget Amount: \$228,046*

3 This expenditure replaces truck #35 (from 1990). The purchase of a large vehicle is tendered in 3  
4 parts - chassis/boom/body. Upon awarding the tender, a period of 1 year is required to build and  
5 test the truck. The replacement cycle for radial boom derrick vehicles is 12 years. This  
6 expenditure included the boom and body in the same year coinciding with the budget strategy.

7 **Project Name: Small Vehicle Replacement**

8 *2006 Budget Amount: \$199,681*

9 The following vehicle purchases allow Burlington Hydro to equip the new small vehicles with  
10 the appropriate hardware to meet the M.T.O. requirements for working along the road ways and  
11 to prevent theft of the assortment of tools carried on the trucks. The back racks, shelving and  
12 dividers are installed to protect the driver and passengers in the trucks when carrying large loads,  
13 and for mounting the amber lights and speakers. The roll top bins that were installed are lockable  
14 to prevent theft and to protect the assortment of tools and electrical meters from the elements,  
15 which in turn will result in lower insurance rates and prevent higher tool replacement costs.  
16 Trucks will carry up to \$10,000 worth of tools.

17 The replacement cycle for small vehicles is 8 years; Burlington Hydro will also move some  
18 vehicles around in the fleet before the 8 year cycle to ramp up the mileage on the vehicle before  
19 the 8 year period. The vehicles to be quoted are reflected in the rolling stock 10 year forecast.

20 **Project Name: Disposals**

21 *2006 Budget Amount: \$(267,331)*

22 Old vehicles are taken by the vendor and sold for market value by the vendor. Burlington Hydro  
23 receives a percentage of the sale cost as a benefit and is shown as a credit to this account.

24 **Project Name: Fairwood and Woodward MS**

25 *2006 Budget Amount: \$121,668*

26 Each of Burlington Hydro's 32 distribution substations is supplied at 27.6kV, the primary side of  
27 the distribution substation. A number of the vintage distribution substations have lead cables for

1 the 27.6kV supply. These lead cables have served their purpose and are now deemed an  
2 environmental risk while in service and especially at time of failure. Burlington Hydro has  
3 implemented a replacement program as part of their commitment to protect the public, their  
4 employees and the environment. The lead cable replacement program involves completing the  
5 replacement of the lead cables at two substations each year. Due to the nature of the risk to  
6 workers and the environment, Burlington Hydro utilizes the services of Team One  
7 Environmental to assist in the removal and disposal of the lead cables.

8 **Project Name: Structures – Underground Primary**

9 *2006 Budget Amount: \$98,136*

10 Burlington Hydro completes maintenance on various structures every year. For a full description  
11 of this program, see the “General Service – Underground” portion of the Project Justification  
12 2010.

13 **Project Name: Structures – Underground Services**

14 *2006 Budget Amount: \$46,394*

15 Burlington Hydro completes maintenance on various structures every year. For a full description  
16 of this program, see the “General Service – Underground” portion of the Project Justification  
17 2010.

18 **Project Name: Building and Fixture Upgrades**

19 *2006 Budget Amount: \$60,628*

20 This expenditure was required to cover the cost for upgrading building structures at Burlington  
21 Hydro’s distribution substations.

22 **Project Name: Office Furniture and Equipment Upgrades**

23 *2006 Budget Amount: \$68,126*

24 This expenditure was required for the replacement of old work stations and chairs with new  
25 ergonomic work stations and chairs. The old work stations did not have the required adjustability  
26 of work surface and chairs.

1 **Project Name: Computer Equipment - Hardware**

2 *2006 Budget Amount: \$84,324*

3 Burlington Hydro purchases Computer Equipment - Hardware every year. For a detailed  
 4 description of this expenditure, see the “Computer Equipment – Hardware” portion of the Project  
 5 Description 2010.

6 **Project Name: Tools, Shop and Garage Equipment**

7 *2006 Budget Amount: \$28,256*

8 This expenditure is for specialized tools used by the trades staff for performance of Capital and  
 9 Operating work on Burlington Hydro’s Distribution system.

10 **Project Name: Contributions and Grants**

11 *2006 Budget Amount: \$(3,034,454)*

12 Burlington Hydro’s Conditions of Service provides the basis for determining the capital  
 13 contributions to be paid by customers, developers, third parties and government authorities.  
 14 Burlington Hydro’s philosophy is “Growth Pays for Itself”, and the respective parties are  
 15 expected to comply with our conditions of service by contributing funds to Burlington Hydro  
 16 which are applied towards the associated costs for the installation and/or modification of hydro  
 17 infrastructure and connection assets as required.

18 The following table outlines the capital contributions accumulated in 2006:

2006	
Capital Contribution/Grant	Capital Project
(1,003,906)	General Service (Overhead, Underground, Meters)
(1,539)	MTO Reconstruction at North Service Road and Guelph Line
(2,029,009)	Subdivisions
<b>(3,034,454)</b>	<b>Total</b>

19

1 **Capital Project Descriptions - 2007**

2 **Project Name: Upgrade Relays to Solid State – Martha MS**

3 *2007 Budget Amount: \$4,745*

4 Replacement of aging electro mechanical systems with solid state DPU relays is conducive to  
5 improved performance and reliability, and reduces valuable time spent on maintenance.

6 **Project Name: Elizabeth MS - Switchgear Replacement**

7 *2007 Budget Amount: \$322,257*

8 Replacement of aging vacuum style switchgear was necessary to improve reliability and  
9 performance. Repair of the old switchgear was no longer practical due to the inability to  
10 purchase replacement components.

11 **Project Name: Re-commission Various MS**

12 *2007 Budget Amount: \$115,107*

13 Re-commission of six municipal stations as part of the OEB's Distribution System Code to  
14 conduct routine inspections on critical distribution system equipment.

15 **Project Name: Repaint Appleby Station – T1 & T2**

16 *2007 Budget Amount: \$24,075*

17 Refurbishment of the Appleby T1 & T2 transformers and switchgear involves the removal of  
18 excessive rust and preparation for repainting in order to extend the service life of the equipment.

19 **Project Name: Battery Bank and Chargers**

20 *2007 Budget Amount: \$9,157*

21 The nickel cadmium batteries supply power for such critical equipment as feeder protection  
22 relays, RTU's and circuit breakers. The new replacement batteries are a sealed lead acid type  
23 batteries possessing longer service life lower maintenance.

24

1 **Project Name: SCADA System Upgrades**

2 *2007 Budget Amount: \$241,961*

3 The SCADA (Supervisory Control and Data Acquisition) system upgrade was necessary to  
4 replace outdated hardware and software for SCADA Master A and B panels. With the  
5 implementation of highly sophisticated automated switches and continual upgrade of station  
6 communication systems, the SCADA software and hardware upgrade was essential for  
7 compatibility and operational functionality.

8 **Project Name: Pole Replacement Program**

9 *2007 Budget Amount: \$302,191*

10 Burlington Hydro replaces poles every year. For a full description of this program, see the “Pole  
11 Replacement Program” portion of the Project Justification 2010.

12 **Project Name: ROW Brant to TS39**

13 *2007 Budget Amount: \$92,341*

14 One of Burlington Hydro’s main corridors used to egress four of the twelve Burlington TS  
15 27.6kV feeders is through this Hydro One ROW. Replacement of a number of poles was  
16 necessary to reinforce this backbone of the distribution system. Adjacent to the TS is the  
17 QEW/403 interchange where these feeders cross aerially various highway exit and on ramps thus  
18 increasing the degree of importance in scheduling this work.

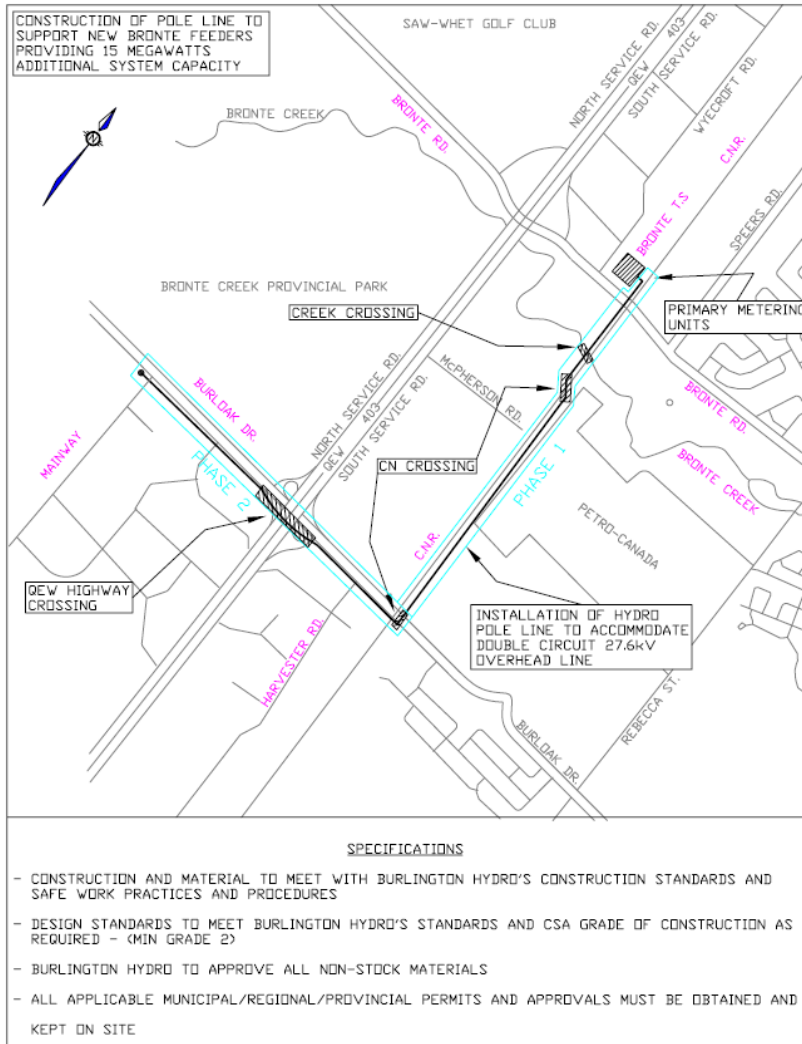
19 **Project Name: Hydro One ROW – Burloak to Bronte**

20 *2007 Budget Amount: \$379,111*

21 Demand growth projections and Burlington Hydro’s maximum system capacity were analyzed to  
22 determine the expected saturation of unused capacity. Hydro One had two 27.6 breaker positions  
23 available at Bronte TS that were purchased by Burlington Hydro. These breaker positions would  
24 allow the connection of two feeders with a distribution capacity of 15 MW of power. Not only  
25 was the additional 15 MW capacity necessary as a whole, from an operating and system  
26 performance perspective, having available capacity delivered from the east city limits was ideal  
27 to alleviate the Cumberland and Burlington TS feeders. The central location of Cumberland TS

1 and the westerly location of Burlington TS, coupled with the booming development growth in  
2 the north/east quadrant of the city, has been an ongoing operational concern. Planning the  
3 installation of two additional feeders from Bronte TS would allow the transfer of load from  
4 existing feeders to the new feeders providing system operational flexibility and reduce system  
5 technical losses by balancing the feeder loads.

6 This project is expected to be constructed in stages; installation of feeders from the TS to the  
7 Burlington City limits; second stage build the necessary infrastructure to extend the new feeders  
8 to points in the distribution system that would be the most benefit; third stage egress 2 additional  
9 feeders from Bronte TS on the same pole line to compensate for the two feeders currently leased  
10 from Oakville Hydro.



1

2



1 Erection of the Crossing Pole Structure on the east side of Bronte Creek



2

3

4 **Project Name: Structures – Overhead Primary**

5 *2007 Budget Amount: \$524,574*

6 Burlington Hydro completes maintenance on various structures every year. For a full description  
7 of this program, see the “General Service – Overhead” portion of the Project Justification 2010.

8 **Project Name: Structures – Overhead Secondary**

9 *2007 Budget Amount: \$51,176*

10 Burlington Hydro completes maintenance on various structures every year. For a full description  
11 of this program, see the “General Service – Overhead” portion of the Project Justification 2010.

12

1 **Project Name: Distribution System Improvements SCADAMATES**

2 *2007 Budget Amount: \$499,823*

3 Burlington Hydro's SCADAMATE Program is a project spanning several years. For the full  
4 description of this program please see the "Motorized Recloser Program" section of the Project  
5 Justification 2010.

6 Expenditures under distribution system improvements blankets a variety of Conservation and  
7 Demand Management initiatives such as system optimization studies and the continued  
8 implementation of SCADAMATE switches in order to improve system reliability. The program  
9 also included CDM programs such as: supporting the retrofitting existing facilities with efficient  
10 lighting via rebates; encouraging customers to dispose of old inefficient refrigerators; promoting  
11 the use of LED and florescent lights

12 **Project Name: Conductors – Overhead Primary**

13 *2007 Budget Amount: \$338,468*

14 Burlington Hydro completes maintenance on various conductors every year. For a full  
15 description of this program, see the "General Service – Overhead" portion of the Project  
16 Justification 2010.

17 **Project Name: Conductors – Overhead Secondary**

18 *2007 Budget Amount: \$39,122*

19 Burlington Hydro completes maintenance on various conductors every year. For a full  
20 description of this program, see the "General Service – Overhead" portion of the Project  
21 Justification 2010.

22 **Project Name: Fault Indicator Installations**

23 *2007 Budget Amount: \$7,622*

24 Burlington Hydro completes Fault Indicator Installations for various areas every year. For a full  
25 description of this program, see the "Fault Indicator Installation" portion of the Project  
26 Justification 2010.

1 **Project Name: Pollard Windows**

2 *2007 Budget Amount: \$23,239*

3 Continuation of Burlington Hydro's primary metering replacement program. The replacement of  
4 aging oil fill metering unit at Pollard Windows with a dry type cluster pole mount style metering  
5 unit. The addition represents the cost of the primary metering unit only.

6 Pollard Windows new Dry Type Cluster Pole Mount primary metering unit



7

8

9 **Project Name: Tyandaga Cable Replacement Program**

10 *2007 Budget Amount: \$360,816*

11 Burlington Hydro completes primary cable replacements for various areas every year. For a full  
12 description of this program, see the "Cable Rebuild" portion of the Project Justification 2010.

1 **Project Name: Downtown Lakeshore Road 27.6 Feeder Extension**

2 *2007 Budget Amount: \$578,354*

3 This is an ongoing cost of the 2005 project titled: “**Lakeshore Road – 27.6kV Feeder**  
4 **Extension**”. For a full description, see the 2005 Project Justification.

5 **Project Name: Brant Street Streetscape Refurbishment by City – Manhole Adjustment**

6 *2007 Budget Amount: \$72,177*

7 The City of Burlington initiated a program to refurbish the streetscape along Brant Street, the  
8 main street through the Downtown core of Burlington. The proposed City works involved the re-  
9 grading of boulevards which impacted the grade over a number of Burlington Hydro manhole  
10 locations requiring coordination with the project contractor and Burlington hydro forces to  
11 reconstruct the manhole chimney and level the manhole access cover to suit the new grade. The  
12 manholes are an integral part of an underground duct and manhole system.

13 **Project Name: Structures – Underground Primary**

14 *2007 Budget Amount: \$46,248*

15 Burlington Hydro completes maintenance on various structures every year. For a full description  
16 of this program, see the “General Service – Underground” portion of the Project Justification  
17 2010.

18 **Project Name: Dryden Avenue Extension – City Project**

19 *2007 Budget Amount: \$154*

20 This project involved the installation of hydro infrastructure in conjunction with the City of  
21 Burlington to develop this section of the Orchard Community in order to complete the City  
22 ROW to bridge the traffic flow into newly developed sections of the Orchard Community. The  
23 necessity for completion out weighed the option to wait for a developer to purchase and develop  
24 as is typically done.

25

1 **Project Name: Structures – Underground Secondary**

2 *2007 Budget Amount: \$8,919*

3 Burlington Hydro completes maintenance on various structures every year. For a full description  
4 of this program, see the “General Service – Underground” portion of the Project Justification  
5 2010.

6 **Project Name: Fairwood & Woodward MS Lead Cable Replacement**

7 *2007 Budget Amount: \$8*

8 Burlington Hydro completes Cable Replacements for various distribution substations every year.  
9 For a full description of this program, see the “Cable Replacement” portion of the Project  
10 Justification 2010.

11 **Project Name: Lasalle Towers at Northshore Blvd.**

12 *2007 Budget Amount: \$90,223*

13 The Lasalle Tower site was supplied with two vault type transformers within a transformer room  
14 in the lower level of the apartment complex. Burlington has had on going issues with the  
15 condition of the vault room which falls under the responsibility of the site Landlord. Poor  
16 ventilation causing overheating of the transformers compiled with water leaking into the  
17 transformer vault room, and poor access into the vault room were a few of the major concerns to  
18 justify an action plan to replace the vault transformers. Burlington Hydro was innovative in  
19 creating a cost effective design that incorporated submersible type transformers which allowed  
20 for easy replacement and facilitate maintenance of the transformers. The customer and  
21 Burlington Hydro shared in the cost for the rental generators connected to enable this work to  
22 proceed with minimal disruption for the tenants.

23

24

1 Original Transformers shown here with doors open and fans to cool transformers



2

3

4 **Project Name: Lowville MS - Replacement of Lead Cables**

5 *2007 Budget Amount: \$83,661*

6 Burlington Hydro completes Cable Replacements for various distribution substations every year.

7 For a full description of this program, see the “Cable Replacement” portion of the Project

8 Justification 2010.

9 **Project Name: Conductors – Underground Primary**

10 *2007 Budget Amount: \$365,604*

11 Burlington Hydro completes maintenance on various conductors every year. For a full

12 description of this program, see the “General Service - Underground” portion of the Project

13 Justification 2010.

1 **Project Name: Conductors – Underground Secondary**

2 *2007 Budget Amount: \$17,369*

3 Burlington Hydro completes maintenance on various conductors every year. For a full  
4 description of this program, see the “General Service - Underground” portion of the Project  
5 Justification 2010.

6 **Project Name: Transformer Oil Testing**

7 *2007 Budget Amount: \$60,610*

8 Federal regulations requires the identification of all transformers containing cooling oil with  
9 PCB’s greater than 50 parts per million. Burlington Hydro’s strategy to identify these  
10 transformers was to first rely on existing transformer records found in the CIS and the records  
11 residing in the Burlington Hydro control room. As these transformer records are not all complete  
12 with PCB data, therefore, it was necessary to implement a transformer oil sampling and analysis  
13 program. Transformers older than 1980 were targeted for sampling and testing, since 1980 was  
14 the cut off when government regulation prohibited the use of PCB in transformer cooling oils.  
15 The estimated number of transformers to be sampled and tested over the next several years is:

- 16
  - overhead – 1850; padmount – 377; vault - 78

17 Burlington Hydro also ordered dissolved gas analysis of the vault style transformers to help  
18 assess transformer condition. Burlington Hydro does not stock replacement vault style  
19 transformers, therefore, regularly scheduled inspections and testing are essential.

20 **Project Name: Transformers – Underground Primary**

21 *2007 Budget Amount: \$947,444*

22 Burlington Hydro completes maintenance on various transformers every year. For a full  
23 description of this program, see the “General Service – Underground” portion of the Project  
24 Justification 2010.

25



1 **Project Name: Subdivisions Assumed**

2 *2007 Budget Amount: \$1,025,088*

3 This is an ongoing cost of the 2005 project titled: “**Subdivisions Assumed**”. For a full  
4 description, see the 2010 Project Justification.

5 **Project Name: Transformers – Overhead Primary**

6 *2007 Budget Amount: \$221,682*

7 Burlington Hydro completes maintenance on various transformers every year. For a full  
8 description of this program, see the “General Service – Overhead” portion of the Project  
9 Justification 2010.

10 **Project Name: PCB Compliance – Transformer Replacement**

11 *2007 Budget Amount: \$38,366*

12 Following Burlington Hydro’s transformer oil sampling and testing program, Burlington Hydro  
13 implemented a transformer replacement program to replace PCB transformers containing  
14 specified levels of PCB’s in accordance with Federal Government of Canada Regulations. All  
15 transformers meeting the following conditions must be replaced by the end of 2009:

- 16
- 17 • all transformers with PCB content greater than 500 ppm;
  - 18 • all padmount transformers with PCB content greater than 50 ppm and less than 500 ppm  
19 within 100m of sensitive areas as defined by the Regulations; and
  - 20 • all transformers with PCB content greater than 50 ppm and less than 500 ppm within  
21 100m of sensitive areas as defined by the Regulations.

22 The OEB has allowed an extension up to 2014 for the replacement of polemount transformers  
23 that do not fall within the above criteria for transformer replacement by the end of 2009.

23 **Project Name: Pinecove Station – Spare Transformer Repair**

24 *2007 Budget Amount: \$18,696*

25 Perform repairs required to maintain the spare transformer dedicated for the Pinecove MS in  
26 proper working order.

27



1 **Project Name: Spare Transformers**

2 *2007 Budget Amount: \$105,372*

3 All transformers are initially classified as inventory when purchased. Each month those  
4 transformers that are in excess of our required inventory level are transferred to capital. Should a  
5 month occur when our inventory of transformers is less than the required amount, the capital  
6 accounts will be reduced by the amounts required to restore the inventory levels.

7 **Project Name: Conductors – Overhead Service**

8 *2007 Budget Amount: \$87,688*

9 Burlington Hydro completes maintenance on various conductors every year. For a full  
10 description of this program, see the “General Service – Overhead” portion of the Project  
11 Justification 2010.

12 **Project Name: Structures – Overhead Service**

13 *2007 Budget Amount: \$13,241*

14 Burlington Hydro completes maintenance on various structures every year. For a full description  
15 of this program, see the “General Service – Overhead” portion of the Project Justification 2010.

16 **Project Name: Conductors – Underground Service**

17 *2007 Budget Amount: \$564,003*

18 Burlington Hydro completes maintenance on various conductors every year. For a full  
19 description of this program, see the “General Service – Underground” portion of the Project  
20 Justification 2010.

21 **Project Name: Structures – Underground Services**

22 *2007 Budget Amount: \$21,029*

23 Burlington Hydro completes maintenance on various structures every year. For a full description  
24 of this program, see the “General Service – Underground” portion of the Project Justification  
25 2010.

26

1 **Project Name: Temporary Services Revenue**

2 *2007 Budget Amount: \$14,000*

3 Temporary services revenue (flat rate connection fee only) is initially capitalized and eventually  
4 moved to revenue.

5 **Project Name: Meters Installed**

6 *2007 Budget Amount: \$229,525*

7 Burlington Hydro completes meter installations every year. For a full description of this  
8 program, see the “Metering Installed” portion of the Project Justification 2010.

9 **Project Name: Smart Meters Installed**

10 *2007 Budget Amount: \$(34,795)*

11 As part of Burlington Hydro’s Conservation and Demand Management Plan, Burlington Hydro  
12 worked with some condominium groups to pilot the conversion of facilities from a bulk meter to  
13 individual metering. This expenditure is related to the 30% payback to customers for this  
14 project.

15 **Project Name: Cross Phase Analysis (Rodan)**

16 *2007 Budget Amount: \$11,500*

17 Burlington Hydro contracted the services of Rodan to site visit all interval metered customers  
18 and perform revenue meter connection inspections and analysis to confirm the absence of  
19 revenue losses due to incorrect IT wiring.

20 **Project Name: Spare Meters**

21 *2007 Budget Amount: \$94,866*

22 All meters are initially classified as inventory when purchased. Each month those meters that are  
23 in excess of our required inventory level are transferred to capital. Should a month occur when  
24 our inventory of meters is less than the required amount, the capital accounts will be reduced by  
25 the amounts required to restore the inventory levels.

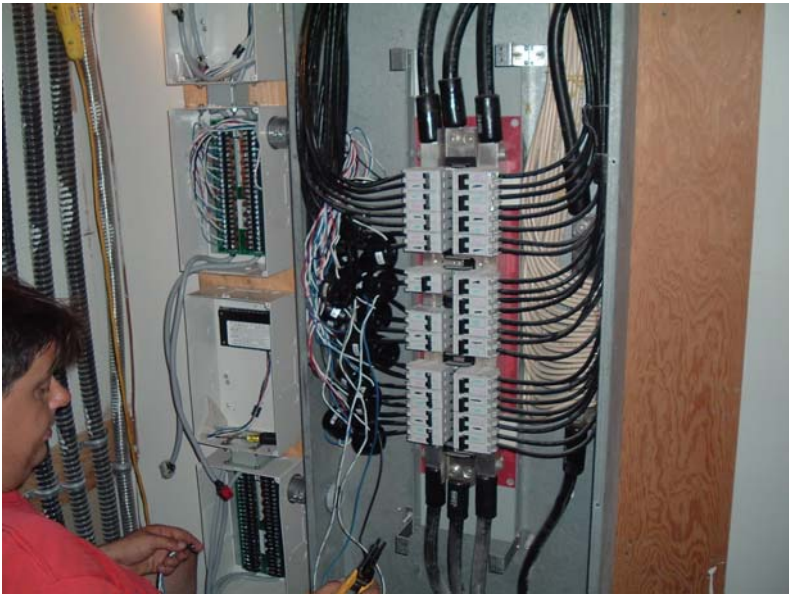
26

1 **Project Name: Smart Metering Pilot – General Services**

2 *2007 Budget Amount: \$48,491*

3 This pilot project involved the installation of Quadlogic Sub-Metering in three Condominium  
4 Corps apartments in accordance with Ontario's regulation 442/07 change in legislation. The cost  
5 sharing agreement had Burlington Hydro pay 70% of the outlay and the balance by the Condo  
6 Corp. The site participants were 2079 and 2085 Meadowbrook Road (Halton Condo #13) and  
7 2210 Lakeshore Road (Halton Condo #213). Quadlogic metering is an option to convert bulk  
8 metered customers to individual revenue metering without the use of standard meters and meter  
9 bases which require space and significant cost. The Quadlogic metering system requires current  
10 transformers installed in existing electrical panels and compact digital metering centres.

11 Installation of Quadlogic Metering



12

13

14

1 **Project Name: Various Projects on 1340 Brant**

2 *2007 Budget Amount – as indicated by specific project below*

3 In 2007, Burlington Hydro engaged a third party to complete an assessment of the main office  
4 building at 1340 Brant Street in Burlington. As a result of this analysis, there were a number of  
5 items that were identified as being priority items that should be addressed within a year. Items  
6 identified included roofing in some areas of the building, removal of concrete sun-breakers,  
7 replacement of some windows and flashings to prevent further deterioration, repairs to eliminate  
8 moisture penetration, repairs of wall cracks and asphalt, and investigation of various leaks  
9 throughout the building. The following capital projects on the main office building were  
10 performed based on the results from this building assessment.

11 **Project Name: Hot Water Heater**

12 *2007 Budget Amount: \$8,950*

13 Leaking hot water tank required immediate replacement.

14 **Project Name: Storage Room**

15 *2007 Budget Amount: \$4,130*

16 Removal of mold in the storage room.

17 **Project Name: Roof Repairs**

18 *2007 Budget Amount: \$160,812*

19 Roof replacement on main office and service centre due to aging and deterioration.

20 **Project Name: Driveway Repairs**

21 *2007 Budget Amount: \$13,823*

22 South driveway was replaced due to deterioration

23 **Project Name: Office Building**

24 *2007 Budget Amount: \$9,500*

25 These costs were associated with the removal of mold and restoration of the certain areas within  
26 1340 Brant.

27 **Project Name: Enterprise**

28 *2007 Budget Amount: \$27,649*

1 In an attempt to offset some of the Daffron custom programming costs, Burlington Hydro  
2 purchased the WOW (Web Object Wizard) developers license to allow Burlington Hydro's staff  
3 programmers to write custom code in house. This cost was recovered in less than two years, and  
4 has reduced the implementation timeline of custom programming dramatically.

5 **Project Name: Materials Management**

6 *2007 Budget Amount: \$74,172*

7 The materials management covered the cost for vendor support and training on the new IXP  
8 daffron system upgrade as part of the implementation process. The training took place on the  
9 vendor site in the U.S. requiring various staff to travel several times. On site training was  
10 necessary to facilitate the training and also the development or customization of the product by  
11 way the diverse users sent for training.

12 **Project Name: Custom Programming**

13 *2007 Budget Amount: \$14,014*

14 The OEB continued to introduce many regulatory changes in 2007. These changes had direct  
15 impact on our customer information system. In order to implement these changes in the required  
16 time, Burlington Hydro (in conjunction with other Ontario Daffron LDCs to share the costs)  
17 needed the assistance of its software vendor (Daffron) to incorporate these changes.

18 **Project Name: Lotus Notes**

19 *2007 Budget Amount: \$12,960*

20 With the ever expanding rollout of email (now including outside trades staff), the purchase of  
21 additional Lotus Notes licenses were required to avoid software piracy.

22 **Project Name: GIS Product Evaluation**

23 *2007 Budget Amount: \$24,859*

24 With the age, and consistently declining availability of support for its current GIS mapping  
25 system, Burlington Hydro was in a position where it needed to upgrade/replace its mapping  
26 system. Not having the internal knowledge or expertise of current market offerings, Burlington  
27 Hydro contracted an engineering consultant company to perform a market evaluation of current

1 systems. This cost represents the fee paid for performing the study and providing a  
2 recommendations report.

3 **Project Name: U2 License Dispatcher Software**

4 *2007 Budget Amount: \$8,561*

5 The U2 software package consolidated the daily operations of communicating and managing the  
6 records of all locates called into the One Call system which Burlington is apart of. The software  
7 provides the functionality necessary between One Call and Burlington Hydro's locate contractor.  
8 Burlington Hydro's records were previously archived on an access data base which was not user  
9 friendly with the One Call system and the contract locator's system. The new system saves time  
10 normally spent by the locate coordinator organizing the volume of calls from customers and  
11 places Burlington on the same level as their business partners.

12 **Project Name: Web Security Suite**

13 *2007 Budget Amount: \$3,240*

14 In order to protect it's staff from any claim of accessing inappropriate or non business websites,  
15 Burlington Hydro expanded it's network security by purchasing a web filtering software system.  
16 After defining the parameters of allowable sites, the software scrutinizes and polices the web  
17 sites requested before granting access to them.

18 **Project Name: Wi-Fi Network**

19 *2007 Budget Amount: \$30,300*

20 This expenditure was to cover the costs associated with the construction and project management  
21 of the Burlington Hydro website. The package included the update of text and reorganization of  
22 information to highlight conservation plus the conservation house flash demo programming,  
23 design, content and web maintenance.

24

1 **Project Name: Small Vehicle Replacement**

2 *2007 Budget Amount: \$343,127*

3 The replacement cycle for small vehicles is 8 years; Burlington Hydro will also move some  
4 vehicles around in the fleet before the 8 year cycle to ramp up the mileage on the vehicle before  
5 the 8 year period.

6 **Project Name: Disposals**

7 *2007 Budget Amount: \$(69,487)*

8 In 2007, 4 small vehicles were disposed and 1 large van. The disposed vehicles are not auctioned  
9 off; Burlington Hydro hires the services of 2 companies to sell the vehicles (one company for  
10 each class of vehicle).

11 **Project Name: Howard and Partridge**

12 *2007 Budget Amount: \$1,197*

13 The nickel cadmium batteries supply power for such critical equipment as feeder protection  
14 relays, RTU's and circuit breakers. The new replacement batteries are a sealed lead acid type  
15 batteries possessing longer service life lower maintenance.

16 **Project Name: SCADAMATE Program**

17 *2007 Budget Amount: \$439,076*

18 Burlington Hydro's SCADAMATE Program is a project spanning several years. For the full  
19 description of this program please see the "Motorized Recloser Program" section of the Project  
20 Justification 2010.

21 **Project Name: Building and Fixture Upgrades**

22 *2007 Budget Amount: \$52,993*

23 This cost is related to the cost for upgrading building structures at distribution substations.

24

1 **Project Name: Office Furniture and Equipment Upgrades**

2 *2007 Budget Amount: \$21,758*

3 Replacement of old work stations in the billing and metering departments with new ergonomic  
4 work stations. The old work stations did not have the required adjustability of work surface and  
5 chairs.

6 **Project Name: Tools, Shop and Garage Equipment**

7 *2007 Budget Amount: \$81,035*

8 This expenditure is for specialized tools used by the trades staff for performance of Capital and  
9 Operating work on Burlington Hydro's Distribution system.

10 **Project Name: Computer Equipment - Hardware**

11 *2007 Budget Amount: \$44,311*

12 Burlington Hydro purchases Computer Equipment - Hardware every year. For a detailed  
13 description of this expenditure, see the "Computer Equipment – Hardware" portion of the Project  
14 Description 2010.

15 **Project Name: Contributions and Grants**

16 *2007 Budget Amount: \$(2,244,428)*

17 Burlington Hydro's Conditions of Service provides the basis for determining the capital  
18 contributions to be paid by customers, developers, third parties and government authorities.  
19 Burlington Hydro's philosophy is "Growth Pays for Itself", and the respective parties are  
20 expected to comply with our conditions of service by contributing funds to Burlington Hydro  
21 which are applied towards the associated costs for the installation and/or modification of hydro  
22 infrastructure and connection assets as required.

23



1 The following table outlines the capital contributions accumulated in 2007:

2007	
Capital Contribution/Grant	Capital Project
(922,981)	General Service (Overhead, Underground, Meters)
(266,355)	Downtown Lakeshore 27.6kV Feeder Extension
(1,710,535)	Subdivisions
655,443	Subdivisions Buy Back
<b>(2,244,428)</b>	<b>Total</b>

2

3

1 **Capital Project Descriptions 2008**

2 **Project Name: Land Rights – Palermo Feeders**

3 *2008 Budget Amount: \$176,418*

4 Preparation of purchase of the Palermo feeders from Hydro One. Burlington Hydro is required to  
5 purchase a 3m wide right of way to cover the portion of the pole line to within the Hydro One  
6 right of way. The process to acquire the right of way is similar to the process for acquiring an  
7 easement, however, the defined corridor on the Hydro One right of way is delineated on a  
8 reference plan but not registered. Hydro One does not grant easements on their lands.

9 **Project Name: Roof Repairs**

10 *2008 Budget Amount: \$16,896*

11 The roof at Maple MS, Elgin MS, Woodward MS, Fairwood MS and Partridge MS was replaced  
12 due to water leaking in the building and into the switchgear – the roof was 30 years old. Area C  
13 of the main office building was also replaced due to water leaking.

14 **Project Name: Substation**

15 *2008 Budget Amount: \$108,974*

16 Roof repairs were required at Reservoir MS, Appleby MS, Tyandaga MS by Spinton Roofing.  
17 Station building repairs at Appleby MS and Fairview MS by Bartlett & Venton. Concerns of  
18 asbestos being present in the stations warranted a geotechnical investigation at Partridge MS.

19 **Project Name: Fence**

20 *2008 Budget Amount: \$8,998*

21 New fencing was required at Fairview MS and Port Nelson MS due to property vandalism and  
22 destruction of fence during the theft of copper grounds.

23 **Project Name: Upgrade Relays to Solid State**

24 *2008 Budget Amount: \$32,303*

25 The purpose of the circuit breaker relay is to signal the circuit breaker to operate based on  
26 voltage and current settings. Upgrade of solid state relays is necessary to replace aging electro

1 mechanical relay systems. The solid state DPU relay will benefit the distribution system by  
2 improving performance and reliability with limited maintenance activities.

3 **Project Name: Re-commissioning Substations**

4 *2008 Budget Amount: \$175,356*

5 Burlington Hydro completes re-commissioning on various distribution substations every year.  
6 For a full description of this program, see the “Re-commissioning of Various Stations” portion of  
7 the Project Justification 2010.

8 **Project Name: Battery Banks and Chargers**

9 *2008 Budget Amount: \$11,554*

10 Battery banks and chargers were replaced due to aging and less reliable equipment. The nickel  
11 cadmium batteries supply power for critical equipment such as feeder protection relays, remote  
12 terminal units, and circuit breakers. The old batteries were replaced with a more dependable  
13 sealed lead acid type that is designed for longer life and requires less maintenance. The new  
14 charger provides stable battery charge for alarms and all solid state equipment such as the relays  
15 and RTU’s (Remote Terminal Unit).

16 **Project Name: SCADA System Upgrade**

17 *2008 Budget Amount: \$233,576*

18 The SCADA (Supervisory Control and Data Acquisition) system upgrade was necessary to  
19 replace outdated hardware and software for SCADA Master A and B panels. With the  
20 implementation of highly sophisticated automated switches and continual upgrade of station  
21 communication systems, the SCADA software and hardware upgrade was essential for  
22 compatibility and operational functionality.

23 **Project Name: Pole Replacement Program**

24 *2008 Budget Amount: \$550,855*

25 Burlington Hydro replaces poles every year. For a full description of this program, see the “Pole  
26 Replacement Program” portion of the Project Justification 2010.

1 **Project Name: SCADAMATE Program (Automated Switches)**

2 *2008 Budget Amount: \$583,334*

3 Burlington Hydro's SCADAMATE Program is a project spanning several years. For the full  
4 description of this program please see the "Motorized Recloser Program" section of the Project  
5 Justification 2010.

6 **Project Name: Uppermiddle Road Grade Separation – City Storm Sewer Relocation**

7 *2008 Budget Amount: \$9,324*

8 As part of the City's grade separation project, the installation of a new storm sewer line was  
9 planned from Uppermiddle Road to Ironstone Drive via private property of one of Burlington's  
10 industrial customer. The hydro poles used for servicing this industrial property were adjacent to  
11 the proposed sewer line which required Burlington Hydro to permanently relocate a hydro pole  
12 to avoid conflict and establish safe working and design clearances.

13 **Project Name: Fairview Street Widening at Walmart**

14 *2008 Budget Amount: \$177,041*

15 The City had approved the development of a Walmart store on Fairview Street east of Brant  
16 Street. City planning and development requirements proposed the widening of Fairview Street to  
17 accommodate an additional traffic lane to manage expected traffic flow. The new road allowance  
18 would place the existing 10 hydro poles in the road allowance, therefore, relocation of the 4kV  
19 overhead pole line to a new offset was performed in response to the City's planned works. The  
20 west limit of this project required underground infrastructure modifications (i.e re-route the duct  
21 structure and underground cables to a new pole) in order to tie the new overhead line to the 4kV  
22 underground system.

23 **Project Name: Pole Line Replacement in ROW – Leighland Road to Fairview Street**

24 *2008 Budget Amount: \$187,624*

25 One of Burlington Hydro's main corridors used to egress four of the twelve Burlington TS  
26 27.6kV feeders is through this Hydro One ROW. Replacement of a number of poles was  
27 necessary to reinforce this backbone of the distribution system. Adjacent to the TS is the

1 QEW/403 interchange where these feeders cross aerially various highway exit and on ramps thus  
2 increasing the degree of importance in scheduling this work.

3 During inspection and trouble-shooting activities, the poles in this ROW were targeted for  
4 replacement to reinforce the integrity of the 27.6kV pole line.

5 **Project Name: QEW/Burloak Drive Crossing of Bronte Feeders**

6 *2008 Budget Amount: \$159,660*

7 Following the extension of the Bronte feeders into the City of Burlington city limits, the next  
8 phase scope of work includes the extension of the two Bronte feeders northward along Burloak  
9 Drive to two specified connection points to best utilize the additional 15 MW feeder capacity.  
10 The crossing of the QEW with one of the feeders was the best corridor to carry on the feeder up  
11 to Uppermiddle Road where Burlington Hydro has two 27.6kV feeders, one of the feeders to be  
12 selected as the system connection points.

13 **Project Name: Hydro One ROW – Bronte Feeders Installation**

14 *2008 Budget Amount: \$1,077,901*

15 This is an ongoing cost of the 2007 project titled: “Hydro One ROW – Bronte Feeders  
16 Installation”. For a full description, see the 2007 Project Justification

17 **Project Name: Uppermiddle Road Grade Separation by the City**

18 *2008 Budget Amount: \$420,694*

19 This City project is one of several planned to eliminate the train level crossings throughout  
20 Burlington. The methodology is similar to the Appleby Line grade separation described in 1830-  
21 05-3 where the new Uppermiddle Road will divert under the train track structure resulting in  
22 unimpeded traffic flow through this section of Uppermiddle Road. Burlington Hydro had an  
23 existing pole line on the south side of the City ROW requiring relocation further south to the  
24 edge of the Hydro One ROW. In addition, the re-grading of the road conflicted with an existing  
25 underground primary service structure supplying the Millcroft plaza. Re-routing of the  
26 underground structure to achieve the appropriate standard depth was necessary.

27

- 1 Grade Separation under construction – Hydro Poles relocated to the south of the road right of  
2 way (right side of photo)



3

4

5 **Project Name: Tremaine Road South of No 1 Side Road – Pole Relocations**

6 *2008 Budget Amount: \$120,887*

7 Hanson Brick Company had purchased lands for a new Quarry site at Tremaine Road and No. 1  
8 Side Road. The City site plan requirements included the installation of a turning lane to facilitate  
9 the expected truck traffic exiting and entering the quarry. The proposed turning lane required the  
10 relocation of an existing 27.6kV double circuit pole line further west to obtain the necessary  
11 clearance standards from the edge of the new road.

12

1 **Project Name: Structures – Overhead Primary**

2 *2008 Budget Amount: \$344,149*

3 Burlington Hydro completes maintenance on various structures every year. For a full description  
4 of this program, see the “General Service – Overhead” portion of the Project Justification 2010.

5 **Project Name: #6 HWY – MTO Road Construction**

6 *2008 Budget Amount: \$34,093*

7 This is an ongoing cost of the 2007 project titled: “#6 HWY – Plains Road to Old York Road –  
8 MTO Road Construction”. For a full description, see the 2007 Project Justification

9 **Project Name: Derry Road Feeder Installation**

10 *2008 Budget Amount: \$25,045*

11 Burlington Hydro has been experiencing system performance problems in the north part of  
12 Burlington. Improper fuse coordination due to unbalanced phase loads, wildlife, and frequent  
13 tree issues are the primary cause of many auto re-closers and feeder lockouts. A possible solution  
14 to the phase load balancing was to extend the best performing feeder along Derry Road from  
15 Twiss Road to Guelph Line to pick up more customers. These customers would enjoy the benefit  
16 of the better reliability. The remaining customers on the poor performing feeder would benefit by  
17 Burlington Hydro being able to properly place and coordinate fuse cutouts in strategic locations  
18 with upstream devices; the end result being fewer feeder lockouts experienced by all customers.  
19 Burlington Hydro had initiated negotiations with Milton Hydro to apply for third party  
20 attachment on their pole line along Derry Road since Burlington Hydro did not have a pole line  
21 on Derry Road. Derry Road is the border between Milton Hydro and Burlington Hydro.

22 **Project Name: Structures – Overhead Secondary**

23 *2008 Budget Amount: \$14,855*

24 Burlington Hydro completes maintenance on various structures every year. For a full description  
25 of this program, see the “General Service – Overhead” portion of the Project Justification 2010.

26

1 **Project Name: Uppermiddle/Burloak Region Project**

2 *2008 Budget Amount: \$291,104*

3 The Region of Halton had recently acquired the rights and jurisdiction of Uppermiddle Road and  
4 Burloak Drive from the City of Burlington. This last portion of Uppermiddle Road, east of  
5 Sutton Drive to Burloak Drive, is to be reconstructed to match previous reconstruction works to  
6 re-align the road and curb and change the streetscape from a rural cross-section to an urban  
7 cross-section. The Region of Halton also proposed the reconstruction of Burloak Drive down to  
8 the QEW HWY within the same tender. The road widening required Burlington hydro to relocate  
9 the existing poles the entire length of the project, approximately 1.5 km of pole line or 30 poles.  
10 There was also the challenge of crossing under the Hydro One ROW with the overhead lines  
11 while maintaining the required above ground clearances and clearances from the Hydro One  
12 transmission lines above. The re-grading of Uppermiddle Road required the installation of new  
13 underground primary cable road crossing structures to achieve the standard cover over the  
14 primary duct structure. The alignment of the road necessitated the installation of a large number  
15 of downguys and anchors to support the poles not in a alignment.

16 **Project Name: Guelph Line South of Prospect – City Reconstruction**

17 *2008 Budget Amount: \$230,965*

18 The City of Burlington budgeted for the reconstruction of Guelph Line from New Street up to  
19 Prospect Street. The City work involved new curb and offset of curb in selected sections and  
20 streetscape of the boulevards. The section of new curb realignment coincidentally happened to be  
21 in the most congested section of the pole line assets which required relocation. The complexity  
22 of our work was due to numerous underground services to be transferred which required  
23 coordination with our customers and the added cost of generator rentals, fuel charges and  
24 rerouting of concrete duct structure.

25 **Project Name: Walkers & Uppermiddle – Commercial Service**

26 *2008 Budget Amount: \$26,324*

27 A new commercial development with multiple buildings was planned in several development  
28 stages as sales or rental agreements progressed. The site would be serviced by an underground  
29 looped system to provide service reliability. The first stage required perimeter adjustments on



1 Walkers line in the form of pole replacements to establish the first supply point. The next stage  
2 involved the installation of underground primary cables and the first of several transformers and  
3 associated hardware.

4 **Project Name: ROW Pole Replacement – Brant Street to TS39**

5 *2008 Budget Amount: \$96,729*

6 This is an ongoing cost of the 2007 project titled: “Burlington TS ROW Pole Replacements”

7 One of Burlington Hydro’s main corridors used to egress four of the twelve Burlington TS  
8 27.6kV feeders is through this Hydro One ROW. Replacement of a number of poles was  
9 necessary to reinforce this backbone of the distribution system. Adjacent to the TS is the  
10 QEW/403 interchange where these feeders cross aerially various highway exit and on ramps thus  
11 increasing the degree of importance in scheduling this work.

12 **Project Name: Burl Assistance (Burlington Hydro to Provide Clear Passage for Oversized**  
13 **Load)**

14 *2008 Budget Amount: \$1,646*

15 Burlington Hydro was requested to escort the delivery of an oversized load along a planned route  
16 while raising overhead conductors to allow clear unobstructed safe passage of the load.

17 **Project Name: Conductors – Overhead Primary**

18 *2008 Budget Amount: \$190,779*

19 Burlington Hydro completes maintenance on various conductors every year. For a full  
20 description of this program, see the “General Service – Overhead” portion of the Project  
21 Justification 2010.

22 **Project Name: Conductors – Overhead Secondary**

23 *2008 Budget Amount: \$27,474*

24 Burlington Hydro completes maintenance on various conductors every year. For a full  
25 description of this program, see the “General Service – Overhead” portion of the Project  
26 Justification 2010.

27

1 **Project Name: Fault Indicator Installations**

2 *2008 Budget Amount: \$267*

3 Burlington Hydro completes Fault Indicator Installations for various areas every year. For a full  
4 description of this program, see the “Fault Indicator Installation” portion of the Project  
5 Justification 2010.

6 **Project Name: Subdivisions Assumed**

7 *2008 Budget Amount: \$617,676*

8 This is an ongoing cost of the 2005 project titled: “Subdivisions Assumed”. For a full  
9 description, see the 2010 Project Justification.

10 **Project Name: Fairview Street & Brant Street – Walmart Service**

11 *2008 Budget Amount: \$154,034*

12 The service design called for Burlington Hydro to supply and install a 27.6kV underground  
13 service to the new Walmart store on Fairview Street. A significant amount of effort was put  
14 towards the design and effort to extend the 27.6kV circuit from a location approximately 300m  
15 away on the opposite side of CNR track from a pole line located on private property.  
16 Negotiations with the customer are still on going to grant Burlington Hydro an easement to  
17 perform the necessary perimeter adjustments and install the underground service for Walmart.  
18 Since the installation of the permanent service from Burlington Hydro’s 27.6kV system was  
19 delayed, a temporary solution was called for from the 4kV system from Fairview Street. This  
20 temporary supply can not remain on the 4kV system due to limitations of the feeder capacity.  
21 Burlington Hydro will continue talks with the customer towards the permanent supply point from  
22 the 27.6kV system.

23 **Project Name: Havendale Cable Replacement**

24 *2008 Budget Amount: \$341,803*

25 Burlington Hydro completes primary cable replacements for various areas every year. For a full  
26 description of this program, see the “Cable Rebuild” portion of the Project Justification 2010.

27

1 **Project Name: Tyandaga Estates Primary Cable Replacement**

2 *2008 Budget Amount: \$7,938*

3 Burlington Hydro completes primary cable replacements for various areas every year. For a full  
4 description of this program, see the “Cable Rebuild” portion of the Project Justification 2010.

5 **Project Name: Downtown Lakeshore Road – 27.6kV Feeder Extension**

6 *2008 Budget Amount: \$253*

7 Burlington Hydro completes Feeder Extensions for various areas every year. For a full  
8 description of this program, see the “Feeder Extension” portion of the Project Justification 2009.

9 **Project Name: Structures – Underground Primary**

10 *2008 Budget Amount: \$40,808*

11 Burlington Hydro completes maintenance on various structures every year. For a full description  
12 of this program, see the “General Service – Underground” portion of the Project Justification  
13 2010.

14 **Project Name: Burlington Performing Arts Centre – Burial of Pole Line**

15 *2008 Budget Amount: \$129,425*

16 The Burlington performing Arts Centre is a high profile City project of significant importance to  
17 the City. To enhance the appearance of the new Arts Centre, the City requested Burlington hydro  
18 to bury 6 spans of a major pole line adjacent to the proposed development site. The section of  
19 overhead line to be buried consisted of four feeders and several underground supply points to  
20 services and feeder extensions, and underground equipment that must be removed from the site.  
21 Burlington Hydro required the expertise of a consultant to design, tender, inspect and project  
22 manage this project to ensure successful completion within a defined time line. The design  
23 incorporated innovative underground switching load centres called Vistas to replace the existing  
24 overhead automation device and numerous service and feeder supply points. A significant  
25 amount of perimeter adjustments was required and extensive coordination efforts with City  
26 representatives and their selected agents.

27

1 **Project Name: Mapleview Mall Extension**

2 *2008 Budget Amount: \$104,991*

3 The expansion of Mapleview Mall involved re-routing the existing underground primary supply  
4 cables midway in the supply loop by intercepting the cables between two switchgear locations  
5 and installing a new duct structure from the building through the parking lot around the  
6 perimeter of the expansion. The design also included the installation of a new load centre for  
7 provision of a new three phase service to a new transformer location to pick up the additional  
8 loading requirements. Due to the length of cable run and the cable size, a pulling pit was  
9 necessary to keep the pulling tensions within the allowable design limits.

10 **Project Name: Ravines of Gloucester – New Service to Estate Lot and Subdivision**

11 *2008 Budget Amount: \$4,223*

12 The Ravines of Gloucester is an existing subdivision supplied by a looped 8kV underground  
13 system. The Developer requested service to an estate lot that required the re-routing of the  
14 primary cables along the City ROW on to the private property while maintaining the integrity of  
15 the looped supply. The original Developer allowed for servicing by installing additional ducts on  
16 the City ROW in anticipation of this new service. Reworking of the existing duct structure to  
17 allow the installation of primary cable via the new transformer was necessary.

18 **Project Name: QEW Widening by MTO – Brant Street to Burloak Drive**

19 *2008 Budget Amount: \$1,800*

20 The Ministry of Transportation has been working to reconstruct the QEW Provincial highway to  
21 accommodate the lanes for high occupancy vehicles (HOV Lanes). The MTO's on going  
22 construction schedule included the QEW HWY through Burlington commencing in 2009 from  
23 Brant Street to Burloak Drive. The widening of the MTO corridor and refurbishment of cross-  
24 section required the removal of Burlington hydro assets within the MTO corridor. The hydro  
25 removals impacted the infrastructure outside the MTO ROW requiring extensive perimeter  
26 adjustments along the south Service Road and North Service Road throughout the limit of the  
27 contract. Realignment of the service roads due to MTO works required numerous hydro pole  
28 relocations. The temporary installation of a fibre optic cable on Burlington Hydro poles from

1 Guelph Line to Burloak Drive required make ready work to accommodate the new attachment.  
2 Reconstruction of several QEW crossings was necessary and required the services of a  
3 consultant to provide P. Eng approved design drawings in order to comply with ESA regulations.

4 **Project Name: Palmer Area Primary Cable Replacement**

5 *2008 Budget Amount: \$4*

6 This is an ongoing cost of the 2005 project titled: “Palmer Area Primary Cable Replacement –  
7 Phase 3”. Burlington Hydro completes primary cable replacements for various areas every year.  
8 For a full description of this program, see the “Cable Rebuild” portion of the Project Justification  
9 2010.

10 **Project Name: Brant Street Streetscape by City – Manhole Adjustment**

11 *2008 Budget Amount: \$1,249*

12 The City of Burlington initiated a program to refurbish the streetscape along Brant Street, the  
13 main street through the Downtown core of Burlington. The proposed City works involved the re-  
14 grading of boulevards which impacted the grade over a number of Burlington Hydro manhole  
15 locations requiring coordination with the project contractor and Burlington hydro forces to  
16 reconstruct the manhole chimney and level the manhole access cover to suit the new grade. The  
17 manholes are an integral part of an underground duct and manhole system.

18 **Project Name: Conductors – Underground Primary**

19 *2008 Budget Amount: \$486,033*

20 Burlington Hydro completes maintenance on various conductors every year. For a full  
21 description of this program, see the “General Service - Underground” portion of the Project  
22 Justification 2010.

23 **Project Name: Structures – Underground Secondary**

24 *2008 Budget Amount: \$7,900*

25 Burlington Hydro completes maintenance on various structures every year. For a full description  
26 of this program, see the “General Service – Underground” portion of the Project Justification  
27 2010.

1 **Project Name: Mattamy - #4011 Dundas Street – Commercial Development**

2 *2008 Budget Amount: \$80*

3 Preliminary project Consultant fees associated with opening and setting up the project file.

4 **Project Name: Lowville MS – Replacement of Lead Cable**

5 *2005 Budget Amount: \$(5,735)*

6 Burlington Hydro completes Cable Replacements for various distribution substations every year.

7 For a full description of this program, see the “Cable Replacement” portion of the Project  
8 Justification 2010.

9 **Project Name: Transformers – Underground Primary**

10 *2008 Budget Amount: \$1,054,611*

11 Burlington Hydro completes maintenance on various transformers every year. For a full  
12 description of this program, see the “General Service – Underground” portion of the Project  
13 Justification 2010.

14 **Project Name: Conductors – Underground Secondary**

15 *2008 Budget Amount: \$2,391*

16 Burlington Hydro completes maintenance on various conductors every year. For a full  
17 description of this program, see the “General Service – Underground” portion of the Project  
18 Justification 2010.

19 **Project Name: Transformers – Overhead Primary**

20 *2008 Budget Amount: \$321,963*

21 Burlington Hydro completes maintenance on various transformers every year. For a full  
22 description of this program, see the “General Service – Overhead” portion of the Project  
23 Justification 2010.

24

1 **Project Name: Artisans – Trans Replacement - Voltage Upgrade**

2 *2008 Budget Amount: \$438*

3 Customer planned an upgraded to a higher secondary voltage to accommodate greater power  
4 requirements for new equipment. Customer never followed through with the upgrade. Burlington  
5 Hydro incurred design costs from electrical consultant.

6 **Project Name: PCB Transformer Replacement – Various Locations**

7 *2008 Budget Amount: \$528,448*

8 Following Burlington Hydro's transformer oil sampling and testing program, Burlington Hydro  
9 implemented a transformer replacement program to replace PCB transformers containing  
10 specified levels of PCB's in accordance with Federal Government of Canada regulations. All  
11 transformers meeting the following conditions must be replaced by the end of 2009:

- 12
- 13 • all transformers with PCB content greater than 500 ppm;
  - 14 • all padmount transformers with PCB content greater than 50 ppm and less than 500 ppm  
15 within 100m of sensitive areas as defined by the Regulations; and
  - 16 • all transformers with PCB content greater than 50 ppm within 100m of sensitive areas as  
17 defined by the Regulation.

18 The Federal Government has allowed an extension up to 2014 for the replacement of polemount  
19 transformers that do not fall within the above criteria for transformer replacement by the end of  
20 2009.

20 **Project Name: Spare Transformers**

21 *2008 Budget Amount: \$75,631*

22 All transformers are initially classified as inventory when purchased. Each month those  
23 transformers that are in excess of our required inventory level are transferred to capital. Should a  
24 month occur when our inventory of transformers is less than the required amount, the capital  
25 accounts will be reduced by the amounts required to restore the inventory levels.

26

1 **Project Name: Conductors – Overhead Service**

2 *2008 Budget Amount: \$77,210*

3 Burlington Hydro completes maintenance on various conductors every year. For a full  
4 description of this program, see the “General Service – Overhead” portion of the Project  
5 Justification 2010.

6 **Project Name: Conductors – Underground Service**

7 *2008 Budget Amount: \$823,280*

8 Burlington Hydro completes maintenance on various conductors every year. For a full  
9 description of this program, see the “General Service – Underground” portion of the Project  
10 Justification 2010.

11 **Project Name: Structures – Overhead Service**

12 *2008 Budget Amount: \$5,750*

13 Burlington Hydro completes maintenance on various structures every year. For a full description  
14 of this program, see the “General Service – Overhead” portion of the Project Justification 2010.

15 **Project Name: Structures – Underground Services**

16 *2008 Budget Amount: \$20,132*

17 Burlington Hydro completes maintenance on various structures every year. For a full description  
18 of this program, see the “General Service – Underground” portion of the Project Justification  
19 2010.

20 **Project Name: Various Projects on 1340 Brant**

21 *2007 Budget Amount – as indicated by specific project below*

22 The following capital projects are a continuation of 2007 projects based on the Building  
23 Assessment completed by a third party contractor related to upgrades required to the Burlington  
24 Hydro main building at 1340 Brant Street. Full descriptions of these projects can be found in the  
25 “Various Projects on 1340 Brant” portion of the Capital Project Description 2007.

26



1 **Project Name: Sun Screen**  
2 *2008 Budget Amount: \$17,291*

3 **Project Name: Carpet Roof**  
4 *2008 Budget Amount: \$47,120*

5 **Project Name: Painting**  
6 *2008 Budget Amount: \$132,805*

7 **Project Name: Rain Screen**  
8 *2008 Budget Amount: \$21,751*

9 **Project Name: Roof Repairs**  
10 *2008 Budget Amount: \$6,121*

11 **Project Name: Fence Alarm**  
12 *2008 Budget Amount: \$2,505*

13 **Project Name: Garage Siding**  
14 *2008 Budget Amount: \$31,320*

15 **Project Name: GIS Mapping**  
16 *2008 Budget Amount: \$191,963*

17 Burlington Hydro has been utilizing a GIS (Graphical Information System) for many years to  
18 prepare engineering design drawings, plot drawings for inspection and maintenance programs,  
19 store distribution asset information, perform asset queries and create reports, use a modified  
20 version for general viewing by users, and delineate the distribution system. Over the year the  
21 system has been troublesome and inefficient due to insufficient capability or lack of functionality  
22 to perform tasks required for yearly maintenance programs, perform line traces for the purpose  
23 of creating data files to populate an outage management system, unable to interface with other  
24 software modules due to proprietary restrictions. The current GIS has a closed proprietary  
25 architecture making unlike the open platform of newer GIS products. The open geo-spacial  
26 architecture allows add on software products to work together through standard protocols thus  
27 allowing for the user to obtain cost effective supporting products. Burlington Hydro is required

1 to perform annual inspections to comply with the OEB's Distribution Code and to maintain safe  
2 reliable service to their customers. The need to provide distribution maps and have an asset  
3 management system is essential to track the massive volume of asset data which can be used to  
4 justify, plan and prepare capital budget and a long term asset plan. The enhanced functionality  
5 offered by new GIS will greatly facilitate the time spent to prepare the necessary work orders and  
6 reduce the time charged towards the maintenance programs.

7 **Project Name: Licenses**

8 *2008 Budget Amount: \$51,378*

9 To keep in step with current business PC software, Burlington Hydro updated its Microsoft site  
10 licenses from Windows XP to Windows Vista, and from Office Suite XP to Office Suite 2007. It  
11 is Burlington Hydro's practice to wait at least one year to allow any new software product to  
12 stabilize before purchasing.

13 **Project Name: Daffron Custom Programming**

14 *2008 Budget Amount: \$14,986*

15 The OEB continued to introduce many regulatory changes in 2008. These changes had direct  
16 impact on our customer information system. In order to implement these changes in the required  
17 time, Burlington Hydro (in conjunction with other Ontario Daffron LDCs to share the costs)  
18 needed the assistance of its software vendor (Daffron) to incorporate these changes.

19 **Project Name: Disposals**

20 *2008 Budget Amount: \$(389,053)*

21 Old vehicles are taken by the vendor and sold for market value by the vendor. Burlington Hydro  
22 receives a percentage of the sale cost as a benefit and is shown as a credit to this account.

23 **Project Name: Van**

24 *2008 Budget Amount: \$69,888*

25 The replacement cycle for small vehicles is 8 years; Burlington Hydro will also move some  
26 vehicles around in the fleet before the 8 year cycle to ramp up the mileage on the vehicle before

1 the 8 year period. The vehicles to be quoted are reflected in the rolling stock 10 year forecast  
2 shown. The van #13 was replaced with a Dodge Sprint 3500.

3 **Project Name: Vehicles**

4 *2008 Budget Amount: \$421,221*

5 This expenditure replaces trucks #22 & #25 (from 1993). The purchase of a large vehicle is  
6 tendered in 3 parts - chassis/boom/body. Upon awarding the tender, a period of 1 year is required  
7 to build and test the truck. The replacement cycle for large bucket vehicles is 12 years. This  
8 expenditure included the chassis, boom and body in the same year coinciding with the budget  
9 strategy and early tenders.

10 **Project Name: Palermo Feeder**

11 *2008 Budget Amount: \$575,000*

12 Portion of the cost associated with the purchase of the Hydro One Palermo Feeders and pole line  
13 located outside of Burlington City limits through the City of Milton. The Palermo Transformer  
14 station is located in Oakville, adjacent to the Milton boarder, from which these feeders egress.  
15 The decision to purchase rather than continue to lease the feeders from Hydro One was based  
16 upon the escalating cost to lease the line compounded by the uplift cost for losses since the  
17 metering unit are located at the Burlington City limits approximately 2 km away. Burlington  
18 Hydro's ultimate plan is to relocate the metering units back to the Palermo transformer station in  
19 order to eliminate the Hydro One uplift cost.

20 **Project Name: Temporary Services Revenue**

21 *2008 Budget Amount: \$(49,400)*

22 Temporary services revenue (flat rate connection fee only) is initially capitalized and eventually  
23 moved to revenue.

24

1 **Project Name: Meters**

2 *2008 Budget Amount: \$45,418*

3 This account captures the labour and material costs to install residential and general service  
4 secondary metering for full current and remote current meters in overhead and underground  
5 applications; and includes primary metering units for large industrial customers.

6 **Project Name: Office Furniture and Equipment Upgrades**

7 *2008 Budget Amount: \$7,663*

8 Replacement of old work stations in the billing department with new ergonomic work stations.  
9 The old work stations did not have the required adjustability of work surface and chairs.

10 **Project Name: Computer Equipment - Hardware**

11 *2008 Budget Amount: \$50,532*

12 Burlington Hydro purchases Computer Equipment - Hardware every year. For a detailed  
13 description of this expenditure, see the "Computer Equipment – Hardware" portion of the Project  
14 Description 2010.

15 **Project Name: Tools, Shop and Garage Equipment**

16 *2008 Budget Amount: \$19,825*

17 This expenditure is for specialized tools used by the trades staff for performance of Capital and  
18 Operating work on Burlington Hydro's Distribution system.

19 **Project Name: Measurement and Testing Equipment**

20 *2008 Budget Amount: \$16,740*

21 This expenditure is for specialized tools used by Meter Department staff, for the performance of  
22 Capital and Operating work on Burlington Hydro's Metering system.

23 **Project Name: Contributions and Grants**

24 *2008 Budget Amount: \$(1,644,982)*

25 Burlington Hydro's Conditions of Service provides the basis for determining the capital  
26 contributions to be paid by customers, developers, third parties and government authorities.

1 Burlington Hydro’s philosophy is “Growth Pays for Itself”, and the respective parties are  
 2 expected to comply with our conditions of service by contributing funds to Burlington Hydro  
 3 which are applied towards the associated costs for the installation and/or modification of hydro  
 4 infrastructure and connection assets as required.

5 The following table outlines the capital contributions accumulated in 2008:

2008	
Capital Contribution/Grant	Capital Project
(897,695)	General Service (Overhead, Underground, Meters)
(38,096)	Walkers and Uppermiddle - Commercial Development
(63,600)	SCADAMATE Program
(120,887)	Tremaine Road South of No 1 Side Road
(31,842)	MTO Projects (#6 Hwy Reconstruction)
(122,047)	Performing Arts Centre
(86,536)	Region of Halton Project (Uppermiddle Road and Burloak)
(104,990)	Mapleview Mall Extension
(19,623)	Smart Meters
(154,034)	Fairview and Brant - Walmart Store Service
(5,632)	Subdivisions
<b>(1,644,982)</b>	<b>Total</b>

6

7

1 **Capital Project Descriptions 2009**

2 **Project Name: Coverall Building**

3 *2009 Budget Amount: \$60,000*

4 Purchase of a PCB transformer shelter to house PCB transformers returned from the field until  
5 such time the transformers are removed from the site within 30 days.

6 **Project Name: Distribution Stations**

7 *2009 Budget Amount: \$15,000*

8 This proposed expenditure is cover the cost to install security video surveillance at Howard MS.

9 Burlington Hydro has also enlisted a consultant to perform an assessment of the station breaker  
10 shutes for the presence of asbestos.

11 **Project Name: Miscellaneous Building Repairs including Driveway**

12 *2009 Budget Amount: \$40,000*

13 This account is intended to cover the costs associated with misc. repairs at station buildings. The  
14 actual costs will be covered under the station rehab project allocated under the account for the  
15 main office building. Year end adjustment expected to correct accounts.

16 **Project Name: Upgrade Relays to Solid State**

17 *2009 Budget Amount: \$80,000*

18 The purpose of the circuit breaker relay is to signal the circuit breaker to operate based on  
19 voltage and current settings. Upgrade of solid state relays is necessary to replace aging electro  
20 mechanical relay systems. The solid state DPU relay will benefit the distribution system by  
21 improving performance and reliability with limited maintenance activities.

22

1 **Project Name: Re-commissioning of Various Stations**

2 *2009 Budget Amount: \$130,000*

3 Burlington Hydro completes re-commissioning on various distribution substations every year.  
4 For a full description of this program, see the “Re-commissioning of Various Stations” portion of  
5 the Project Justification 2010.

6 **Project Name: Metalclad Equipment Refurbish/Paint**

7 *2009 Budget Amount: \$20,000*

8 To provide restoration of critical power distribution equipment such as station transformers and  
9 switchgear metal housing to extend the life of this equipment removing the rust and applying rust  
10 inhibitor and paint.

11 **Project Name: Upgrade RTU’s**

12 *2009 Budget Amount: \$25,000*

13 The upgrade of the station RTU’s to the latest Surveillant technology, Scout motherboard,  
14 provided improved reliability in communication from the station to the Burlington Hydro control  
15 room. The conversion to protocol DNP3 from the old less reliable QPLH technology provided  
16 increased memory capacity, faster more efficient performance, less hardware and requires less  
17 maintenance.

18 **Project Name: Battery Bank Chargers**

19 *2009 Budget Amount: \$10,000*

20 Battery banks and chargers are replaced due to aging and less reliable equipment. The nickel  
21 cadmium batteries supply power for critical equipment such as feeder protection relays, remote  
22 terminal units, and circuit breakers. The old batteries were replaced with a more dependable  
23 sealed lead acid type that is designed for longer life and requires less maintenance.

24 The new charger provides stable battery charge for alarms and all solid state equipment such as  
25 the relays and RTU’s (Remote Terminal Unit).

1 **Project Name: Transducers**

2 *2009 Budget Amount: \$5,000*

3 New transducers replace defective units which provide analog read outs through SCADA  
4 system. The transducer lowers the relay current and voltage levels to milliamps and millivolts for  
5 SCADA communications through the RTU.

6 **Project Name: Miscellaneous Projects**

7 *2009 Budget Amount: \$7,500*

8 This account captures unforeseen capital costs that arise during the budget year not falling within  
9 the aforementioned 1820 capital budget accounts.

10 **Project Name: Burlington Performing Arts Centre**

11 *2009 Budget Amount: \$1,985,000*

12 This is an ongoing cost of the 2008 project titled: “Burlington Performing Arts Centre – Burial of  
13 Pole Line”.

14 The Burlington performing Arts Centre is a high profile City project of significant importance to  
15 the City. To enhance the appearance of the new Arts Centre, the City requested Burlington hydro  
16 to bury 6 spans of a major pole line adjacent to the proposed development site. The section of  
17 overhead line to be buried consisted of four feeders and several underground supply points to  
18 services and feeder extensions, and underground equipment that must be removed from the site.  
19 Burlington Hydro required the expertise of a consultant to design, tender, inspect and project  
20 manage this project to ensure successful completion within a defined time line. The design  
21 incorporated innovative padmounted underground switching load centres called Vistas to replace  
22 the existing overhead automation device and numerous service and feeder supply points. A  
23 significant amount of perimeter adjustments was required and extensive coordination efforts with  
24 City representatives and their selected agents.

25



1 **Project Name: Downtown Lakeshore Road – 27.6kV Feeder Extension**

2 *2009 Budget Amount: \$750,000*

3 This is an ongoing cost of the 2008 project titled: “Lakeshore Road – 27.6kV Feeder Extension”.

4 City plans for revitalizing the City of Burlington include the approval of new commercial and  
5 residential condominium developments in the Burlington downtown core. New development has  
6 occurred and is expected to progress over the next several years or more. The downtown core is  
7 supplied by an underground 4kV distribution system which has a limited capacity to power  
8 compared to a 27.6kV distribution system. Based upon information provided by the City of  
9 Burlington Development Committee, the estimated size and expected number of new site  
10 developments, it was quick to arrive at the conclusion that the installation of an underground  
11 27.6kV feeder was necessary to prevent saturating or overloading the 4kV distribution system.  
12 By saturating the 4kV system, the existing customers would not have the available capacity to  
13 upgrade their service entrance. Due to the complexity of planning a new underground 27.6kV  
14 feeder in an established urban area within limited utility corridor space occupied by an existing  
15 4kV distribution system, it was necessary to outsource the design and project management  
16 services. This project is expected to progress over several years in phases as site plan  
17 applications are approved and construction commences. Plans to convert existing general service  
18 customers from 4kV to the new 27.6kV system thus further relieving the 4kV system. This next  
19 phase will proceed when new development progresses in the downtown core area – otherwise the  
20 project will be deferred. The Developer will be expected to make a significant capital  
21 contribution.

22 **Project Name: Butyl Insulated Cable Replacement Program**

23 *2009 Budget Amount: \$50,000*

24 This proactive Burlington Hydro program targets old 5kV underground primary cables having  
25 butyl conductor insulation which inherently becomes brittle over time and ultimately fails.  
26 Burlington Hydro’s design practice today is to over insulate by using 15kV primary cables in  
27 4kV area resulting in improved reliability. The system consists of butyl cables in areas that are  
28 radial feed which requires Burlington Hydro to construct temporary overhead line to maintain

1 supply when a radial cable fails. The cost for reactive action relative to proactive action is  
2 considerably higher due to the added temporary overhead construction.

3 **Project Name: 12 Mile Trail Conversion to Underground – 16kV**

4 *2009 Budget Amount: \$180,000*

5 This City of Burlington initiative is a continuation of the subdivision and road reconstruction  
6 completed by the Developer of the River Run Estate Lot development located within a pocket of  
7 lands serviced with 8kV overhead assets within a 16kV distribution system and is scheduled for  
8 conversion from 8kV to a 16kV underground distribution system. The River Run development is  
9 serviced by temporary means at 8kV via a temporary polemount transformer. Burlington Hydro  
10 and the City of Burlington must coordinate installation of underground infrastructure to tie in  
11 existing underground and overhead supplied customers to become an integral part of the Orchard  
12 Community supplied underground at 16kV and removal of the 8kV system.

13 **Project Name: Pole Replacement Program**

14 *2009 Budget Amount: \$720,000*

15 Burlington Hydro replaces poles every year. For a full description of this program, see the “Pole  
16 Replacement Program” portion of the Project Justification 2010.

17 **Project Name: Motorized ABS Program**

18 *2009 Budget Amount: \$400,000*

19 The recloser program is designed for the performance enhancement of the 13.8kV system similar  
20 to the SCADAMATE automated switch designed for the 27.6kV system. For a full description of  
21 this program, see the “Motorized ABS Program” portion of the Project Justification 2010.

22 Recloser Switch

23

24



1 **Project Name: City Projects – Waterdown Road, Walkers Line n/o Dundas**

2 *2009 Budget Amount: \$315,000*

3 1) The Walkers Line relocation project involved moving the existing 27.6kV pole line,  
4 comprised of approximately 20 poles, to a new offset to accommodate the City reconstruction of  
5 Walkers Line. In service date: December 2009

6 2) The Waterdown Road and North Service Road intersection improvements proposed by the  
7 City of Burlington requires Burlington Hydro to reconstruct the existing 27.6kV and 13.8kV pole  
8 line to accommodate the widening of Waterdown Road and the re-grading of the intersection.  
9 This project has been delayed because of land issues with conservation authorities and one of the  
10 telecom companies involved, however, it is expected to be resolved this year. An aerial crossing  
11 of the 403 HWY was included to provide service to City traffic lights. This project involves the  
12 installation of approximately 15 poles and new overhead conductor along Waterdown Road and  
13 North Service Road.

14 **Project Name: Rebuild Crossing – Plains Road at Royal Botanical Gardens**

15 *2009 Budget Amount: \$185,000*

16 Burlington Hydro has a 4kV feeder pole line running parallel to Plains Road West in the vicinity  
17 of the Royal Botanical Garden. The pole line runs down into a heavily treed valley making  
18 maintenance of the assets extremely difficult requiring extensive labour and equipment  
19 resources. The construction is old style with wooden crossarms that are deteriorating and will fail  
20 to support the conductor. Burlington Hydro is being prudent by scheduling the redesign and  
21 reconstruction of the pole line by incorporating a design via a consultant to enable quick access  
22 and the ability for hydro crews to maintain the pole line. The new design will convert the pole  
23 line to a long span crossing which will remove the poles within the valley and place the primary  
24 crossing structures atop of the slope of the valley at road grade where vehicle access is readily  
25 available. Several of the adjacent poles from the new crossing structures must be changed out  
26 due to insufficient height or poor condition.

27

1 Pole runs through dense foliage down valley making maintaining the pole line difficult.



2

3

4 **Project Name: Region Projects – Appleby Line, Burloak Drive & Uppermiddle Road**  
5 *2009 Budget Amount: \$1,465,000*

6 See project justification for Uppermiddle & Burloak Reconstruction in 2008.

7 The Appleby Line reconstruction project belongs to the Region of Halton with plans to widen the  
8 Appleby Line corridor to 7 lanes from Harrison Court (just north of Dundas St.) south to  
9 Taywood Dr. (just north of the Appleby Line grade separation) involving approximately 32 new  
10 hydro poles to be installed in a new offset location along Appleby Line and several poles on  
11 Dundas Street. There are a number of service transfers and underground supply points that must  
12 be transferred with the added complexity of the circuit arrangement at the intersection of Dundas  
13 St. and Appleby Line.

14

1 **Project Name: General Service – Overhead**

2 *2009 Budget Amount: \$740,000*

3 This general service account captures all structure, conductor and transformer costs associated  
4 with primary, secondary and service assets such as pole, bracket, anchor and hardware  
5 installations under the category of General Service – Overhead. The budget is based on historical  
6 values and is challenging to forecast as a whole due to the unplanned yet expected projects that  
7 arise as a part of a utilities operation. Projects contributing to this account are as follows:

- 8 • projects involving conductor, switch, connector, insulator, pole, bracket, anchor and  
9 hardware replacements not falling under the pole replacement program
- 10 • installation of infrastructure for new residential, commercial or industrial services, and  
11 temporary services
- 12 • unplanned conductor, switch, insulator, pole, bracket, anchor and hardware relocations at  
13 the request of Municipal, Provincial and Federal authorities, third parties, and Burlington  
14 Hydro customers
- 15 • repairs caused by accidents such as vehicle collisions and contractor inadvertent contact  
16 with hydro plant where the party responsible is not known and costs cannot be recovered
- 17 • modification of plant to rectify non compliant clearance conditions in accordance with  
18 recognized standards
- 19 • enhancements or modifications to plant necessary to rectify low voltage issues with  
20 customers
- 21 • materials used for maintenance work

22 General Service – Overhead is a cumulative category that captures the following accounts:

- 23 1855 – Service Structures
- 24 1855 – Service Conductors
- 25 1830 – Primary and Secondary Structures
- 26 1835 – Primary and Secondary Conductors
- 27 1850 - Transformers

28 Before 2009, the various sub-categories that are now included in “General Service – Overhead”  
29 were tracked separately. They are now streamlined in this general category.

1 **Project Name: MTO Projects – QEW Widening, #6 Highway Reconstruction**

2 *2009 Budget Amount(Total for both projects): \$675,000*

3 These are ongoing costs of the 2008 projects titled: “QEW Widening by MTO – Brant Street to  
4 Burloak Drive” and “#6 HWY – Plains Road to Old York Road – MTO Reconstruction”.

5 **QEW Widening**

6 The Ministry of Transportation has been working to reconstruct the QEW Provincial highway to  
7 accommodate the lanes for high occupancy vehicles (HOV Lanes). The MTO’s on going  
8 construction schedule included the QEW HWY through Burlington commencing in 2009 from  
9 Brant Street to Burloak Drive. The widening of the MTO corridor and refurbishment of cross-  
10 section required the removal of Burlington hydro assets within the MTO corridor. The hydro  
11 removals impacted the infrastructure outside the MTO ROW requiring extensive perimeter  
12 adjustments along the south Service Road and North Service Road throughout the limit of the  
13 contract. Realignment of the service roads due to MTO works required numerous hydro pole  
14 relocations. The temporary installation of a fibre optic cable on Burlington Hydro poles from  
15 Guelph Line to Burloak Drive required make ready work to accommodate the new attachment.  
16 Reconstruction of several QEW crossings was necessary and required the services of a  
17 consultant to provide P. Eng approved design drawings in order to comply with ESA regulations.

18 **#6 Highway Reconstruction**

19 The Ministry of Transportation proposed the reconstruction of #6 Highway from HWY 403 up to  
20 Dundas Street and the construction of a new service road parallel to #6 Highway on the east side.  
21 The MTO proposal required the removal of a three phase 27.6kV hydro line along the east side  
22 of #6 Highway used as mutual backup for Horizon Utilities and Burlington Hydro. The feeder  
23 backup between the two utilities would not be restored since overhead crossings were prohibited  
24 by the MTO. Following the construction of the new service road, Burlington Hydro would install  
25 a new pole line from Plains Road up to the CN tracks for future servicing and to accommodate  
26 City of Burlington street light assets.

1 **Project Name: Cable Rebuild (North Brant Hills)**

2 *2009 Budget Amount: \$25,000*

3 Burlington Hydro completes primary cable replacements for various areas every year. For a full  
4 description of this program, see the “Cable Rebuild” portion of the Project Justification 2010.

5 **Project Name: General Service – Underground**

6 *2009 Budget Amount: \$1,595,000*

7 This general service account captures all structure, conductor and transformer costs associated  
8 with primary, secondary and service assets such as cables, terminations, duct structures, splicing,  
9 pulling foundation, connection pedestal installations under the category of General Service –  
10 Underground. The budget amount is based on historical values and is challenging to forecast as a  
11 whole due to the unplanned yet expected projects that arise as a part of a utilities operation.  
12 Projects contributing to this account are as follows:

- 13 • replacements not falling under the conductor or pole replacement programs
- 14 • installation of infrastructure for new residential, commercial or industrial services
- 15 • unplanned structure relocations at the request of Municipal, Provincial and Federal  
16 authorities, third parties and Burlington Hydro customers
- 17 • repairs caused by accidents such as vehicle collisions and contractor inadvertent contact  
18 with hydro plant where the party responsible is not known and costs cannot be recovered
- 19 • modification of plant to rectify non compliant clearance conditions in accordance with  
20 recognized standards
- 21 • enhancements or modifications to plant necessary to rectify low voltage issues with  
22 customers
- 23 • materials used for maintenance work

24 General Service – Underground is a cumulative category that captures the following accounts:

25 1855 – Service Structures

26 1855 – Service Conductors

27 1840 – Primary and Secondary Structures

1 1845 – Primary and Secondary Conductors

2 1850 – Transformers

3 Before 2009, the various sub-categories that are now included in “General Service –  
4 Underground” were tracked separately. They are now streamlined in this general category.

5 **Project Name: Subdivisions Assumed**

6 *2010 Budget Amount: 2,000,000*

7 Burlington Hydro is responsible for providing the following services for each proposed  
8 subdivision and townhouse development submitted when the Developer has chosen to decline  
9 Burlington Hydro’s offer to connect and hires their own electrical consultant and utility  
10 contractor approved by Burlington Hydro:

- 11 • project design review
- 12 • project inspection
- 13 • project administration
- 14 • material approval
- 15 • vendor selection
- 16 • determination of financial securities to be submitted
- 17 • perform perimeter adjustments required to connect new development to existing  
18 distribution system
- 19 • install termination of primary cables at supply points
- 20 • provide assistance to developers contractor when required
- 21 • provide isolation of existing plant for developers contractor when necessary
- 22 • make necessary repairs to plant while the development is under warranty
- 23 • final project inspection

24 Following the completion and energization of the development, a 1 year warranty period is in  
25 effect. During this period the Developer owns and is responsible for the distribution assets. At  
26 the conclusion of the 1 year warranty period, several conditions must be satisfied before  
27 Burlington Hydro assumes the assets installed by the Developer and full responsibility.



1 **Project Name: PCB Compliance – Transformer Replacement**

2 *2009 Budget Amount: \$500,000*

3 Following Burlington Hydro's transformer oil sampling and testing program, Burlington Hydro  
4 implemented a transformer replacement program to replace PCB transformers containing  
5 specified levels of PCB's in accordance with Federal Government of Canada Regulations. All  
6 transformers meeting the following conditions must be replaced by the end of 2009:

- 7 • all transformers with PCB content greater than 500 ppm;
- 8 • all padmount transformers with PCB content greater than 50 ppm and less than 500 ppm  
9 within 100m of sensitive areas as defined by the Regulations; and
- 10 • all transformers with PCB content greater than 50 ppm within 100m of sensitive areas as  
11 defined by the Regulations.

12 The OEB has allowed an extension up to 2014 for the replacement of polemount transformers  
13 that do not fall within the above criteria for transformer replacement by the end of 2009.

14 **Project Name: Relocate Wholesale Metering (Palermo TS)**

15 *2009 Budget Amount: \$84,000*

16 The wholesale IT metering for Burlington Hydro's two Palermo TS feeders are located within  
17 the City limits of Burlington at Tremaine Road and No 1 Side Road, approximately 2 km from  
18 Palermo TS which is located within the City limits of Oakville on Bronte Road and No. 1 Side  
19 Road. In 2008 Burlington Hydro purchased Hydro One owned the portion of the Palermo feeders  
20 between Palermo TS and the Burlington City limits. The change in asset ownership necessitated  
21 the relocation of the IT metering to Palermo TS as dictated by Hydro One.

22 **Project Name: Cross Phase Analysis (Rodan)**

23 *2009 Budget Amount: \$30,000*

24 Burlington Hydro contracted the services of Rodan to site visit all interval metered customers  
25 and perform revenue meter connection inspections and analysis to confirm the absence of  
26 revenue losses due to incorrect IT wiring.

27

1 **Project Name: Current Limiters – Customer Service**

2 *2009 Budget Amount: \$5,500*

3 One of the responsibilities of Burlington Hydro’s Customer Service department is to issue non-  
4 payment disconnect orders for customers in arrears with their hydro bill. Burlington Hydro  
5 replaces the full current meter with a meter equipped with a current limiter which restricts the  
6 current to 15 amps sufficient for one 15 amp breaker position.

7 **Project Name: Primary Metering Tank Replacement**

8 *2009 Budget Amount: \$25,000*

9 This is an ongoing cost of the 2005 project titled: “Bullmoose Tube”.

10 The oil filled primary metering unit at one of Burlington Hydro’s customer owned substations  
11 (Bullmoose Tube) was scheduled for replacement with a pole mounted dry type unit due to the  
12 poor condition of the unit. This work was scheduled in junction with the customer’s expansion  
13 work which required the relocation of their substation compound and primary switchgear which  
14 housed the old primary metering unit.

15 **Project Name: Metering Upgrades from 2.5 Element to 3 Element**

16 *2009 Budget Amount: \$25,000*

17 The installation of 3 element metering in place of 2 ½ element metering provides greater  
18 accuracy of revenue data for invoicing and profiling purposes. Measurement Canada requires  
19 that 3 element revenue metering to be installed by LDC’s for all new services, and for service  
20 upgrades.

21 **Project Name: Meters Installed**

22 *2009 Budget Amount: \$200,000*

23 Burlington Hydro completes meter installations every year. For a full description of this  
24 program, see the “Metering Installed” portion of the Project Justification 2010.

25

1 **Project Name: 1340 Brant Street**

2 *2009 Budget Amount: \$340,000*

3 This account covers maintenance required for the Burlington Hydro main office and Burlington  
4 Hydro's 32 substation buildings and property. Inspections revealed immediate structural repairs  
5 and rehabilitation work was required such as cracked foundation walls and deteriorating roofs.  
6 Replacement of the old roof top HVAC system was necessary as performance was sub-standard.

7 **Project Name: Daffron Custom Programming**

8 *2009 Budget Amount: \$20,000*

9 The OEB continue to introduce many regulatory changes in 2009. These changes have direct  
10 impact on our customer information system. In order to implement these changes in the required  
11 time, Burlington Hydro (in conjunction with other Ontario Daffron LDCs to share the costs)  
12 need the assistance of it's software vendor (Daffron) to incorporate these changes. This dollar  
13 amount represents an annual average over the last few years.

14 **Project Name: Health and Safety Software**

15 *2009 Budget Amount: \$3,000*

16 The current software is a 1990's version and requires updating due to inefficiencies/labour  
17 intensive requirements. An updated version will payback the investment in the time  
18 (administrative) savings alone.

19 **Project Name: GIS Mapping System Upgrades and New Landbase**

20 *2009 Budget Amount: \$650,000*

21 Based on the RFI (Request For Information) quotes included in AESI's recommendations report,  
22 Burlington Hydro allocated \$650K for the acquisition, installation and conversion to the  
23 successful proponents GIS mapping system. This project is currently in process with a targeted  
24 October 31, 2009 implementation date.

25

1 **Project Name: OCE Printer Software**

2 *2009 Budget Amount: \$6,000*

3 Burlington Hydro purchased a new OCE digital printer/scanner in 2005. The printer as is  
4 provides the ability to print and scan D size drawings and as well automatically cut the drawings  
5 to size from a roll of paper. The scanning capability is a time saving feature when multiple  
6 copies of one drawing is needed. The previous printer required the operator to print each drawing  
7 by inserting each a blank sheet for each drawing.

8 To improve efficiency further, OCE offers network software allowing the engineering  
9 technicians to send plots directly to the OCE printer from their terminals when electronic  
10 drawings are the only available source.

11 **Project Name: New and/or Replacements (>4500kg)**

12 *2009 Budget Amount: \$370,000*

13 Replacement of truck #23 (from 1994). The purchase of a large vehicle is tendered in 3 parts -  
14 chassis/boom/body. Upon awarding the tender, a period of 1 year is required to build and test the  
15 truck. The replacement cycle for a radial boom derrick vehicle is 12 years. This expenditure  
16 included the chassis, boom and body in the same year.

17 **Project Name: New and/or Replacements (<4500kg)**

18 *2009 Budget Amount: \$85,000*

19 The replacement cycle for small vehicles is 8 years; Burlington Hydro will also move some  
20 vehicles around in the fleet before the 8 year cycle to ramp up the mileage on the vehicle before  
21 the 8 year period. The vehicles to be quoted are reflected in the rolling stock 10 year forecast  
22 shown. In 2009 car #76 was replaced with a hybrid and truck #4 was replaced with pick up.

23 **Project Name: Control Room Upgrades**

24 *2009 Budget Amount: \$ 125,000*

25 The Burlington Hydro control room is the central operational communication location for  
26 keeping up the real time status or condition of the distribution system via the construction crews

1 and communication equipment. To achieve this, the control room operators require an up date  
2 SCADA system, display monitors, control consoles and computers to monitor and oversee the  
3 activities and system status. An ergonomic review also revealed the current set up is not  
4 conducive to preventing long term strains and pains that occur from repetitive motion and  
5 improper position.

6 **Project Name: Burlington Mall**

7 *2009 Budget Amount: \$125,000*

8 Burlington Mall was built in the 1960's and opened 1968. The mall is being serviced with the  
9 original service cables and switchgear with portions being upgraded in the last couple of years.  
10 The approximate size is 721000 sq ft with approximately 200 stores. The cable replacement at  
11 Burlington Mall has been considered for several years but has been deferred due to lack of  
12 budget dollars. The mall is fed by a 4kV loop feed system consisting of 4/0 copper primary  
13 cables installed during the original servicing of the mall. Under normal operating conditions (half  
14 of the load) the cable load does not exceed the cable ampacity of 230 amps for 15kV insulation  
15 rated at 75 degrees, however, under an emergency situation the cable is expected to carry the full  
16 demand load of the mall. The total transformer name plate rating is 8450kVA equating to 353  
17 amps full load. The actual demand load is approximately 6000kVA equating to 250 amps. Due to  
18 aging the cable ampacity has been de-rated reducing the reliability of this supply. Since the loop  
19 feed is supplied from one substation, cable reliability is even more critical. Site inspection of the  
20 electrical rooms and the high voltage switchgear revealed insufficient operating clearance around  
21 the switchgear equipment that no longer should be ignored for safety reasons, even with the  
22 application of safe work practices and procedures. Additional capital budget dollars is necessary  
23 to replace the switchgear and requires considerably more capital expenditure than the cable  
24 replacement.

25 **Project Name: Fault Indicators**

26 *2009 Budget Amount: \$25,000*

27 The installation of primary fault indicators on padmount transformers within legacy subdivisions  
28 enable hydro crews to quickly determine the section of the underground primary lateral where  
29 the fault is located thereby minimizing the duration of the interruption. The construction standard

1 during the day of the subdivision installation did not call for fault indicators to be installed. The  
2 primary fault indicators are installed on every second transformer. The remote indicator is  
3 retrofitted on the old transformer and positioned such that a passing crew can read the remote  
4 indicator without exiting the vehicle and opening the transformer. Faster detection of the cable  
5 fault translates to quicker restoration of power to customers. Current subdivision design  
6 standards prescribe the installation of primary fault indicators on all transformers. In service  
7 date – November 2009

8 **Project Name: Wholesale Metering (IT Metering at Cumberland TS)**

9 *2009 Budget Amount: \$350,000*

10 Hydro One metering requirements for compliance includes having documentation pertaining to  
11 all TS wholesale metering equipment. The specialized IT metering for Cumberland TS is located  
12 within the throat of the transformer and were installed by Hydro One (formerly Ontario Hydro).  
13 Hydro One does not have complete IT records to provide the necessary documentation to meet  
14 Measurement Canada compliance. The defacto action plan mandated by the IESO is for  
15 Burlington Hydro to replace the existing IT metering equipment solely at Burlington Hydro's  
16 cost.

17 **Project Name: Tools, Shop and Garage Equipment**

18 *2009 Budget Amount: \$52,000*

19 This expenditure is for specialized tools used by the trades staff for performance of Capital and  
20 Operating work on Burlington Hydro's Distribution system.

21 **Project Name: Measurement and Testing Equipment**

22 *2009 Budget Amount: \$14,600*

23 This expenditure is for specialized tools used by Meter Department staff, for the performance of  
24 Capital and Operating work on Burlington Hydro's Metering system.

25

1 **Project Name: Computer Equipment - Hardware**

2 *2009 Budget Amount: \$ 56,000*

3 Burlington Hydro purchases Computer Equipment - Hardware every year. For a detailed  
4 description of this expenditure, see the “Computer Equipment – Hardware” portion of the Project  
5 Description 2010.

6 **Project Name: Furniture & Equipment**

7 *2009 Budget Amount: \$ 77,900*

8 This account includes a number of items primarily focused on safety. The principle element in  
9 this account is the continued replacement of conventional office furniture with ergonomically  
10 correct furniture. Burlington Hydro started this initiative in 2007 with the intent to address  
11 specific areas each year until complete. Other items include more AED defibrulators, sound  
12 monitoring/noise reduction equipment, and employee communications stations.

13 **Project Name: Contributions and Grants**

14 *2009 Budget Amount: \$(6,200,000)*

15 Burlington Hydro’s Conditions of Service provides the basis for determining the capital  
16 contributions to be paid by customers, developers, third parties and government authorities.  
17 Burlington Hydro’s philosophy is “Growth Pays for Itself”, and the respective parties are  
18 expected to comply with our conditions of service by contributing funds to Burlington Hydro  
19 which are applied towards the associated costs for the installation and/or modification of hydro  
20 infrastructure and connection assets as required.

21

1 The following table outlines the capital contributions accumulated in 2009:

2009	
Capital Contribution/Grant	Capital Project
1,980,000	Performing Arts Centre
750,000	Downtown Lakeshore 27.6kV Feeder Extension
435,000	Region Projects (Waterdown Road, Walkers Line north of Dundas)
460,000	MTO Projects (QEW Rebuild, #6 HWY at Plains Road)
575,000	General Service (Overhead, Underground, Meters)
600,000	Transformers Installed - Overhead and Underground
1,400,000	Subdivisions Assumed
<b>6,200,000</b>	<b>Total</b>

2

3



1 **Capital Project Descriptions 2010**

2 **Project Name: Distribution Stations**

3 *2010 Budget Amount: \$175,000*

4 This proposed expenditure is to cover the costs of maintenance and repairs required at Burlington  
5 Hydro's 32 Distribution Station ("DS") Buildings. Maintenance and repairs include items such  
6 as wall and plaster repairs. There are 4 DSs identified in the building audit completed by MTE  
7 Engineering Consultants that are showing deterioration of the brick walls and plaster, and require  
8 repairs to secure building structure and protect electrical equipment located within.

9 Also, funds from this budget will allow for the installation of exhaust and roof vents at 15  
10 Distribution Stations. These vents are required to dissipate high temperatures and humidity  
11 within the buildings to protect and extend the life of the electronic equipment. Humidity will also  
12 cause tracking on equipment resulting in flashover.

13 Burlington Hydro will be performing Environmental Assessments at 16 Distribution Stations to  
14 sample and assess the soil to make certain the ground contains no environmental contaminants.

15 In service date: November 2010

16 **Project Name: Misc. Building Repairs Including Driveway**

17 *2010 Budget Amount: \$5,000*

18 This account is intended to cover the costs associated with misc. repairs at station buildings. The  
19 actual costs will be covered under the station rehab project allocated under the account for the  
20 main office building. Year end adjustment expected to correct accounts.

21 In service date: November 2010

22 **Project Name: Upgrade Relays to Solid State**

23 *2010 Budget Amount: \$80,000*

24 The purpose of the circuit breaker relay is to signal the circuit breaker to operate based on  
25 voltage and current settings. Upgrade of solid state relays is necessary to replace aging electro

1 mechanical relay systems. The solid state DPU relay will benefit the distribution system by  
2 improving performance and reliability with limited maintenance activities.

3 In service dates:

- 4 • Orchard MS – June 2010
- 5 • Interchange MS – November 2010

6 **Project Name: Re-commission Substations**

7 *2010 Budget Amount: \$140,000*

8 Re-commissioning of various transformer substations, 6 each year, is an integral part of  
9 Burlington Hydro's 5 year inspection program to ensure compliance with the Provincial  
10 Electrical Safety Authority and the OEB Distribution System Code. Re-commissioning entails  
11 inspection for repairs or improvements to critical power distribution equipment. Preventative  
12 maintenance of substation equipment equates to reliable power supply to customers.

13 In service dates:

- 14 • Elgin MS – June 2010
- 15 • Hampton MS – June 2010
- 16 • Partridge MS – June 2010
- 17 • Port Nelson MS – November 2010
- 18 • Tyandaga MS – November 2010

19 **Project Name: Metalclad Equipment Refurbish/Paint**

20 *2010 Budget Amount: \$20,000*

21 To provide restoration of critical power distribution equipment such as station transformers and  
22 switchgear metal housing to extend the life of this equipment removing the rust and applying rust  
23 inhibitor and paint.

24 **Project Name: Vacuum Breaker Conversions (Asbestos Removal)**

25 *2010 Budget Amount: \$105,000*

26 The conversion to new technology vacuum breakers will improve station reliability and eliminate  
27 the asbestos shute hazard from workers. An inspection initiated by Burlington Hydro found

1 several stations having asbestos in the arc shutes of the breaker system which is subjected to  
2 extreme heat conditions.

3 In service Date:

- 4 • Palmer MS – May 2010

5 **Project Name: Transducers**

6 *2010 Budget Amount: \$5,000*

7 New transducers replace defective units which provide analog read outs through SCADA  
8 system. The transducer lowers the relay current and voltage levels to milliamps and millivolts for  
9 SCADA communications through the RTU.

10 In service date: November 2010

11 **Project Name: Misc. Projects**

12 *2010 Budget Amount: \$7,500*

13 This account captures unforeseen capital costs that arise during the budget year not falling within  
14 the aforementioned 1820 capital budget accounts.

15 In service date: December 2010

16 **Project Name: Cable Rebuild (North Brant Hills)**

17 *2010 Budget Amount: \$550,000*

18 Burlington Hydro's annual primary cable replacement program targets underground subdivisions  
19 of vintage age where the primary cables are showing obvious signs of aging and degrading  
20 evident in the number of system faults due to cable failures. The standard construction method  
21 was to direct bury the primary cable without duct by trenching and laying the cable in the trench,  
22 which left no option for repair crews but to locate the fault, excavate and splice the cable to  
23 effect repair and restore power. Burlington Hydro records all events causing system interruptions  
24 and uses this recorded information to update a City drawing showing the cable faults colour  
25 coded by year of the occurrence. System problems caused by accidental excavations are not  
26 considered and therefore not included in the analysis of asset replacement. Burlington Hydro out

1 sources the engineering design, civil work, electrical work, and project management functions  
2 for the cable replacement programs. Burlington Hydro utilizes available excavation technologies  
3 (directional boring) to minimize the disruption to neighbourhood streetscape resulting in a cost  
4 effective method to improve system reliability and performance while minimizing the  
5 inconvenience placed on customers. Cables installed via directional boring, involves excavating  
6 pits at each end of the shot. One pit is used to shoot the boring head creating a 2 inch bore  
7 through the ground at a preset depth until the boring head reaches the second pit. At this location  
8 the boring head is pulled back dragging behind a 2 inch poly pipe. The primary cable is later  
9 pulled through the duct with pull rope. Also included in the scope of work is the replacement of  
10 transformers and the refurbishment of the submersible and/or padmount transformer vaults by  
11 cleaning the vaults and reconfiguring the secondary cables to provide a safe work space, thus  
12 enabling hydro crews to work safely and efficiently while performing maintenance or restoring  
13 power. In some instances Burlington Hydro must replace or repair driveway aprons damaged  
14 during the boring operation. A series of planned interruptions are scheduled to change over to the  
15 new system immediately following the installation of the primary cable and transformers.

16 In service date: July 2010

17

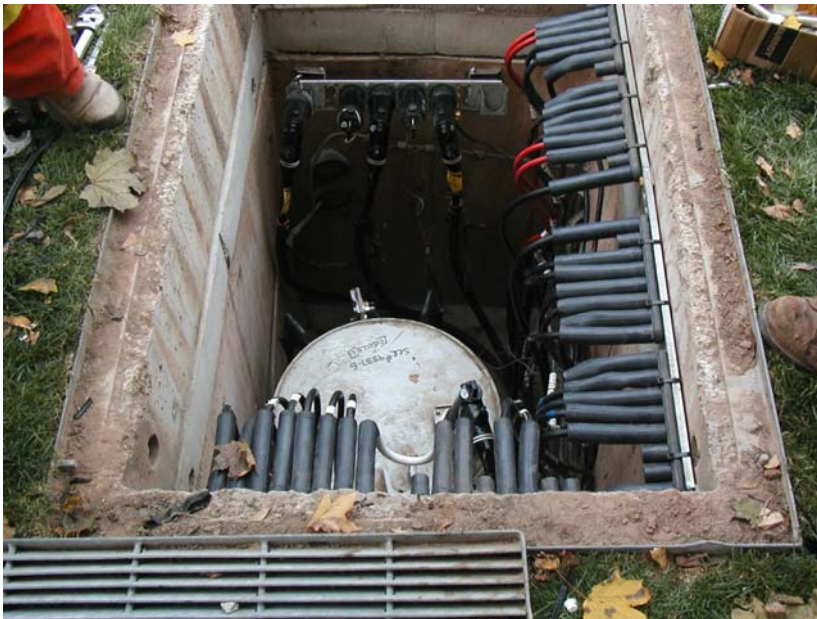
1 Submersible Transformer Vault before rebuild project is complete



2

3

4 Submersible Transformer Vault after rebuild project is complete



5

- 1 Typical boring operation to push through steel shafts in preparation of installing the duct work
- 2 and cables



- 3
- 4
- 5

6 **Project Name: Fault Indicators**  
7 *2010 Budget Amount: \$25,000*

8 The installation of primary fault indicators on padmount transformers within legacy subdivisions  
9 enable hydro crews to quickly determine the section of the underground primary lateral where  
10 the fault is located thereby minimizing the duration of the interruption. The construction standard  
11 during the day of the subdivision installation did not call for fault indicators to be installed. The  
12 primary fault indicators are installed on every second transformer. The remote indicator is  
13 retrofitted on the old transformer and positioned such that a passing crew can read the remote  
14 indicator without exiting the vehicle and opening the transformer. Faster detection of the cable

1 fault translates to quicker restoration of power to customers. Current subdivision design  
2 standards prescribe the installation of primary fault indicators on all transformers.

3 In service date: July 2010

4 **Project Name: Hampton MS 27.6kW Cable Replacement**

5 *2010 Budget Amount: \$200,000*

6 Each of Burlington Hydro's 32 municipal stations ("MS") are supplied at 27.6kV. This MS is a  
7 double ended station with 2 station transformers and 2 switchgears. Currently this station has a 3  
8 phase 27.6kV feed comprised of 3 cables with a 4<sup>th</sup> cable as a back-up in case one of the 3  
9 cables fail. Upon completion of this work this station will be fully backed up with a separate  
10 27.6kV, 3 cable feed in the event that one of the station feeds goes defective, therefore providing  
11 a more secure supply for its customers. The scope of work will involve the installation of a new  
12 termination pole, duct structure from the pole to the station, primary cables from the pole into the  
13 station, racks or support for the cables in the station, the addition of a switchgear cell to receive  
14 the new cables.

15 In service date: November 2010

16 **Project Name: General Service – Underground**

17 *2010 Budget Amount: \$1,595,000*

18 This general service account captures all structure, conductor and transformer costs associated  
19 with primary, secondary and service assets such as cables, terminations, duct structures, splicing,  
20 pulling foundation, connection pedestal installations under the category of General Service –  
21 Underground. The budget amount is based on historical values and is challenging to forecast as a  
22 whole due to the unplanned yet expected projects that arise as a part of a utilities operation.  
23 Projects contributing to this account are as follows:

- 24
- 25 • replacements not falling under the conductor or pole replacement programs
  - 26 • installation of infrastructure for new residential, commercial or industrial services
  - 27 • unplanned structure relocations at the request of Municipal, Provincial and Federal  
authorities, third parties and Burlington Hydro customers

- 1       • repairs caused by accidents such as vehicle collisions and contractor inadvertent contact
- 2             with hydro plant where the party responsible is not known and costs cannot be recovered
- 3       • modification of plant to rectify non compliant clearance conditions in accordance with
- 4             recognized standards
- 5       • enhancements or modifications to plant necessary to rectify low voltage issues with
- 6             customers
- 7       • materials used for maintenance work

8   General Service – Underground is a cumulative category that captures the following accounts:

- 9   1855 – Service Structures
- 10  1855 – Service Conductors
- 11  1840 – Primary and Secondary Structures
- 12  1845 – Primary and Secondary Conductors
- 13  1850 – Transformers

14   Before 2009, the various sub-categories that are now included in “General Service –  
15   Underground” were tracked separately. They are now streamlined in this general category.

16   **Project Name: General Service - Overhead**

17   *2010 Budget Amount: \$975,000*

18   This general service account captures all structure, conductor and transformer costs associated  
19   with primary, secondary and service assets such as pole, bracket, anchor and hardware  
20   installations under the category of General Service – Overhead. The budget is based on historical  
21   values and is challenging to forecast as a whole due to the unplanned yet expected projects that  
22   arise as a part of a utilities operation. Projects contributing to this account are as follows:

- 23       • projects involving conductor, switch, connector, insulator, pole, bracket, anchor and
- 24             hardware replacements not falling under the pole replacement program
- 25       • installation of infrastructure for new residential, commercial or industrial services, and
- 26             temporary services



- 1 • unplanned conductor, switch, insulator, pole, bracket, anchor and hardware relocations at
- 2 the request of Municipal, Provincial and Federal authorities, third parties, and Burlington
- 3 Hydro customers
- 4 • repairs caused by accidents such as vehicle collisions and contractor inadvertent contact
- 5 with hydro plant where the party responsible is not known and costs cannot be recovered
- 6 • modification of plant to rectify non compliant clearance conditions in accordance with
- 7 recognized standards
- 8 • enhancements or modifications to plant necessary to rectify low voltage issues with
- 9 customers
- 10 • materials used for maintenance work

11 General Service – Overhead is a cumulative category that captures the following accounts:

- 12 1855 – Service Structures
- 13 1855 – Service Conductors
- 14 1830 – Primary and Secondary Structures
- 15 1835 – Primary and Secondary Conductors
- 16 1850 - Transformers

17 Before 2009, the various sub-categories that are now included in “General Service – Overhead”  
18 were tracked separately. They are now streamlined in this general category.

19 **Project Name: Burlington Mall**

20 *2010 Budget Amount: \$250,000*

21 Burlington Mall was built in the 1960’s and opened 1968. The mall is being serviced with the  
22 original service cables and switchgear with portions being upgraded in the last couple of years.  
23 The approximate size is 721000 sq ft with approximately 200 stores. The cable replacement at  
24 Burlington Mall has been considered for several years but has been deferred due to lack of  
25 budget dollars. The mall is fed by a 4kV loop feed system consisting of 4/0 copper primary  
26 cables installed during the original servicing of the mall. Under normal operating conditions (half  
27 of the load) the cable load does not exceed the cable ampacity of 230 amps for 15kV insulation

1 rated at 75 degrees, however, under an emergency situation the cable is expected to carry the full  
2 demand load of the mall. The total transformer name plate rating is 8450kVA equating to 353  
3 amps full load. The actual demand load is approximately 6000kVA equating to 250 amps. Due to  
4 aging the cable ampacity has been de-rated reducing the reliability of this supply. Since the loop  
5 feed is supplied from one substation, cable reliability is even more critical. Site inspection of the  
6 electrical rooms and the high voltage switchgear revealed insufficient operating clearance around  
7 the switchgear equipment that no longer should be ignored for safety reasons, even with the  
8 application of safe work practices and procedures. Additional capital budget dollars is necessary  
9 to replace the switchgear and requires considerably more capital expenditure than the cable  
10 replacement. In 2010 the first stage of the project will be complete and in service – the second  
11 stage will continue into 2011.

12 In service date: August 2010

13 **Project Name: Butyl Insulated Cable Replacement Program**

14 *2010 Budget Amount: \$50,000*

15 This proactive Burlington Hydro program targets old 5kV underground primary cables having  
16 butyl conductor insulation which inherently becomes brittle over time and ultimately fails.  
17 Burlington Hydro's design practice today is to over insulate by using 15kV primary cables in  
18 4kV area resulting in improved reliability. The system consists of butyl cables in areas that are  
19 radial feed which requires Burlington Hydro to construct temporary overhead line to maintain  
20 supply when a radial cable fails. The cost for reactive action relative to proactive action is  
21 considerably higher due to the added temporary overhead construction.

22 In service date: October 2010

23 **Project Name: Subdivisions Assumed**

24 *2010 Budget Amount: \$2,000,000*

25 Burlington Hydro is responsible for providing the following services for each proposed  
26 subdivision and townhouse development submitted when the Developer has chosen to decline  
27 Burlington Hydro's offer to connect and hires their own electrical consultant and utility  
28 contractor approved by Burlington Hydro:

- 1 • project design review
- 2 • project inspection
- 3 • project administration
- 4 • material approval
- 5 • vendor selection
- 6 • determination of financial securities to be submitted
- 7 • perform perimeter adjustments required to connect new development to existing
- 8 distribution system
- 9 • install termination of primary cables at supply points
- 10 • provide assistance to developers contractor when required
- 11 • provide isolation of existing plant for developers contractor when necessary
- 12 • make necessary repairs to plant while the development is under warranty
- 13 • final project inspection

14 Following the completion and energization of the development, a 1 year warranty period is in  
15 effect. During this period the Developer owns and is responsible for the distribution assets. At  
16 the conclusion of the 1 year warranty period, several conditions must be satisfied before  
17 Burlington Hydro assumes the assets installed by the Developer and full responsibility. The  
18 capital budget reflects that Burlington Hydro was the constructor of the project, an equal capital  
19 contribution amount is included in the capital budget.

20 **Project Name: Pole Replacement Program**

21 *2010 Budget Amount: \$700,000*

22 Burlington Hydro's annual asset preventative maintenance program aims to replace hydro poles  
23 found to be in poor condition as deemed by a comprehensive pole testing program. Each year  
24 Burlington Hydro out sources pole testing expertise to test approximately 1200 poles  
25 systematically through out the City. The hydro poles tested are recorded on a City area grid map.  
26 Note that Burlington hydro includes Bell Canada owned poles since Burlington Hydro occupies  
27 these poles. Burlington Hydro informs Bell Canada of suspect poles and coordinates the  
28 replacement. In accordance with the Joint Use Agreement between Bell Canada and Burlington

1 Hydro, Burlington Hydro can recover the costs associated with delivery, digging and installing  
2 the utility pole from Bell Canada through a prescribed process - equipment transfers are the  
3 responsibility of each part. The pole testing method used by the contractor measures the pole  
4 density using sound waves from which the results may warrant an evasive pole testing method  
5 that requires drilling holes in to the wood to determine the degree of decomposition. The results  
6 of the evasive pole test provide the pole testing contractor sufficient data to assess the remaining  
7 pole strength and decide whether a pole treatment to cease the decomposition is viable. Pole  
8 treatment is cost effective method to extend the life of a pole. Pole testing is not the sole means  
9 of identifying hydro poles or Bell owned poles for replacement. The condition of hydro poles is  
10 also identified by field staff while performing the following duties:

- 11 • site visits by technical staff initiated by customer requests
- 12 • general inspection of assets by trade and office staff
- 13 • during Burlington Hydro preventative maintenance programs such as insulator washing  
14 and tree trimming
- 15 • customer calls that single out poles that are in poor condition or broken
- 16 • Transformer replacement program

17 In service date: November 2010

18 **Project Name: Motorized ABS Program**

19 *2010 Budget Amount: \$400,000*

20 Burlington Hydro's commitment to their customers is to provide safe reliable power efficiently  
21 and cost effectively. Our customers are concerned about feeder performance and depend on the  
22 delivery of power 24/7. Burlington Hydro has chosen to be an industry leader to leverage new  
23 technologies and has partnered with S&C Canada, a long time alliance vendor with Burlington  
24 Hydro, to implement automation into the distribution system to improve system performance.  
25 Technology engineered to improve the system performance of these distribution feeders would  
26 benefit customers by realizing reduced duration of interruptions. The S&C Recloser switch is  
27 designed for the 13.8kV system and provides remote operating and system monitoring features.  
28 Due to the configuration of the recloser switch and the weight, each installation requires

1 infrastructure improvements to accommodate the new equipment. The technical functionality  
2 requires programming to coordinate the operation settings with existing protective equipment to  
3 ensure proper coordination is achieved.

4 In service date – August 2010

5 Recloser Switch



14 **Project Name: City Projects (Mainway Grade Separation, Harvester, King Road)**

15 *2010 Budget Amount: \$740,000*

16 1) The City of Burlington's Mainway grade separation projects are congruent with the scenario  
17 described by the Uppermiddle Road grade separation; divert the traffic temporarily while City  
18 contractors construct a railway crossing structure to ultimately allow traffic to flow unimpeded  
19 under the railway tracks. All existing utilities including, Burlington Hydro, must relocate their  
20 assets to a new permanent offset due to the significant change in grade. The hydro design is  
21 expected to be completed by Burlington Hydro's electrical consultant since all CNR crossing  
22 application must be approved by a Professional Engineer. Each of the proposed grade separation

1 projects will involve approximately 10 poles to be relocated in a new offset before making good  
2 to the existing pole line offset.

3 2) The Harvester Road and Gateway project has been on the City books for a number of years.  
4 Harvester Road in the general vicinity of Gateway was intended to be an intersection connecting  
5 Fairview Street which runs parallel to Harvester Road. The intersection was never completed  
6 which left an unorthodox alignment in Harvester Road forcing vehicles to stop and turn on what  
7 should be a straight through road. The realignment of Harvester Road will require the relocation  
8 of Burlington hydro assets, approximately 2 or 3 poles, to avoid conflict with road and  
9 streetscape reconstruction.

10 **Project Name: Sherwood Forest Park Feeder Tie**

11 *2010 Budget Amount: \$55,000*

12 The Sherwood Forest Park feeder tie is an operations requirement to provide the distribution  
13 system flexibility in switching system load between feeders in such a way to leverage recently  
14 acquired Bronte feeders described earlier in this application. The scope of work involves not  
15 more than 5 spans of 27.6kV construction.

16 In service date – May 2010

17 **Project Name: Guelph Ln Pole Replacement – Uppermiddle to Reservoir MS**

18 *2010 Budget Amount: \$155,000*

19 Burlington Hydro had installed a second 27.6kV feeder from Uppermiddle Road to Reservoir  
20 MS approximately 14 years ago. While half of the poles were replaced, the design incorporated  
21 fiberglass pole top extensions commonly used at that time. Utilizing pole top extensions is a cost  
22 effective way to expand a distribution system initially, however, it is not a long term solution.  
23 Although an acceptable practice, pole top extensions have two undesirable impacts to the  
24 integrity of a pole line structure. The pole top extension relies solely on the top section of the  
25 pole being solid to securely fasten the extension with nuts bolt and washers. A wood poles  
26 weakness is the possibility of fraying at the top making a secure hardware connection  
27 questionable. Secondly the additional height achieved causes an increase in transverse loading

1 stresses causing a reduction in the required safety factor and possibly rendering the pole line non  
2 compliant with standards. With the implementation of Electrical Safety Authority Regulation  
3 22/04, Burlington Hydro constructs new pole line structures at a minimum grade 2 construction.  
4 Existing assets are grandfathered to remain at grade 3 construction until such time Burlington  
5 Hydro assesses the possibility and severity of a failure occurring. The subject pole line is  
6 showing signs of ware caused by wind and ice loading along with aging poles; at least 20 years +  
7 old up to 32 years old. The proposed reconstruction will meet Burlington Hydro's standard of  
8 grade 2 construction.

9 In service date – September 2010

10

11 Pole Line with pole top extensions showing signs of aging and reduced strength



12

13

1 **Project: Spruce Conductor Upgrade – Hampton Heath to Burloak**

2 *2010 Budget Amount: \$155,000*

3 The current conductor size of this 27.6kV circuit is sufficient to carry the capacity of the MS it  
4 supplies, however, since the installation of a full sized feeder (i.e. larger wire size) was installed  
5 along Hampton Heath approximately 15 years ago, the undersized conductor along Spruce  
6 prohibits the ability to use this circuit as a feeder tie to move load around the system as needed.  
7 Upgrading the circuit size will provide the operational flexibility desired in the east end to  
8 improve system reliability and reduce interruption duration, especially with the acquisition of the  
9 two Bronte Feeders described earlier in the application.

10 In service date – October 2010

11 **Project Name: Rebuild Crossings (Dundas West of Tremaine)**

12 *2010 Budget Amount: \$185,000*

13 This 13.8kV crossing over the 16 Mile Creek is a H-Frame crossing design with aging assets, at  
14 the least 32 years +. The crossing and the pole line extending on both sides of the crossing lie  
15 along a corridor scheduled for reconstruction as part of Burlington Hydro's long term plans to  
16 install a new Transformer Station (TS) in the north east quadrant of the City in 2012 to address  
17 the growth in this part of the City. The ultimate design will include the egress of six new 27.6kV  
18 feeders from the TS along selected routes. Dundas Street being a major corridor is expected to  
19 inherit two of the six 27.6kV feeders requiring the reconstruction of the pole line and the creek  
20 crossing structure spanning approx 200 metres. The existing 13.8kV circuit will be converted to  
21 27.6kV resulting in the pole line ultimately supporting 2 - 27.6kV circuits only. Long span  
22 crossing designs will require the approval of a Professional Engineer.

23 In service date – May 2010

24 **Project Name: Region Projects**

25 *2010 Budget Amount: \$300,000*

26 Unknown at this time even though the Region of Halton does provide a two year schedule of  
27 planned projects but does not provide drawings or detailed information of utility conflicts. A



1 budget amount is reserved for planned Region works requiring Burlington Hydro relocations in  
2 the event of conflicts. The Region of Halton will present their 2010 budget in more detail in the  
3 later part of 2009 during a Burlington Joint Utilities Meeting. Historically Burlington Hydro has  
4 not incurred significant expenditures for Region works, 2009 being the exception. Small  
5 expenditures would have been captured under the general service capital accounts. In the past 2  
6 years the Region has been assuming major road right of ways from the City of Burlington  
7 increasing the Region's infrastructure work.

8 **Project Name: Rear Lot Rebuild Program**

9 *2010 Budget Amount: \$175,000*

10 Burlington Hydro's asset management program confirmed the poor condition of poles  
11 throughout the distribution system (approximately 86 out of 5930 rear lot poles). Although the  
12 severity of losses associated with a rear lot system failure does not compare to the potential loss  
13 of a major pole line located along City right of Ways, the assets in rear lots can not be ignored.  
14 Rear lot asset reinforcement requires specialized equipment to reduce the number of labour  
15 forces needed and inherently involves time consuming operations due to inability to use powered  
16 vehicles typically used in vehicle accessible areas. Without a systematic approach to inspecting  
17 the distribution assets, the weaknesses in the rear lot assets are typically discovered during site  
18 visits scheduled for other purposes such as customer upgrades or during tree trimming  
19 operations. Occasionally customers do call in to advise Hydro of assets in poor condition but the  
20 asset is often degraded to a severe state requiring immediate replacement. The rear lot program is  
21 a proactive approach to sustaining the reliability of assets and service, and exercise due  
22 diligence.

23 In service date – November 2010

24

25

26

1 Crews Replacing a Rear Lot Pole With the Aid of New Rear Lot Boom Equipment



2

3

4 **Project Name: Mount Forest MS 4kV Feeder Tie Crossing QEW HWY**

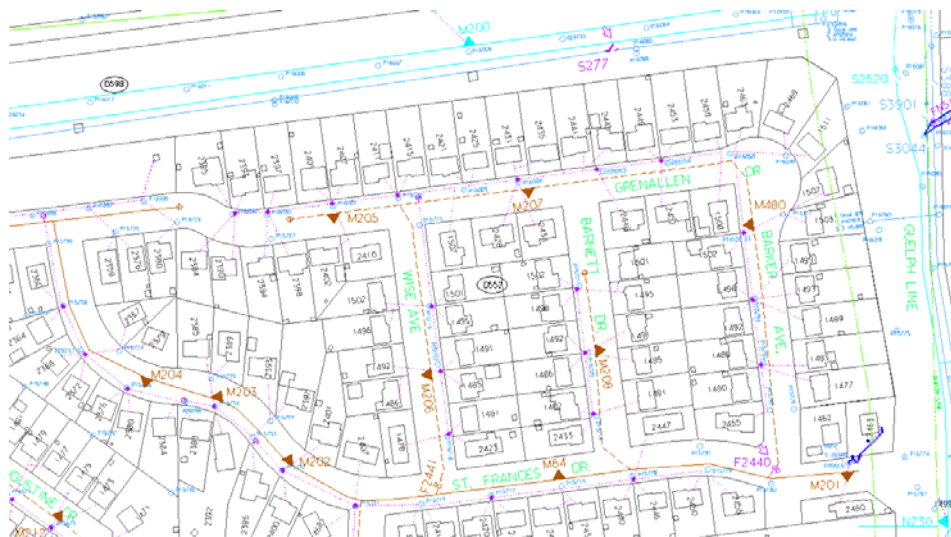
5 *2010 Budget Amount: \$297,000*

6 There exists an area bounded by Brant Street and Guelph Line, the QEW and Uppermiddle Road  
7 fed by 4kV distribution system which is embedded within an area supplied at 13.8kV  
8 distributions system. The 4kV system is supplied by two MS transformers, Brant MS and Mount  
9 Forest MS. The demand load of the area during peak times exceeds the capacity of each MS thus  
10 not permitting the ability of system back up in the event of an emergency that disables one of the  
11 MS. Maintenance of each station must be coordinated during off peak times. Burlington Hydro  
12 has converted a significant portion of the industrial load to alleviate the loading problem,  
13 however, the area consists primarily of residential loads which remain on he 4kV system.  
14 Consideration to continue the conversion process proved to be cost prohibitive since the cost to  
15 load ratio was high. A small residential area was estimated in the mid 1990's to cost in excessive  
16 of \$750,000 for approx 100 homes for a total load conversion of 500 kW. An alternate solution  
17 was devised to introduce a feeder from a third MS to pick up a portion of the load thus enabling  
18 back up supply. The closest location of a feeder with reserve capacity is south of the QEW east

1 of Brant Street, thus requiring a design to cross the QEW overhead or underground and  
2 connecting into the 4kV feeder on Mountainside Road. Primary challenge will be the crossing of  
3 the QEW HWY requiring a Professional Engineer to design the long span and coordinating the  
4 activities of third parties. Beyond the crossing, the project is straight forward using standard  
5 designs to add a 4kV circuit on to new or existing poles.

6 In service date – July 2010

7 Residential area estimated for voltage conversion



8 **Project Name: PCB Free Compliance - Transformer Replacement**

9 *2010 Budget Amount: \$200,000*

10 Following Burlington Hydro's transformer oil sampling and testing program, Burlington Hydro  
11 implemented a transformer replacement program to replace PCB transformers containing  
12 specified levels of PCB's in accordance with Federal Government of Canada Regulations. All  
13 transformers meeting the following conditions must be replaced by the end of 2009:  
14  
15

- 16 • all transformers with PCB content greater than 500 ppm;

- 1 • all padmount transformers with PCB content greater than 50 ppm and less than 500 ppm  
2 within 100m of sensitive areas as defined by the Regulations; and
- 3 • all transformers with PCB content greater than 50 ppm within 100m of sensitive areas as  
4 defined by Regulations.

5 The Federal Government of Canada has allowed an extension up to 2014 for the replacement of  
6 transformers that do not fall within the above criteria for transformer replacement by the end of  
7 2009.

8 **Project Name: Meters Installed**

9 *2010 Budget Amount: \$500,000*

10 This account captures the labour and material costs to install residential and general service  
11 secondary metering for full current and remote current meters in overhead and underground  
12 applications; and includes primary metering units for large industrial customers, and smart meter  
13 installations by Burlington Hydro Staff.

14 **Project Name: Primary Metering Tank Replacement**

15 *2010 Budget Amount: \$25,000*

16 The oil filled primary metering unit at one of Burlington Hydro's customer owned substations  
17 (Bullmoose Tube) was scheduled for replacement with a pole mounted dry type unit due to the  
18 poor condition of the unit. This work was scheduled in junction with the customer's expansion  
19 work which required the relocation of their substation compound and primary switchgear which  
20 housed the old primary metering unit.

21 **Project Name: Cross Phase Analysis (Rodan)**

22 *2010 Budget Amount: \$30,000*

23 Burlington Hydro contracted the services of Rodan to site visit all interval metered customers  
24 and perform revenue meter connection inspections and analysis to confirm the absence of  
25 revenue losses due to incorrect IT wiring.

26 **Project Name: Wholesale Metering (IT Metering at Cumberland TS)**

27 *2010 Budget Amount: \$380,000*

1 Hydro One metering requirements for compliance includes having documentation pertaining to  
2 all TS wholesale metering equipment. The specialized IT metering for Cumberland TS is located  
3 within the throat of the transformer and were installed by Hydro One (formerly Ontario Hydro).  
4 Hydro One does not have complete IT records to provide the necessary documentation to meet  
5 Measurement Canada compliance. The defacto action plan mandated by the IESO is for  
6 Burlington Hydro to replace the existing IT metering equipment solely at Burlington Hydro's  
7 cost.

8 **Project Name: 1340 Brant Street**

9 *2010 Budget Amount: \$250,000*

10 This proposed expenditure is to cover the costs required to maintain, upgrade and replace  
11 structures and equipment at Burlington Hydro's main office at 1340 Brant Street.

12 Expenditures are organized in a 10 year program and are to include the replacement of aging  
13 HVAC roof top units including the conversion from electric to gas as identified in the building  
14 audit in 2007. Other major cost expenditures include the replacement of the 1961 Air Handler  
15 unit on the furnace and upgrade the propane Kohler generator to gas.

16 **Project Name: Misc. Office Equipment**

17 *2010 Budget Amount: \$8,000*

18 Costs associated with the purchase of new printers, faxes, photo copiers for the various  
19 departments. Cost saving measures are practiced by trading down older equipment to  
20 departments with low usage and provide new equipment operating at a high usage.

21 **Project Name: Ergonomics**

22 *2010 Budget Amount: \$40,000*

23 To support Burlington Hydro's strategic position, which in turn supports an MOL Provincial  
24 initiative, an internal Ergonomics Change Team was trained to identify/assess risks associated  
25 with musculoskeletal disorders (MSD's). In addition an Ergonomist is enlisted as required.  
26 Assessments were completed; recommended interventions included a combination of  
27 reconfiguring existing equipment, updating IT, enhancing work postures/work organization, and

1 to a large extent updating work station components to meet current ergonomic standards (office  
2 environment). For the trades it is acquiring ergonomically designed tools as they become  
3 available/improving seating/ladder racks. The ultimate payback is a reduction in short-term  
4 worker absenteeism.

5 **Project Name: Employee Communications Stations**

6 *2010 Budget Amount: \$5,800*

7 Provides a more vibrant up to date communications medium where employees will be drawn  
8 because they want to be there not because they have to be there. The stations will leverage  
9 modern communications principles to get our message across and can be updated from an input  
10 station. So much more of our information can be communicated on an ongoing basis which just  
11 can't be done on a paper laden bulletin board. Messages can be programmed to run/re-run on any  
12 time schedule we like; plus there will always be something new to draw attention. In 2010 a  
13 single station is proposed to be installed in the office lunch room, which include the 40" LCD  
14 monitor, V3 Computer, wall mounted, installation and shipping. The main purpose and benefit to  
15 the company is enhanced employee communications

16 **Project Name: Sound Monitoring/Noise Regulation**

17 *2010 Budget Amount: \$3,600*

18 The new Noise Regulation that came into effect in July 2007 for the purpose of employee safety  
19 requires that we are able to determine our sound level readings for equipment, machinery, tools,  
20 environments, etc, and further determine the Time Weighted Average (TWA) exposure of  
21 employees; and that we monitor this on a periodic basis. Once we know the sound levels we need  
22 to ensure we are providing appropriate hearing protection and that it is being worn/used correctly  
23 (fit testing). The proposed device is end user friendly and will test the fit/attenuation of any  
24 manufacturers ear plug.

25 **Project Name: AED's**

26 *2010 Budget Amount: \$10,200*

1 Having AED's is a form of insurance we hope never to draw upon, however, using one unit  
2 successfully one time whether tomorrow or ten years out, will prove a very worthwhile and  
3 satisfying investment. Having trained employees to become roving ambassadors wherever public  
4 units may be installed, and supports the global effort to have AED more readily available to the  
5 public. The AED's provides "best practice" leadership within the community and industry. In  
6 2010 the purchase of 4 AED's, one for a fleet vehicle and 3 for the facility, thus completing the  
7 current corporate plan to have all vehicles and facility so equipped.

8 **Project Name: Security System Upgrade**

9 *2010 Budget Amount: \$5,000*

10 The security system upgrades is intended to replace the Trendmicro anti-virus and spam  
11 detection software.

12 **Project Name: Postage Equipment**

13 *2010 Budget Amount: \$5,500*

14 The replacement of the postage equipment is an item that blankets 3 pieces of equipment in the  
15 mail room – the envelope opener, the paper folder and the postage machine. Although the  
16 folding machine is not more than 4 years old, it has been problematic.

17 **Project Name: Telephone Upgrade PBX, Voice Mail, VOIP, ACD Systems**

18 *2010 Budget Amount: \$50,000*

19 The telephone upgrade is planned in response from the vendor (Bell Canada) notifying  
20 Burlington Hydro that the current equipment will no longer be supported after June 2010.

21 **Project Name: Daffron Custom Programming**

22 *2010 Budget Amount: \$20,000*

23 The OEB will continue to introduce many regulatory changes in 2010. These changes will have  
24 direct impact on our customer information system. In order to implement these changes in the  
25 required time, Burlington Hydro (in conjunction with other Ontario Daffron LDCs to share the  
26 costs) will need the assistance of its software vendor (Daffron) to incorporate these changes.

27

1 **Project Name: Windows 7 Operating System Site Licence**

2 *2010 Budget Amount: \$25,000*

3 To keep in step with current business PC software, Burlington Hydro plans to update it's  
4 Microsoft site licenses for Windows XP and Vista, to the new Operating System Windows 7. It  
5 is Burlington Hydro's understanding that Windows 7 will correct many of the operational and  
6 security flaws existing in Windows Vista.

7 **Project Name: GIS Interfaces (OMS, Ortho Mapping, etc.)**

8 *2010 Budget Amount: \$125,000*

9 To maximize the benefits of the new "open architecture" GIS mapping system (listed in AESI's  
10 Recommendations Report, Burlington Hydro plans to allocate \$125K to establish interface  
11 applications to share data with other Burlington Hydro systems (eg. CIS, SCADA, etc.). The  
12 ability to share data, rather than duplicate data, reduces the possibility of error, and increases  
13 efficiency.

14 **Project Name: Customer Account Inquiry on Website**

15 *2010 Budget Amount: \$25,000*

16 Over the last few years, Burlington Hydro customers have requested the ability to inquire the  
17 status of their account from our corporate website. In the spirit of customer satisfaction,  
18 Burlington Hydro obtained a quote from the vendor who developed our website electronic bill  
19 presentment (EBPP) product. To minimize expenses, and avoid reinventing the wheel, the intent  
20 was to build onto the already existing EBPP system. The dollars requested are sourced directly  
21 from this quote.

22 **Project Name: Daffron iXP Dashboard**

23 *2010 Budget Amount: \$15,000*

24 Burlington Hydro senior management need access to timely information for effective decision  
25 making. In the past, the I.S. department has looked at a number of Dashboard products. These  
26 products are typically very expensive, and would require considerable customization to be  
27 updated with our ERP system (Daffron) data. In 2009, our software vendor (Daffron) announced



1 the availability of its own Dashboard product. This system is a much more cost effective  
2 solution, which does not require customization. The dollars requested come directly from  
3 Daffron's quote.

4 **Project name: New and/or Replacements (<4500kg)**

5 *2010 Budget Amount: \$35,000*

6 Small vehicles for supervisors and foreman are purchased and kept within the fleet for 8.  
7 Vehicles are recycled to various departments to manage the mileage put on the vehicles and  
8 therefore extend the life of the vehicle.

9 **Project Name: New and/or Replacements (>4500kg)**

10 *2010 Budget Amount: \$150,000*

11 The purchase of a large vehicle is tendered in 3 parts - chassis/boom/body. Upon awarding the  
12 tender, a period of 1 year is required to build and test the truck. The replacement cycle for radial  
13 boom derrick vehicles is 12 years. This expenditure included the chassis only coinciding with the  
14 budget strategy. The vehicles to be quoted are reflected in the rolling stock 10 year forecast.

15 **Guideline for Vehicle Replacement Cycle**

Replacement Criteria Guideline:

1. <4500kg Rolling Stock	8 years
2. Radial Boom Derrick (RBD)	12 years
3. Single or Double Bucket Truck	12 years
4. Sprinter Van	12 years
5. Dump Truck	20 years
6. Trailers - Replacement	20 years
- Refurbish	5 years (Not included in vehicle forecast)
7. Backhoe	25 years
8. Lift Truck	25 years

16 Actual replacement dates will vary depending on fleet dollars available for any given year.

17 **Project Name: Upgrade RTU's**

18 *2010 Budget Amount: \$60,000*

19 The upgrade of the station RTU's to the latest Surveillant technology, Scout motherboard,  
20 provided improved reliability in communication from the station to the Burlington Hydro control  
21 room. The conversion to protocol DNP3 from the old less reliable QPLH technology provided

1 increased memory capacity, faster more efficient performance, less hardware and requires less  
2 maintenance.

3 **Project Name: Control Room Upgrades**

4 *2010 Budget Amount: \$100,000*

5 The Burlington Hydro control room is the central operational communication location for  
6 keeping up the real time status or condition of the distribution system via the construction crews  
7 and communication equipment. To achieve this, the control room operators require an up date  
8 SCADA system, display monitors, control consoles and computers to monitor and oversee the  
9 activities and system status. An ergonomic review also revealed the current set up is not  
10 conducive to preventing long term strains and pains that occur from repetitive motion and  
11 improper position.

12 In service date – June 2010

13 **Project Name: Tools, Shop and Garage Equipment**

14 *2010 Budget Amount: \$50,500*

15 This expenditure is for specialized tools used by the trades staff for performance of Capital and  
16 Operating work on Burlington Hydro's Distribution system.

17 **Project Name: Measurement and Testing Equipment**

18 *2010 Budget Amount: \$13,000*

19 This expenditure is for specialized tools used by Meter Department staff, for the performance of  
20 Capital and Operating work on Burlington Hydro's Metering system.

21 **Project Name: Computer Equipment - Hardware**

22 *2010 Budget Amount: \$ 60,000*

23 Burlington Hydro follows a practice to replace personal computers every 3 years, to equip staff  
24 with current technological tools. This practice provides the hardware to support the latest  
25 software applications which increasingly require greater computing resources (eg memory and

1 processing power). Additionally, history has shown that hardware components start to fail  
2 nearing their fourth year of use.

3 Burlington Hydro sets an annual maximum limit. Once this limit has been reached, purchases  
4 are discontinued until the next fiscal year.

5 Burlington Hydro follows an ongoing practice to add new, and update existing, communication  
6 equipment for its internal computer network. The reasons include, but are not limited to, (1)  
7 adding new routers and switches as additional servers are acquired, (2) replace existing  
8 equipment as items become obsolete and/or no longer supported by the manufacturer, and (3)  
9 parsing or departmentalizing the network for increased security as recommended by our network  
10 security auditor, performed annually.

11 Burlington Hydro is looking to both upgrade, and simplify, its computer network security. The  
12 plan is to replace the existing anti-virus and anti-spam software with a solution which runs on  
13 one appliance (server) that is easier to maintain, and offers a suite of statistical reports. The  
14 existing security solution is unnecessarily cumbersome and time consuming to maintain.  
15 Statistical reporting to determine system effectiveness does not currently exist.

16 **Project Name: Contributions and Grants**

17 *2010 Budget Amount: \$(2,700,000)*

18 Burlington Hydro's Conditions of Service provides the basis for determining the capital  
19 contributions to be paid by customers, developers, third parties and government authorities.  
20 Burlington Hydro's philosophy is "Growth Pays for Itself", and the respective parties are  
21 expected to comply with our conditions of service by contributing funds to Burlington Hydro  
22 which are applied towards the associated costs for the installation and/or modification of hydro  
23 infrastructure and connection assets as required.

24

1 The following table outlines the capital contributions accumulated in 2010:

2010	
Capital Contribution/Grant	Capital Project
100,000	Region Projects
600,000	General Service (Overhead, Underground, Meters)
600,000	Transformers Installed - Overhead and Underground
1,400,000	Subdivisions Assumed
<b>2,700,000</b>	<b>Total</b>

2

3

4 **Project Name: Work in Process - Contribution to Hydro One for TS Build**

5 *2010 Budget Amount: \$3,300,000*

6 Burlington has been working with Hydro One to construct a new Transformer Station (T.S.) in  
 7 the north east quadrant of Burlington, in the Tremaine Road and HWY 407 area, adjacent to the  
 8 existing 230kV Hydro One Transmission corridor. Hydro One will construct and maintain the  
 9 T.S., as they do with the existing four (4) Hydro One T.S.'s supplying power to the City of  
 10 Burlington.

11 Burlington Hydro is required to pay a capital contribution to Hydro One, toward the construction  
 12 of the station. Burlington will have rights to 6 feeder breaker positions, necessary to supply the  
 13 growing communities and commercial customers in this quadrant of Burlington. Burlington  
 14 Hydro's load forecast sees the current capacity being exhausted by 2012. Payment to Hydro One  
 15 will be scheduled according to Hydro One, over the next three years. The total capital  
 16 contribution is estimated at \$10,800,000.

17 The 2010 budget amount has been included in the continuity schedule at Tab 3, Schedule 1,  
 18 under "Work in Process". These dollars are not included in the calculation of Burlington  
 19 Hydro's projected revenue requirement. It is currently anticipated that this TS will be in service  
 20 during 2012.

21

1 **Budgeted Capital Expenditures – 2011 and 2012**

2 The following provides a high level summary of anticipated capital expenditures for 2011 and  
3 2012.

4 Budgeted Capital Additions for fiscal 2011 are as follows;  
5

<b>Description</b>	<b>2011</b>
Buildings	\$ 455,000
Substation Equipment	\$ 419,000
Underground Distribution	\$ 1,375,000
Overhead Distribution	\$ 4,545,000
Transformers	\$ 1,200,000
Meters	\$ 580,000
Tools – Overhead	\$ 15,000
Tools – Underground	\$ 12,500
Tools – Station Maintenance	\$ 25,000
Tools – Meter	\$ 14,000
Rolling Stock	\$ 175,000
Office Equipment	\$ 38,000
Computer Hardware & Software	\$ 120,000

TOTAL CAPITAL BUDGET 

\$ 8,973,500
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6  
7 The 2011 Capital budget has been developed using data from the asset management plan. Its  
8 focus remains unchanged, with a priority placed on maintaining the distribution system. It will  
9 continue with the following key programs; Recommission Substations, Underground Rebuilds,  
10 Pole Replacement Program, Motorized ABS Program, and the Rear Lot Rebuild Program. It will  
11 also show major Capital expenditures for the building of new egress feeders from the new  
12 Transformer Station located in North/East Burlington scheduled to open in the spring of 2012.  
13 The Capital budget will ensure that Burlington Hydro is able to efficiently deliver reliable  
14 electrical energy to its customers and to assure that future supply is available to meet  
15 Burlington's growing needs.

16  
17

1 Budgeted Capital Additions for fiscal 2012 are as follows;

2

<b>Description</b>	<b>2012</b>
Buildings	\$ 455,000
Substation Equipment	\$ 422,000
Underground Distribution	\$ 1,250,000
Overhead Distribution	\$ 4,400,000
Transformers	\$ 1,200,000
Meters	\$ 585,000
Tools – Overhead	\$ 15,000
Tools – Underground	\$ 12,500
Tools – Station Maintenance	\$ 25,000
Tools – Meter	\$ 13,500
Rolling Stock	\$ 340,000
Office Equipment	\$ 38,000
Computer Hardware & Software	\$ 170,000

TOTAL CAPITAL BUDGET \$ 8,926,000

3

4 The 2012 Capital budget has been developed using data from the asset management plan. Its  
 5 focus remains unchanged, with a priority placed on maintaining the distribution system. It will  
 6 continue with the following key programs; Recommission Substations, Underground Rebuilds,  
 7 Pole Replacement Program, Motorized ABS Program, and the Rear Lot Rebuild Program. It will  
 8 also show major Capital expenditures for the building of new egress feeders from the new  
 9 Transformer Station located in North/East Burlington scheduled to open in the spring of 2012.  
 10 Also, it will see the start of Burlington Hydro's Field Force Automation project. The Capital  
 11 budget will ensure that Burlington Hydro is able to efficiently deliver reliable electrical energy to  
 12 its customers and to assure that future supply is available to meet Burlington's growing needs.

13

1 **ASSET MANAGEMENT PLAN**

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**1) General:**

Burlington Hydro’s Corporate Mission includes;

- To efficiently deliver reliable electrical energy to our customers in the City of Burlington
- To provide a safe and rewarding work environment for our employees
- To assure that future supply is available to meet Burlington’s growing needs

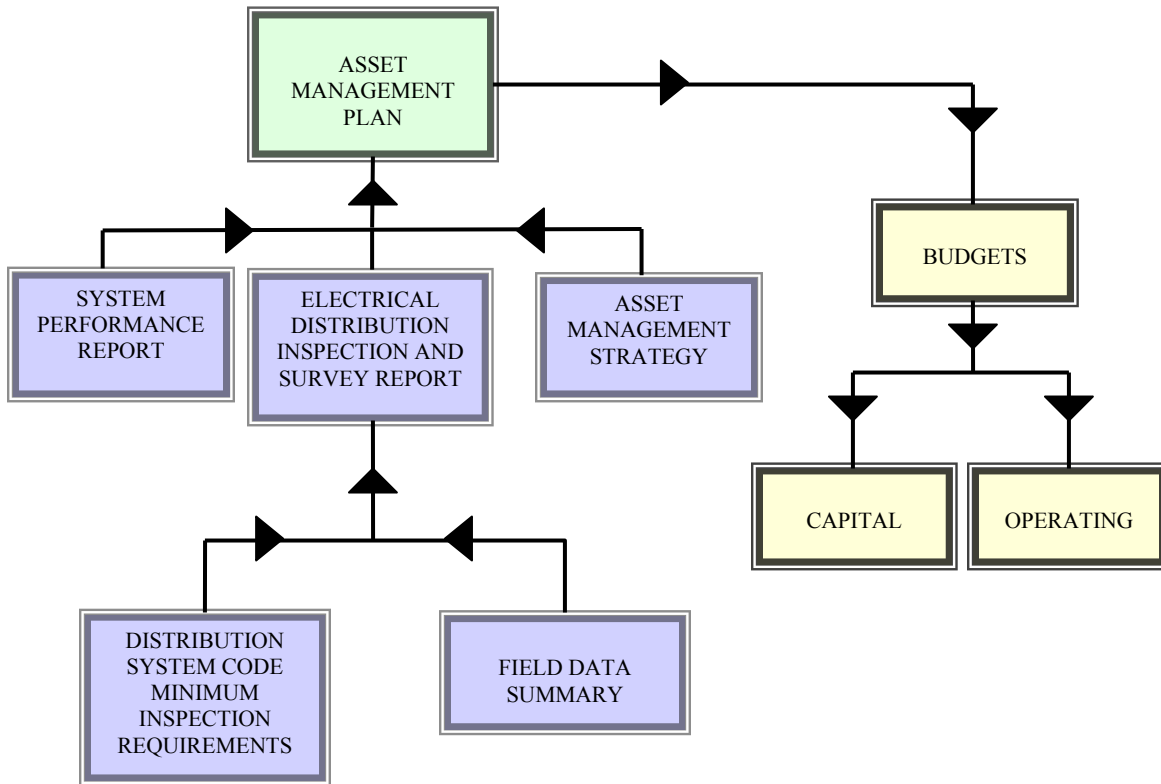
As part of this rate rebasing application Burlington Hydro will demonstrate its approach in managing the business assets, satisfying its customers, and challenging its staff as Burlington Hydro successfully grows, maintains and operates the distribution system.

Historically Burlington Hydro has had a less formal asset management plan relying on the management team to derive capital and operating spending budgets acquired through many years of experience, training, and applying good utility practices. Capital projects were identified and prioritized based on cost and benefit to the distribution system and the customer.

Investigating and leveraging new technologies is a challenge from an employee training, standard approvals, and cost perspective, especially when needed for projects initiated by other parties and commitment to critical deadlines are made. As with any highly technical equipment, reliability and sustainability are an issue. The technology of the equipment is also constantly evolving, thereby requiring continuous updates.

Asset management has become one of the industry’s cornerstones to ensure the distribution system is maintained in accordance with recognized standards and regulatory requirements such as the Distribution System Code (DSC) and the Electrical Safety Association (ESA). Without current data management technology, keeping track of the vast quantity of asset information would be an onerous, if not impossible. Being able to make queries and create reports from a single or collection of data bases is essential in planning short term or long term capital and operating budgets.

The following diagram demonstrates Burlington Hydro’s approach to Asset Management by employing its Asset Management Strategy and current input from its Annual System Performance Report and Electrical Distribution System Inspection and Survey Report. This results in the development of its annual Capital and Operating budgets;



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**System Performance Report:**

Burlington Hydro is proud of its annual System Performance Report assembled with information pertaining to the system performance of the past year with reference to the ten year historical records. The system report includes records and trends from past years to benchmark how continuous system improvement efforts have impacted the system performance to date. Burlington currently enlists the services of an engineering consultant to compile the data recorded in the control room, and put together the performance system report, and include recommendations for future system enhancements and single out system weaknesses. These recommendations may involve standard utility maintenance construction practices or the implementation of innovative technologies available in order to effectively rectify system problems.

The performance system report touches on various aspects of the distribution system such as the substation and feeder performance for each substation and their associated feeders. The performance system report provides reliability statistics and observations by way of Service Reliability Indices. It also provides recommendations for future maintenance programs and capital budget projects focusing on improving system performance and reinforcing the existing infrastructure.



1  
2 The recommendations in the System Performance Report relate to future Maintenance  
3 recommendations and Capital budget priorities. Major items from the 2008 report include;

- 4  
5
  - 6 • Performance of selected 4kV and 13.8kV feeders
  - 7 • Wood pole replacements
  - 8 • PCB Testing and replacement of transformers
  - 9 • Substation feeder reinforcement
  - 10 • Underground cable replacements
  - 11 • 13.8kV Automated switches and communication

### 12 13 **Electrical Distribution System Inspection & Survey Report:**

14  
15 One of Burlington Hydro's major capital expenditure in 2009 is the purchase of a new GIS  
16 (Geographical Information System) for managing all the distribution system assets from an  
17 engineering and design perspective, to tracking maintenance and inspection data collected each  
18 year. To populate the new GIS with accurate information, Burlington Hydro initiated a field asset  
19 audit and inspection program in 2008 and 2009 to collect and catalogue basic information about  
20 each asset in the system and the operating condition of the assets such as poles and transformers.  
21 The asset inspection component is a requirement of the Ontario Energy Board's (OEB)  
22 Distribution System Code, which establishes minimum inspection requirements on distribution  
23 system equipment. The consulting firm overseeing this project provided a summary of the data  
24 collected through an established rating system that prioritizes the various concerns thereby  
25 facilitating the process in planning corrective action by Burlington Hydro construction crews.  
26 The data collection method and the lessons learned from this undertaking has provided  
27 Burlington Hydro the means to continue with confidence the annual inspections and data  
28 collection in the years to follow.

29  
30 The results from the System Inspection and Survey Report, includes recommendations for;

- 31  
32
  - 33 • Additional Inspection and Analysis
  - 34 • Continued Pole Testing
  - 35 • Application of new GIS to utilize location data for asset management

### 36 37 **Asset Management Strategy:**

38  
39 Burlington Hydro has developed an Asset Management Strategy that captures good utility  
40 practices and anticipates using new methods in the future for determining and justifying Capital  
41 and Operating expenditures. Implementation of an asset management plan is an evolution which  
42 will become more robust in future years with experience. The strategy references Burlington  
43 Hydro's System Performance Report, annual inspection programs, predictive and preventative

1 maintenance programs that are used to methodically develop capital budget, operating budgets  
2 and long term forecasts. Data collected through the maintenance and inspection programs is  
3 interpreted by knowledgeable Engineering and Operations staff as part of the process in  
4 developing the capital and operating budgets. New data management technologies used in  
5 capturing, storing and accessing the distribution asset data will require training and additional  
6 resources to oversee its success.

7  
8 The strategy recognizes input from the condition assessments, performance of the distribution  
9 system, and the potential for innovation and new technology. The application of the strategy  
10 leads to input into the development of short and long term Capital and Operating plans.  
11

## 12 13 14 **2) Supporting Evidence of Proposed Capital Expenditures:**

### 15 16 17 **Pole Replacements:**

18  
19 Burlington Hydro's distribution system has 16,661 poles carrying primary and secondary  
20 conductors, switching equipment, transformers, street lighting, and third party attachments.  
21 Maintaining and monitoring the condition of these supporting structures is a critical  
22 consideration in the capital spending programs, public safety and system reliability. Burlington  
23 Hydro historically allocated a portion of its Capital budget towards pole replacements. The  
24 Capital budget has been expanded to include more rear lot pole replacements. The maintenance  
25 of rear lot hydro poles is labour intensive and therefore more expensive, due to the poor  
26 accessibility for vehicles and equipment.  
27

28 Burlington Hydro also targets specific areas deemed critical and large enough in scope to require  
29 a separate pole replacement project. Yearly inspections and the annual pole testing program  
30 provide the justification for these expenditures. The Electrical Distribution System Inspection  
31 and Survey Report completed in 2009, identified specific concerns on pole conditions that  
32 needed to be further analyzed and addressed. These inspections also identified poles requiring  
33 further investigation as part of the annual pole testing program.  
34

35 For the 2010 budgets, this has resulted in a proposed Operating expense of \$35,100.00 for pole  
36 testing and a Capital expenditure of;

- 37  
38
- 39 • \$700,000 Pole Replacement Program In service date November 2010
  - 40 • \$175,000 Rear Lot Rebuild Program In service date November 2010
  - 41 • \$155,000 Guelph Ln Pole Replacement – Uppermiddle to Reservoir  
42 In service date September 2010
  - 43 • \$185,000 Rebuild Crossings (Dundas West of Tremaine)  
In service date May 2010



1 Burlington is an industry leader in the field of distribution system automation, in providing  
2 reliable, cost effective energy to its customers. The focus has been on the 27.6kV distribution  
3 system which has the highest number of supplied customers per feeder and supplies all municipal  
4 substations. The performance improvements realized on the 27.6kV system is seen by all  
5 customers on the feeder and on the distribution feeders that egress from the associated  
6 substation. To maximize the benefit offered by this technology, Burlington Hydro incorporated  
7 the IntelliTeam II software which allows communications between the switches and the  
8 functionality of self-healing feeders, to isolate the faulted section of the feeder while maintaining  
9 power to as many customers as possible.

10  
11 In 2009, Burlington Hydro directed its focus to the 13.8kV distribution system to leverage  
12 technologies similar to the automated switches utilized on the 27.6kV system. The rationale to  
13 employ the IntelliRupter PulseCloser switches was to reduce the number of lockouts on the  
14 feeders and to protect the distribution assets by reducing the number of high fault currents,  
15 which can cause premature failure of equipment. The strategic placement of these switches may  
16 also separate some exposed rural parts of the distribution system from the more densely  
17 populated urban areas, thereby improving overall feeder performance.

18  
19 For the 2010 Capital budget, this has resulted in a proposed expenditure of \$400,000 for the  
20 Motorized ABS Program, with an in service date of August 2010.

### 21 22 23 **Substations and Buildings:**

24  
25 Burlington Hydro has a comprehensive Capital improvement program for its 32 substations (44  
26 station transformers), encompassing the station equipment, associated buildings and properties.  
27 All 32 substations are inspected monthly and a selection of station transformers are tested  
28 annually using dissolved gas analysis. The inspection reports are used to determine Capital  
29 expenditure requirements, including; Relay upgrades, RTU upgrades, Vacuum breaker  
30 conversions and Metalclad equipment refurbishment. Substation re-commissioning is performed  
31 on a 5 year cycle to extend the service life of the equipment. Substation buildings and properties  
32 require maintenance of foundations, roofs, grounding, and fence repairs.

33  
34 For the 2010 Capital budget, this has resulted in a proposed expenditure of;

- 35  
36
- 37 • Upgrade Relays to Solid State, expenditure of \$80,000
    - 38 1. Orchard M.S. In service date; End of June 2010
    - 39 2. Interchange M.S. In service date; End of November 2010
  - 40 • Re-commission Substations, expenditure of \$140,000
    - 41 1. Elgin M.S. In service date; Mid June 2010
    - 42 2. Hampton M.S. In service date; Mid June 2010
    - 43 3. Partridge M.S. In service date; Mid June 2010
    - 44 4. Port Nelson M.S. In service date; Mid November 2010
    - 5. Tyandaga M.S. In service date; Mid November 2010

- 1 • Metalclad equipment refurbishment/paint, expenditure of \$20,000
- 2 • Upgrade RTU's, expenditure of \$60,000
- 3 • Vacuum breaker conversions, expenditure of \$105,000
- 4     1. Palmer M.S.                   In service data; End of May 2010
- 5 • Transducer replacement, expenditure of \$5,000.00   In service date November 2010
- 6 • Control Room Upgrades, expenditure of \$100,000   In service date June 2010
- 7 • Misc. Projects, expenditure of \$7,500                   In service date December 2010

## 10 **Replacement of PCB transformers:**

11  
12 The replacement of PCB transformers is legislated by the Federal Government of Canada, for all  
13 hydro distribution companies. The replacement schedule mandated, as follows:

- 14     ▪ All transformers containing PCB levels greater than 500ppm to be replaced by the end of  
15       2009.
- 16     ▪ Padmount transformers containing PCB levels from 50ppm up to 500ppm to be replaced  
17       by the end of 2014, unless located with 100 metres of a sensitive area, by Federal  
18       definition.
- 19     ▪ All transformers containing PCB levels from 50ppm up to 500ppm located within 100  
20       metres of sensitive areas, by Federal definition, are required to be replaced by the end of  
21       2009.
- 22     ▪ Overhead transformers containing a PCB level greater than 50ppm up to 500 ppm, are  
23       required to be replaced no later than the end of 2014.

24  
25 The vault transformer replacements involve extensive engineering design and labour forces to  
26 complete, accompanied by the occasional added cost for temporary generator supply. Meeting  
27 the compliance deadlines to replace the PCB transformers has impacted the capital budget. Long  
28 term benefits to the public and the utility are safe working environment, minimal restoration  
29 costs in the event of an equipment failure.

30  
31 For the 2010 Capital budget, this has resulted in a proposed expenditure of \$200,000 for PCB  
32 Free Compliance – Transformer Replacement, with an in service date of November 2010.

## 35 **SCADA Upgrades:**

36  
37 Burlington Hydro relies on the functionality and performance of the SCADA (Supervisor  
38 Control and Data Acquisition) system in the Operations Control Centre. Communications  
39 between the control centre and the 32 substations provide monitoring and status updates of  
40 substation and feeder loadings, position of the automated switches, recording of system events,  
41 enable remote operation of breakers and switches, providing hold-offs for system protection  
42 during field construction. Control Room consoles and monitors to display the various system  
43 activities allow the Control Room Operators to assess and respond quickly in emergency

1 situations. The conversion to fibre optic cables was completed to improve data transfer from  
2 distribution system protection equipment.

3  
4 For the 2010 Capital budget, this has resulted in a proposed expenditure of \$100,000 for Control  
5 Room Upgrade, with an in service date of June 2010.

### 6 7 8 **General Service and Capital, Overhead and Underground:**

9  
10 The majority of concerns identified in the Electrical Distribution System Inspection involving  
11 poles, transformers and wire will be repaired under the capital budget. System reinforcement  
12 identified through the Annual System Performance Report and the Asset Management Plan,  
13 required to connect new customers or efficiently deliver reliable electrical energy will be  
14 associated with the Capital budget or the General Service Capital budgets.

15  
16 For the 2010 Capital budget, this has resulted in a proposed expenditure of;

- 17  
18 • \$1,595,000 General Service – Underground  
19 • \$975,000 General Service – Overhead  
20 • \$155,000 Spruce Conductor Upgrade – Hampton Heath to Burloak  
21 In service date October 2010  
22 • \$55,000 Sherwood Forest Park Feeder Tie In service date May 2010  
23 • \$297,000 Mount Forest MS 4kV xing QEW In service date July 2010  
24  
25

### 26 **3) Supporting Evidence of Operating and Maintenance Expenditures:**

27  
28 Burlington Hydro complies with the requirements of the OEB's Distribution System Code for  
29 annual inspections and has expanded its predictive and preventative maintenance programs  
30 within its asset management activities. The System Performance Report also addresses the  
31 application of the following good utility practices.  
32  
33

#### 34 **Tree Trimming:**

35  
36 Tree trimming is a critical element of the overall maintenance program that brings added value to  
37 the performance of the utility. To manage the tree trimming activities in the City of Burlington,  
38 Burlington Hydro has divided the city into three areas. Each year a tree trimming tender is issued  
39 to an approved tree trimming contractor(s).  
40

41 This contract also requires services for unplanned tree trimming due to storms, tree removals  
42 involving customers, and line clearing for Burlington Hydro capital projects.  
43

1 For the 2010 Operating budget, this has resulted in a proposed expenditure of;

- 2
- 3 • Tree Trimming – Annual, expenditure of \$341,421, with an in service date of November
- 4 2010
- 5 • Tree Trimming – Miscellaneous, expenditure of \$107,100
- 6
- 7

### 8 **Infrared Testing:**

9

10 Burlington Hydro's annual thermography of the overhead lines, transformers and stations is

11 utilized in the detection of overheated and potentially failing equipment. The specialized

12 contractor documents concerns and repair priority.

13

14 The concerns and repair priority is presented as follows;

- |    |  |   |
|----|--|---|
| 15 | 1. Beginning of a fault $\Delta T: \leq 5^{\circ}\text{C}$           | Object should be inspected again and          |
| 16 |  | repaired, if necessary, at the next planned   |
| 17 |  | maintenance stop.                             |
| 18 | 2. Typical Overheating $\Delta T: 5^{\circ}$ to $30^{\circ}\text{C}$ | Object should be kept under                   |
| 19 |  | observation and repaired as soon as possible. |
| 20 | 3. Dangerous Overheating $\Delta T: > 30^{\circ}\text{C}$            | Object should be repaired                     |
| 21 |  | immediately.                                  |
| 22 |  |   |

23  $\Delta T =$  Ambient Temperature

24

25

26 For the 2010 Operating budget, this has resulted in a proposed expenditure of \$7,000 for the

27 Infrared Testing program, with an in service date of August 2010.

28

29

### 30 **Insulator Washing:**

31

32 Burlington Hydro's annual insulator washing program targets hydro poles carrying 27.6kV

33 feeders along high traffic volume routes that are a concern due to salt spray. The more

34 susceptible routes, such as along highways, are washed twice in the same year. The qualified

35 contractor performing the washing is also required to complete an inspection report for each pole

36 to indicate any concerns with the pole or of the attached hardware.

37

38 For the 2010 Operating budget, this has resulted in a proposed expenditure of \$44,000 for the

39 Insulator Washing program, with an in service date of March 2010.

40

41

42

### 43 **Switch Cubicle Cleaning:**

1  
2 Burlington Hydro has established a 10 year cycle to clean approximately 20 of the 168 switching  
3 cubicles each year. The CO2 cleaning process allows the equipment to remain energized while  
4 cleaning operations proceed. The specialized contractor provides documents of cleaning by way  
5 of before and after photographs. The contractor also advises Burlington Hydro staff of possible  
6 concerns identified before cleaning.

7  
8 For the 2010 Operating budget, this has resulted in a proposed expenditure of \$25,500 for the  
9 Switch Cubicle Cleaning program, with an in service date of June 2010.

10  
11  
12 **Pole Testing:**

13  
14 A selection of hydro poles are tested annually on a 15 year cycle by a specialized pole testing  
15 company having expertise in non invasive testing methods.. The company provides as a report  
16 stating the pole condition and a relative rating of when the pole should be replaced or its  
17 remaining life expectancy. The performance system report suggests an acceleration of the pole  
18 replacement program to capture a backlog of potentially defective poles.

19  
20 For the 2010 Operating budget, this has resulted in a proposed expenditure of \$35,100 for the  
21 Pole Testing program, with an in service date of August 2010.

22  
23  
24  
25 **General Maintenance of Overhead & Underground Distribution Assets:**

26  
27 Maintenance work performed outside of the specific Operating budget accounts is captured  
28 through the general operating maintenance accounts. This work can be either planned or  
29 unplanned, and may be associated with Capital work under the General Service Capital budgets.

30  
31 The majority of concerns identified in the Electrical Distribution System Inspection and Survey  
32 Report will be repaired under the Operating budgets with the exception of identified pole,  
33 transformer and wire replacements.

34  
35 For the 2010 Operating budget, this has resulted in a proposed expenditure of;

- 36  
37
  - Distribution – Maintenance and Operations, total departmental expenditure of \$4,399,305
  - Stations – Maintenance and Operations, total departmental expenditure of \$1,251,116

38  
39



## **Asset Management Strategy**



***Asset Management  
Strategy  
2009***

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## Appendices

# Burlington Hydro Inc.

## Asset Management Strategy

### 1. Burlington Hydro Overview

Burlington Hydro Inc. (BHI) was originally established in 1945 as the Burlington Public Utilities Commission. The company serves over 62,000 residential and business customers in the City of Burlington. It is committed to engineering and service delivery excellence and is an incorporated entity, owned by its sole shareholder, the City of Burlington. BHI maintains 32 substations and almost 1,600 kilometres of distribution lines throughout the municipality of Burlington. Its reliability statistics and Operation & Maintenance costs indicate that the distribution system is being well managed; recognizing that parts of the system are mature and include older facilities and substations. These facilities are comprised of more components than many newer distribution systems and therefore require more attention to asset management.

### 2. Corporate Mission and Values

#### Mission Statement

- To efficiently deliver reliable electrical energy to our customers in the City of Burlington
- To provide a safe and rewarding work environment for our employees
- To assure that future supply is available to meet Burlington's growing needs
- To provide our shareholder with a superior rate of return.
- To be a community partner

#### Corporate Values

In pursuit of our goals, Burlington Hydro holds certain core values toward its stakeholders and key aspects of its operation.

#### **Burlington Hydro Cares for People**

- We provide a safe, healthy and fulfilling work environment for our employees, with fair remuneration, fair management and opportunities for learning and professional development;
- We value our relationships with our customers and work to win their trust and support;
- We interact with customers, employees, the public, and our business partners with integrity and respect, and at all times act in a responsible and professional manner.

#### **Burlington Hydro Cares for the Community**

- We are good corporate citizens and take pride in making significant contributions to community programs in which we can add value such as fundraising, energy conservation projects, business development activities, school safety programs, clean air initiatives, crime prevention programs, and other community giving such as blood donor clinics;
- We value the communities we serve and the environment in which we operate, managing environmental risks to eliminate or minimize adverse impacts associated with our businesses.

#### **Burlington Hydro Cares about Stewardship**

- We value the long term health and sustainability of Burlington Hydro;

- We will assure availability of a future electricity supply to meet customer needs and growth.

#### **Burlington Hydro Cares about Performance**

- We value a fully integrated business model: we deliver superior products to our customers in a safe and efficient manner, striving for excellence and continuous improvement in all aspects of our business.

#### **Burlington Hydro Cares about Shareholder Value**

- We create sustainable value for our shareholder by understanding and addressing customer needs, focusing on and promoting core business strengths, and pursuing appropriate business opportunities.

### **3. Asset Management Overview**

BHI has established a comprehensive system of inspection and performance reporting procedures to provide for continuous assessments of its distribution business and to achieve consistency with its corporate mission and value statements. These procedures present information to satisfy the reporting requirements of the Ontario Energy Board's (OEB) Distribution System Code (DSC). However, BHI has also developed reporting mechanisms that go beyond these regulatory obligations and are focused on continuous performance improvements to ensure the availability of long term capacity to meet the needs of the growing community, all of which contribute to effective and successful management of the distribution system assets.

BHI regards asset management as the foundation for the performance of its distribution system. Senior management is committed to the process and ensures that sufficient resources are allocated to implement the strategy. This requires an upfront investment in personnel, internal and outsourced, to set up the strategy and the long term resources to complete the annual planning, inspecting, reporting and implementation activities. The quality and consistency of the reporting data is paramount to a successful plan. The responsibility for the continuous management of the strategy is assigned to a Project Engineer in the role of Asset Manager. The Asset Manager's responsibilities primarily involve risk management (Section 5 below), i.e. ensuring that:

- The inspection process is organized with assets identified in reasonable zones and segments.
- Inspections and follow up maintenance is continuously being effectively organized and performed
- Records are accurate and current including those in the GIS
- Condition analysis is completed correctly
- Potential Maintenance and Capital Budget recommendations are captured from the Condition Assessments and the Annual System Performance Report
- The condition of the distribution system, for the short, medium and long term periods, is reviewed to maintain and enhance the reliability of the system in the most cost effective manner

The Asset Manager provides key input to the maintenance budget and capital investment proposals. He/she will also assist in the preparation of the justifications for the budget items.

### **3.1 Performance Initiatives**

Use of an up-to-date SCADA system provides continuous data about the status, performance and loadings of all substations and distribution feeders. Investment in automated switching systems has also contributed significantly to the enhancement of performance that has been reflected in its reliability performance indices.

In the past BHI has developed Master Plans to capture high level overviews of all the significant attributes of Burlington Hydro's distribution system and the practices that contribute to its performance and reliability. It also produces an annual System Performance Report that is a significant driver for recommendations on future expenditures.

#### **Annual System Performance Report**

This report provides an annual critique of the previous year's performance and provides constructive direction on the up-coming priorities for maintenance and capital investments with a strong emphasis on reliability performance improvements.

The following specific attributes are reviewed and addressed within the Annual System Performance Report:

- 1) Substation and feeder performance at 4.16, 13.8 and 27.6 kV primary voltage levels
- 2) Underground distribution
- 3) System demand and critical loading issues
- 4) System maintenance activities and priorities
- 5) Reliability statistics and observations
- 6) Future maintenance recommendations
- 7) Future capital budget recommendations

BHI operates a distribution system comprising high voltage networks at 27.6 kV, 13.8 kV and 4.16 kV. Outage data is monitored and records accumulated on the performance of all feeders at all voltage levels. This data is reviewed continuously and analyzed with attention given to the causes of feeder lock-outs, momentary interruptions and loadings. Any patterns of system failures are analyzed e.g. tree or animal contacts, underground cable failures. This performance analysis contributes to the prioritization of the maintenance activities and capital budgets projects.

### **3.2 Inspections and Assessments**

The DSC clearly reinforces the principles of good utility practice and identifies a systematic approach to distribution system inspection and maintenance. BHI has enhanced these requirements to generate complete Condition Assessments for all of its key facilities. This Condition Assessment process provides for regular monitoring of these facilities and a balance to the performance measures of the distribution system.

## 4. Asset Management Considerations and Priorities

To provide consistency with its corporate mission and values BHI has to manage its assets while recognizing realistic performance goals. Customer expectations for the delivery of safe, reliable electricity at a reasonable price have to be respected. The following considerations are critical to the strategy:

- The strategy should create opportunities for improved efficiencies.
- The activities should demonstrate good stewardship in the long term up-keep of the distribution system.
- Service delivery should be safe, fair and consistent within all customer groups.
- The performance measures should demonstrate progress towards and/or achievement of the goals within reasonable budget considerations.
- Maintenance plans should be consistent with good utility practice but capture specific items from the annual assessments and performance report.
- Capital investment plans should justify proposed expenditures and be flexible to respond to new priorities and extended life expectancies.
- Annual reviews of the strategies and asset management processes.

## 5. Risk Management

Risk management is a fundamental activity in any business and in the electrical distribution industry it requires a systematic approach to assess the following attributes of each asset:

- Condition
- Risk exposure
- Age and life expectancy
- Location
- Operational data, and
- Maintenance

BHI developed a detailed process to consistently record and track the attributes of its major system assets. The baseline for the condition of these assets was addressed in a comprehensive 2008/9 assessment of all components in the summary categories of Overhead Lines, Underground Lines and Stations. The data from these assessments was used to complete condition analyses, and to take into account the performance considerations from the 2007 System Performance Report. This forms the basis for maintenance and capital investment recommendations. The continuous collection and upkeep of this data capitalizes on the inspection activities required by the DSC plus the maintenance activities of its field crews and specialized contractors. This upkeep, plus the results of any capital improvements, is critical to maintaining accurate and current records of the assets.

Details of the Condition Assessment processes and the associated forms are included in the Appendices. The framework for the assessments and the performance of the distribution system are contained within the following activities.

### 5.1 Condition Assessment and Analysis

For ease of administration BHI has established a grid of 316 geographic areas within the city. To further perform and manage the Condition Assessments these grids are divided into 4 sub-grids that reflect more manageable quantities of assets within each grid. The grids and sub-grids were identified by the Asset Manager and recorded within the GIS system, for ease of retrieval by inspectors. The grids are identified on the Inspection Grids map in Appendix A.

The overhead and underground Condition Assessments were prepared for each sub-grid, using the appropriate Overhead and Underground Work Packages. Typical forms are shown in Appendices B and C. Any Concern items are defined and categorized as follows:

1. Immediate Attention
2. Immediate Analysis
3. Priority Schedule (Planned)
4. Normal Schedule (Planned)

The completed Work Packages are the foundation for the Condition Assessments and represent the 2008 baseline data.

Handheld field units (Trimble XT) were used to collect the data for the Overhead and Underground Work Packages and the information is populated within an Access database, allowing for efficient summary of all concern items within each sub-grid. This database will ultimately be interfaced to the new GIS system later in 2009.

Once a solid assessment of the distribution system conditions had been established from the baseline data the upkeep of this data becomes critical as concern reports are addressed either by maintenance activities or capital investments.

The Asset Manager will use the most appropriate mechanism to control the maintenance of this data preferably by interfaces to the GIS and/or the CIS.

The Condition Assessments for all substations will be made using the Stations Work Package (Appendix D). As there are only 32 substations within the BHI system this data is currently collected and maintained using existing hard copy forms. The Asset Manager reviews the assessments to identify any issues requiring immediate attention or consideration within the budget recommendations.

The Minimum Inspection Requirements of the DSC have to be addressed and reported annually. The Asset Manager will ensure that these inspection cycles are coordinated with the condition assessments to minimize duplication of effort and maximize the efficiency of the process. He/she should also ensure that any changes to the condition of the components, in a sub-grid, due to inspection, maintenance and/or capital investments are updated within the database to ensure the records are kept current. Periodic audits of condition assessments will be made by the Asset Manager to ensure that consistent, accurate records are maintained.

## **5.2 Performance Considerations**

BHI's annual System Performance Report provides detailed information on the performance of its substations and distribution feeders at all primary voltage levels. It analyses the worst performing feeders and provides commentary and recommendations for improvements.

The feeder performance details include the history of Auto-Reclosures and Lock-Outs for all feeders, for the last 10 years. The commentaries note all feeders experiencing 5 or more Auto-Reclosures or 2 or more Lock-Outs, during the last year, and summarize the causes of the performance issues. Substation capacities and loadings are reviewed to identify any weaknesses in the system capabilities for station and feeder back-ups. Maintenance activities and priorities are also reviewed, in detail, to confirm consistency with the budgetary plans and identify issues requiring renewed or accelerated attention. Reliability statistics (SAIDI, SAIFI, CAIDI and SAARI) are tracked over the last 10 years and provide a perspective on the longer term trends for the performance of the distribution system.



Another significant characteristic is the number of customers supplied by each feeder. These are identified in the report and are also taken into account in budget recommendations.

### **5.3 Innovation and New Technology**

Duration of outage times has not been a particularly serious concern at BHI. The SAIDI indicator has continually improved and long duration outages greater than 2 hours are fairly uncommon. This is due to the nature of the mainly urban design of the distribution system with inherent back-up feeders in place. Any long duration outages are likely to result from circumstances beyond the control of BHI for example loss of supply from Hydro One, extreme weather, vehicle accidents.

However, BHI places a high priority on continuous improvements and the application of new technology within its distribution system, as demonstrated by the 2008 Award for Engineering Project of the Year (Electrical Engineering) for its Automated High-Voltage Switching Project. This was presented by the Ontario Society of Professional Engineers and the Hamilton Engineering Institute.

BHI has introduced a new GridSmartCity™ initiative to transform its electricity distribution system into a true Smart Grid. New opportunities to apply “Smart Grid” technologies to enhance service reliability are being researched and evaluated as pilot projects to improve the performance of individual feeders. An example of applying new metering technology to feeder and transformer monitoring is capitalizing on the data from Smart Meters to detect and minimize losses.

BHI expects to make continued investments in these “Smart Grid” technologies, building on the knowledge and experience gained from its pilot projects. This innovation will be reflected in significant future capital budget expenditures identified specifically as Smart Grid/New Technology applications.

### **5.4 Risk Analysis and Recommendations**

The annual System Performance Report includes monitoring and commentary on reliability indices (SAIDI, CAIDI, SAIFI, SAARI) with recommendations on maintenance and capital expenditures based on the performance of the individual feeders. These performance considerations have to be rationalized with the results of the Condition Assessment and the potential for Smart Grid/New Technology applications to arrive at maintenance and Capital Budget recommendations that represent the best value to BHI and its customers. The recommendations also have to reflect the potential timeframes resulting from the Condition Assessment and require experienced judgment. The Asset Manager will consult with the appropriate engineering and operations personnel to arrive at consensus for these recommendations.

## **6. Maintenance Plan**

BHI has an annual maintenance plan that is consistent with good utility practices and is prepared annually. The following items are included within this plan:

- **Wood pole testing and replacement**
- **Insulator Washing**
- **Infrared Thermography of the Overhead system and Municipal Substations**
- **Cleaning of Switching Cubicles (Dry-ice cleaning)**

- **PCB Testing and Replacement of Distribution Transformers**
- **Tree Trimming**
- **Vault Inspection and Cleaning**

These activities are organized geographically and are coordinated with the Minimum Inspection Requirements of the DSC. Any maintenance recommendations resulting from the poor performance of particular feeders that are required within a one year period are addressed within this plan and documented on the O & M Budget Request Form (Appendix E). As noted in section 5.1, the Asset Manager captures any changes to the condition of the components, due to maintenance, and updates them within the database to ensure the records are kept current.

## **7. Capital Investment Plan**

The Capital Investment Plan serves as a primary input for the future year's capital budget and also as the placeholder for the longer term projects recommended from the Condition Assessment. It is reviewed and updated annually to reflect the latest performance priorities of the distribution system.

### **Short Term**

Any capital investment recommendations resulting from the performance analysis of particular feeders, the Condition Assessment and any applicable new technology solutions, that are required within a one year period, are considered annually within this plan. These are prepared, by the Asset Manager and are documented on the Capital Budget Request form (Appendix F) and forwarded to the Director, Engineering and the Director, Operations.

### **Long Term**

The longer term recommendations resulting from the performance analysis of particular feeders, the Condition Assessment and any applicable new technology solutions are captured and summarized in a 10 year forecast. Potential timeframes and budgetary estimates for individual projects are documented on the Capital Budget Request form (Appendix F) and subjected to annual review and prioritization.

This plan is updated and refined annually to capture the progress in maintaining and upgrading of the distribution system and any significant changes in the performance of the distribution system.

## **8. Performance Indicators**

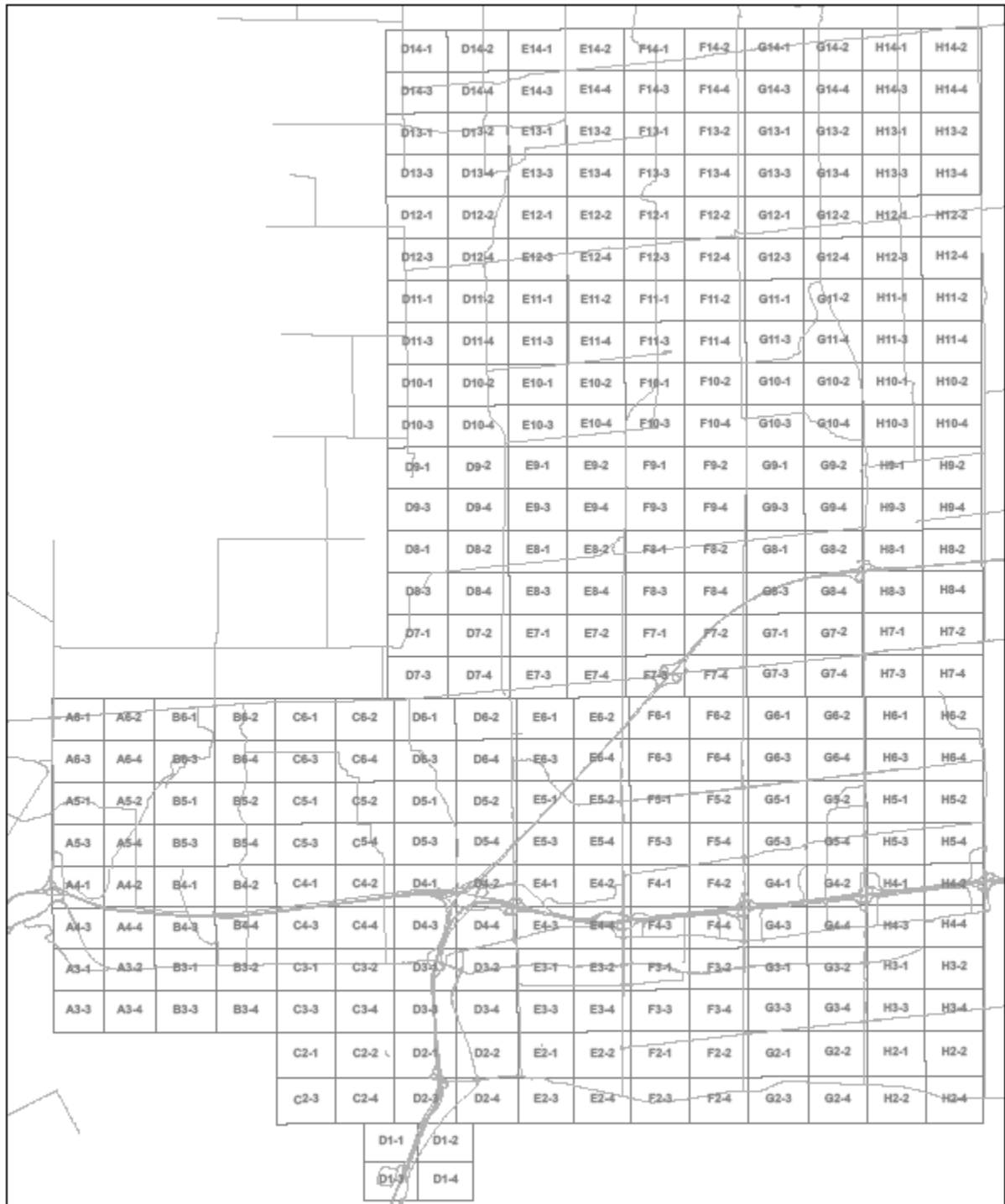
Performance reviews of all staff are carried out annually; management staff appraisals contain an emphasis on performance with a management incentive plan that is related to corporate and individual performance measures.


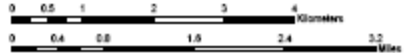

The corporate achievements are measured against a Balanced Scorecard with the following objective categories:

- Financial
- Customer Service/Stakeholder
- Internal Processes and
- Learning and Growth

Management personnel involved in asset management activities have individual performance measures that include those related to safety and reliability. The reliability measure is benchmarked against the 3 year average of the reported reliability indices. Through this mechanism the ultimate performance and success of the asset management strategy is reflected in the compensation of the key management personnel.

## **APPENDIX A**



 <p>BHL Bovington Mocha Inc.</p>	<h3>Inspection Grids</h3>		
---	---------------------------	--	---

## **APPENDIX B**



Overhead Concern Report		
Grid ID: - -	POLE I.D.#	REPORT #
ADDRESS:		CLOSEST INTERSECTION:

POLES		TRANSFORMERS	
Broken/Rotten	<input type="checkbox"/>	Oil Leaks	<input type="checkbox"/>
Leaning	<input type="checkbox"/>	Below Secondary	<input type="checkbox"/>
Condition (Damaged)	<input type="checkbox"/>	Cracked Bushings	<input type="checkbox"/>
Finished Grade	<input type="checkbox"/>	Arrestors	<input type="checkbox"/>
Crossarms/Brackets	<input type="checkbox"/>	Brackets	<input type="checkbox"/>
Insulators/Brackets	<input type="checkbox"/>	Cut-Outs	<input type="checkbox"/>
Pins	<input type="checkbox"/>	Cluster-Mount (3ph)	<input type="checkbox"/>
Loose Hardware	<input type="checkbox"/>	Reclosures	<input type="checkbox"/>
Grounding	<input type="checkbox"/>	Rust	<input type="checkbox"/>
Southern Yellow Pine	<input type="checkbox"/>	PCB	<input type="checkbox"/>
RISER POLES		PRIMARY CONDUCTOR	
Terminators	<input type="checkbox"/>	Sag	<input type="checkbox"/>
Cables/Guards	<input type="checkbox"/>	Clearance	<input type="checkbox"/>
Grounding	<input type="checkbox"/>	Size - #4 Cu	<input type="checkbox"/>
Brackets	<input type="checkbox"/>	Size - #6 Cu	<input type="checkbox"/>
Cut-Outs	<input type="checkbox"/>	Broken Strands	<input type="checkbox"/>
ANCHORS		GENERAL	
Tension	<input type="checkbox"/>	Public Safety	<input type="checkbox"/>
Guy Guard	<input type="checkbox"/>	Worker Safety	<input type="checkbox"/>
Rod Condition	<input type="checkbox"/>	Trees	<input type="checkbox"/>
Guy Breaker	<input type="checkbox"/>	Environmental Hazards	<input type="checkbox"/>
SWITCHES		SECONDARY CONDUCTOR	
Connections	<input type="checkbox"/>	Open Wire	<input type="checkbox"/>
Alignment	<input type="checkbox"/>	Triplex	<input type="checkbox"/>
Insulators	<input type="checkbox"/>	Sag/Clearance	<input type="checkbox"/>
Grounding	<input type="checkbox"/>	SERVICE WIRE	
Locks	<input type="checkbox"/>	Open Wire	<input type="checkbox"/>
Designation	<input type="checkbox"/>	Triplex	<input type="checkbox"/>
Porcelain Underslung	<input type="checkbox"/>	Sag/Clearance	<input type="checkbox"/>
OTHER	<input type="checkbox"/>		

Inspected By (Print): _____	Signature: _____
Date Inspected (mm/dd/yyyy): _____	
<i>For Engineering Purposes Only:</i>	
Entered By (Print): _____	Signature: _____
Date Entered (mm/dd/yyyy): _____	



## OVERHEAD WORK PACKAGE

 <b>IMPORTANT</b>	<b>1.</b> Refer to Risk Assessment Document XX: 'Overhead Pole Line Inspection' for detailed instructions for completing this form
----------------------	--

**1. GENERAL**

GRID ID: _____	Total No. of Poles: <u>  0  </u>	Applicable Feeders: _____
----------------	----------------------------------	---------------------------

**2. INSPECTION**

**2.1 Condition Summary**

<u>General</u>	Num. of Concerns	Rating Category	<u>Riser Poles</u>	Num. of Concerns	Rating Category	<u>Transformers</u>	Num. of Concerns	Rating Category
Public Safety	0	1	Terminators	0	2	Oil Leaks	0	1
Worker Safety	0	2	Cables/Guards	0	3	Below Sec.	0	4
Trees	0	3	Brackets	0	2	Bushings	0	2
Env. Hazards	0	1	Grounding	0	1	Arrestors	0	2
<u>Poles</u>			Cut-Outs	0	2	Brackets	0	2
Broken/Rotten	0	2	<u>Primary</u>			Cut-Outs	0	2
Leaning	0	4	Sag/Clearance	0	2	Cluster Mounts	0	2
Damaged	0	2	Size - # 4 Cu	0	4	Reclosers	0	2
Finished Grade	0	4	Size - # 6 Cu	0	4	Rust	0	4
Crossarms	0	2	Broken Strands	0	1	PCB's	0	N/A
Insulators	0	4	<u>Secondary</u>			<u>Switches</u>		
Pins	0	4	Triplex	0	4	Connections	0	1
Loose Hardware	0	4	Open Wire	0	4	Alignment	0	4
Grounding	0	1	Sag/Clearance	0	2	Insulators	0	4
Yellow Pine	0	4	<u>Services</u>			Grounding	0	1
<u>Anchors</u>			Triplex	0	4	Locks	0	1
Tension	0	3	Open Wire	0	4	Designation	0	2
Guy Guard	0	2	Sag/Clearance	0	2	Underslung	0	4
Rod Condition	0	3				<u>Comments</u>		2
Guy Breaker	0	1						

TOTAL NUMBER OF CONCERN ITEMS:   0  

Concern Summary:    1.     2.     3.     4.

Immediate Attention      Immediate Analysis      Priority Schedule (Planned)      Normal Schedule (Planned)

**2.2 Reports Summary**

Total Items Inspected:	<u>  0  </u>	Concern Reports Attached: <input type="checkbox"/>
Total Concern Reports:	<u>  0  </u>	

Inspected By (Print): _____	NBM Engineering	Signature: _____
Date Inspected (mm/dd/yyyy): _____		





## Pole Inspection Report

Map Grid Pole Number Inspected Pole Concern 1 Pole Concern 2 Pole Concern 3 Pole Concern 4 Anchor Concern 1 Anchor Concern 2 Anchor Concern 3 General Concern

Pole Inspection Report: Page \_\_\_\_ of \_\_\_\_

INSPECTED BY: NBM Inc.

SIGNATURE: \_\_\_\_\_

DATE INSPECTED (mm/dd/yy): \_\_\_\_\_





## OVERHEAD WORK PACKAGE SUMMARY

Map Grid:	# of Poles:	General:	Poles:	Anchors:	Riser Poles:	Primary:	Secondary:	Services:	Transformers	Switches:	Total Concerns:
A3-1	122	0	0	0	0	0	0	0	0	0	0
A3-2	94	0	0	0	0	0	0	0	0	0	0
A3-3	0	0	0	0	0	0	0	0	0	0	0
A3-4	34	0	0	0	0	0	0	0	0	0	0
A4-1	162	0	0	0	0	0	0	0	0	0	0
A4-2	208	0	0	0	0	0	0	0	0	0	0
A4-3	132	0	0	0	0	0	0	0	0	0	0
A4-4	0	0	0	0	0	0	0	0	0	0	0
A5-1	70	0	0	0	0	0	0	0	0	0	0
A5-2	88	0	0	0	0	0	0	0	0	0	0
A5-3	18	0	0	0	0	0	0	0	0	0	0
A5-4	18	0	0	0	0	0	0	0	0	0	0
A6-1	0	0	0	0	0	0	0	0	0	0	0
A6-2	0	0	0	0	0	0	0	0	0	0	0
A6-3	0	0	0	0	0	0	0	0	0	0	0
A6-4	4	0	0	0	0	0	0	0	0	0	0
B3-1	0	0	0	0	0	0	0	0	0	0	0
B3-2	89	0	0	0	0	0	0	0	0	0	0
B3-3	73	0	0	0	0	0	0	0	0	0	0



**OVERHEAD**  
**AGE-BASED RISK ASSESSMENT**



**1. Inspection-Based Risk Assessment (Poles - Broken/Rotten, Leaning, or Damaged):**

Map Grid ID: \_\_\_\_\_

Total No. of Poles Surveyed in Grid: 0

Total No. of Poles Requiring Immediate Action: 0

**2. Age-Based Risk Assessment:**

Range	Value
< 5 years	1
5 - 9 years	2
10 - 19 years	3
20 - 29 years	4
> 30 years	5
<b>Age Risk Rating</b>	

Age Risk Rating	1	2	3	4	5
Pole Testing Timeframe	(10+ years)	(8-9 years)	(4-7 years)	(2-3 years)	(<1 year)
Quantity of Poles	0	0	0	0	0

Performed By (Print): _____	Asset Manager	Signature: _____	Date (mm/dd/yyyy): _____
-----------------------------	---------------	------------------	--------------------------

## **APPENDIX C**



## Underground Concern Report

Grid Identification:	Equipment I.D.#:	REPORT #:
EQUIPMENT:	Submersible TX:	Switching Cubicle:
ADDRESS:	CLOSEST INTERSECTION:	

COMMON CONCERNS		SUBMERSIBLE TRANSFORMERS	
Paint	<input type="checkbox"/>	Elbows	<input type="checkbox"/>
Rust	<input type="checkbox"/>	Vault Condition	<input type="checkbox"/>
Locks	<input type="checkbox"/>	Steel Cover	<input type="checkbox"/>
Pentahead Bolts	<input type="checkbox"/>	Oil Leaks	<input type="checkbox"/>
Nomenclature	<input type="checkbox"/>	<b>SWITCHING CUBICLES</b>	
Physical Damage	<input type="checkbox"/>	K-Bar Dead Front Elbow	<input type="checkbox"/>
Animal Intrusion	<input type="checkbox"/>	SC (PMH) Live Front	<input type="checkbox"/>
Plant Interference	<input type="checkbox"/>	Vista	<input type="checkbox"/>
Switching Access	<input type="checkbox"/>	Switching Access	<input type="checkbox"/>
Grounding	<input type="checkbox"/>	Danger Signage	<input type="checkbox"/>
Doors Do Not Open	<input type="checkbox"/>	<b>GENERAL CONCERNS</b>	
<b>PAD-MOUNT TRANSFORMERS</b>		Public Safety	<input type="checkbox"/>
Elbows	<input type="checkbox"/>	Worker Safety	<input type="checkbox"/>
Concrete Pad	<input type="checkbox"/>	# Primary Cable Faults	
Grade Concerns	<input type="checkbox"/>	(Each fault is one concern item)	
Bollards	<input type="checkbox"/>	<b>MANHOLES/CUSTOMER VAULTS</b>	
Danger Signs	<input type="checkbox"/>	Accessibility	<input type="checkbox"/>
Oil Leaks	<input type="checkbox"/>	Vault Condition	<input type="checkbox"/>

<b>OTHER</b>	<input type="checkbox"/>
<hr/> <hr/> <hr/>	

Inspected By (Print):	NBM Engineering	Signature: _____
Date Inspected (mm/dd/yyyy):	_____	

*For Engineering Purposes Only:*

Entered By (Print):	_____	Signature: _____
Date Entered (mm/dd/yyyy):	_____	



## UNDERGROUND WORK PACKAGE

 <b>IMPORTANT</b>	<ol style="list-style-type: none"> <li>1. Refer to Risk Assessment Document XX: 'Underground Line Inspection' for detailed instructions for completing this form.</li> <li>2. A GIS map with minimum data as outlined in Document XX must be submitted with this for</li> </ol>
----------------------	---

### 1. GENERAL

GRID ID: _____	Subdivision: _____	Applicable Feeders: _____
----------------	--------------------	---------------------------

### 2. INSPECTION

#### 2.1 Condition Summary

Common Concerns [Transformers (1ph, 3ph, Sub and Switching Cubicles)]	# CR Items	Rating Category	Submersible Transformers	# CR Items	Rating Category
Paint	0	4	Elbows	0	1
Rust	0	2	Vault Condition	0	2
Locks	0	1	Steel Cover	0	2
Pentahead Bolts	0	1	Oil Leaks	0	1
Nomenclature	0	3	<b>Switching Cubicles</b>		
Physical Damage	0	2	K-Bar dead-front elbow	0	1
Animal Intrusion	0	2	S. C (PMH) live-front	0	1
Plant Interference	0	3	Vista	0	N/A
Switching Access	0	3	Switching Access	0	3
Grounding	0	1	Danger Signage	0	3
Doors Do Not Open	0	1	<b>General</b>		
<b>Pad-Mount Transformers</b>					
Elbows	0	1	Public Safety	0	1
Concrete Pad	0	4	Worker Safety	0	2
Grade Concerns	0	4	Cable Faults	0	1
Bollards	0	4	<b>Other</b>		
Danger Signage	0	3			2
Oil Leaks	0	1			
<b>TOTAL NUMBER OF CONCERN ITEMS:</b>					<b>0</b>

Concern Summary:    1.     2.     3.     4.

Immediate Attention      Immediate Analysis      Priority Schedule (Planned)      Normal Schedule (Planned)

#### 2.2 Reports Summary

Total Concern Reports: _____	Concern Reports Attached: <input type="checkbox"/>
Total Trouble Reports: _____	Trouble Reports Attached: <input type="checkbox"/>
Inspected By (Print): _____ NBM Engineering      Signature: _____ Date Inspected (mm/dd/yyyy): _____	



## Underground Inspection Report

Map Grid:	Equipment ID:	Description:	Concern:

Pole Inspection Report: Page ___ of ___		
INSPECTED BY: NBM Inc.	SIGNATURE: _____	DATE INSPECTED (mm/dd/yy): _____








## **APPENDIX D**

## STATIONS WORK PACKAGE

 <b>IMPORTANT</b>	1. Refer to Risk Assessment Document XX: 'Stations Inspection' for detailed instructions for completing this form
---	---

### 1. GENERAL

<b>Station Name:</b> _____ <b>Address:</b> _____	<b>Year Built:</b> _____ <b>Applicable Feeders:</b> _____	
<b>Transformer</b>	<b>Secondary Voltage</b>	<b>Age (Years)</b>
T1		
T2		

### 2. INSPECTION

#### 2.1 Condition Summary

<u>General</u>	# CR Items	# TR Items	<u>Other Station Items</u>	# CR Items	# TR Items	<u>Building</u>	# CR Items	# TR Items
Public Safety			Housekeeping			Grounding		
Worker Safety			Spare Equipment			Bonding		
Trees			<u>Animals</u>			Trip Hazards		
Oil Leaks			Potential Concerns			WaterDamage Potential		
<u>Fencing</u>			<u>Yard</u>			Slippery Floor		
Grounding			Switch/Ground Mat			Security		
Bonding			Gravel			Windows		
Rust			Lighting			Doors		
Leaning			Trip Hazards			Roof		
Openings			Trench/Duct/Conduit			Stairs		
Gates			<u>Watercourses</u>			<u>Equipment</u>		
Vegetation Growth			Environmental Hazards			Switchgear		
Unauthorized Attachments			<u>Electrical - Structures</u>			Control Equipment (RTUs, fire, security)		
Foundations			Grounding			Metering- SCADA		
Danger Signage			Paint			AC/DC supplies (batteries)		
<u>Electrical – Metal Clad</u>			Rust			P & C Systems		
Grounding			Arrestors			<u>Cable concerns</u>		
Paint			Switches			Guarding/Grounding		
Rust			Insulators			Leaking Potheads		
Foundations			Connections			Cable Support		
<u>Encroachments</u>			Alignment			Termination		
Trees			Foundation			Cable Condition		
Neighbouring Structures			Locks			<u>Other</u>		
			Nomenclature					



**Power Transformers**

<b>Transformer</b>	<b>Secondary Voltage</b>	<b>Age (Years)</b>
<b>T1</b>		
<b>T2</b>		

<b>Items</b>	<b>Tx 1</b>		<b>Tx 2</b>		<b>Items</b>	<b>Tx 1</b>		<b>Tx 2</b>	
	<b>#CR</b>	<b>#TR</b>	<b>#CR</b>	<b>#TR</b>		<b>#CR</b>	<b>#TR</b>	<b>#CR</b>	<b>#TR</b>
Oil Leakage/ Sweating					Temperature Gauges				
Containment					Tap Changers				
Grounding					Oil Test Results				
Cracked Bushings					Other				

**TOTAL NUMBER OF CONCERN ITEMS:** \_\_\_\_\_

**Comments:**

---



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---



---



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**2.2 Reports Summary**

<b>Total Inspected:</b> _____	<b>Concern Reports Attached:</b> <input type="checkbox"/>
<b>Total Concern Reports:</b> _____	<b>Trouble Reports Attached:</b> <input type="checkbox"/>
<b>Total Trouble Reports:</b> _____	

<b>Inspected By (Print):</b> _____	<b>Signature:</b> _____
<b>Date Inspected (mm/dd/yyyy):</b> _____	

## Stations Inspection Report

STATION	INSPECTED	CONCERN	TROUBLE	STATION	INSPECTED	CONCERN	TROUBLE	STATION	INSPECTED	CONCERN	TROUBLE
_____	<input type="checkbox"/>			_____	<input type="checkbox"/>			_____	<input type="checkbox"/>		
_____	<input type="checkbox"/>			_____	<input type="checkbox"/>			_____	<input type="checkbox"/>		
_____	<input type="checkbox"/>			_____	<input type="checkbox"/>			_____	<input type="checkbox"/>		
_____	<input type="checkbox"/>			_____	<input type="checkbox"/>			_____	<input type="checkbox"/>		
_____	<input type="checkbox"/>			_____	<input type="checkbox"/>			_____	<input type="checkbox"/>		
_____	<input type="checkbox"/>			_____	<input type="checkbox"/>			_____	<input type="checkbox"/>		
_____	<input type="checkbox"/>			_____	<input type="checkbox"/>			_____	<input type="checkbox"/>		
_____	<input type="checkbox"/>			_____	<input type="checkbox"/>			_____	<input type="checkbox"/>		
_____	<input type="checkbox"/>			_____	<input type="checkbox"/>			_____	<input type="checkbox"/>		
_____	<input type="checkbox"/>			_____	<input type="checkbox"/>			_____	<input type="checkbox"/>		
_____	<input type="checkbox"/>			_____	<input type="checkbox"/>			_____	<input type="checkbox"/>		
_____	<input type="checkbox"/>			_____	<input type="checkbox"/>			_____	<input type="checkbox"/>		
_____	<input type="checkbox"/>			_____	<input type="checkbox"/>			_____	<input type="checkbox"/>		
_____	<input type="checkbox"/>			_____	<input type="checkbox"/>			_____	<input type="checkbox"/>		

Stations Inspection Report: Page ____ of ____											
INSPECTED BY: _____				SIGNATURE: _____				DATE INSPECTED (mm/dd/yy): _____			

<b>Station Concern Report</b>		
<b>STATION NAME:</b> _____	<b>YEAR BUILT:</b> _____	<b>REPORT #</b> _____
<b>ADDRESS:</b> _____		<b>APPLICABLE FEEDERS:</b> _____

<b>GENERAL</b>		<b>ELECTRICAL- METAL CLAD</b>		<b>EQUIPMENT</b>	
Public Safety	<input type="checkbox"/>	Grounding	<input type="checkbox"/>	Switchgear	<input type="checkbox"/>
Worker Safety	<input type="checkbox"/>	Paint	<input type="checkbox"/>	Control (RTUs, Fire, Security)	<input type="checkbox"/>
Trees	<input type="checkbox"/>	Rust	<input type="checkbox"/>	Metering – SCADA	<input type="checkbox"/>
Oil Leaks	<input type="checkbox"/>	Foundations	<input type="checkbox"/>	AC/DC Supplies (Batteries)	<input type="checkbox"/>
<b>FENCING</b>		<b>ELECTRICAL STRUCTURES</b>		P & C Systems <input type="checkbox"/>	
Grounding	<input type="checkbox"/>	Grounding	<input type="checkbox"/>	<b>CABLE CONCERNS</b>	
Bonding	<input type="checkbox"/>	Paint	<input type="checkbox"/>	Guarding/Grounding	<input type="checkbox"/>
Rust	<input type="checkbox"/>	Rust	<input type="checkbox"/>	Leaking Potheads	<input type="checkbox"/>
Leaning	<input type="checkbox"/>	Arrestors	<input type="checkbox"/>	Cable Support	<input type="checkbox"/>
Openings	<input type="checkbox"/>	Switches	<input type="checkbox"/>	Termination	<input type="checkbox"/>
Gates	<input type="checkbox"/>	Insulators	<input type="checkbox"/>	Cable Condition	<input type="checkbox"/>
Vegetation Growth	<input type="checkbox"/>	Connections	<input type="checkbox"/>	<b>ENCROACHMENTS</b>	
Unauthorized Attachments	<input type="checkbox"/>	Alignment	<input type="checkbox"/>	Trees	<input type="checkbox"/>
Foundations	<input type="checkbox"/>	Foundation	<input type="checkbox"/>	Neighbouring Structures	<input type="checkbox"/>
Danger Signage	<input type="checkbox"/>	Locks	<input type="checkbox"/>	<b>ANIMALS</b>	
<b>BUILDING</b>		Nomenclature	<input type="checkbox"/>	Potential Concerns	<input type="checkbox"/>
Grounding	<input type="checkbox"/>	<b>YARD</b>		<b>WATERCOURSES</b>	
Bonding	<input type="checkbox"/>	Switch/Ground Mat	<input type="checkbox"/>	Environmental Hazards	
Trip Hazards	<input type="checkbox"/>	Gravel	<input type="checkbox"/>	<b>POWER TRANSFORMERS</b>	
Water Damage Potential	<input type="checkbox"/>	Lighting	<input type="checkbox"/>	Oil Leakage/Sweating	<input type="checkbox"/> T1 <input type="checkbox"/> T2
Slippery Floor	<input type="checkbox"/>	Trip Hazards	<input type="checkbox"/>	Containment	<input type="checkbox"/> T1 <input type="checkbox"/> T2
Security	<input type="checkbox"/>	Trench/Duct/Conduit	<input type="checkbox"/>	Grounding	<input type="checkbox"/> T1 <input type="checkbox"/> T2
Windows	<input type="checkbox"/>	<b>OTHER STATION ITEMS</b>		Cracked Bushings	<input type="checkbox"/> T1 <input type="checkbox"/> T2
Doors	<input type="checkbox"/>	Housekeeping	<input type="checkbox"/>	Temperature Gauges	<input type="checkbox"/> T1 <input type="checkbox"/> T2
Roof	<input type="checkbox"/>	Spare Equipment	<input type="checkbox"/>	Tap Changers	<input type="checkbox"/> T1 <input type="checkbox"/> T2
Stairs	<input type="checkbox"/>			Oil Test Results	<input type="checkbox"/> T1 <input type="checkbox"/> T2
				Other	<input type="checkbox"/> T1 <input type="checkbox"/> T2

<b>OTHER</b>	<input type="checkbox"/>
_____	
_____	
_____	

<b>Inspected By (Print):</b> _____	<b>Signature:</b> _____
<b>Date Inspected (mm/dd/yyyy):</b> _____	

*For Engineering Purposes Only:*

<b>Entered By (Print):</b> _____	<b>Signature:</b> _____
<b>Date Entered (mm/dd/yyyy):</b> _____	

## **APPENDIX E**



**O&M Budget Request**

OEB Account #: \_\_\_\_\_

(completed by accounting)

(One sheet must accompany each account in budget requests. Complete all shaded areas.)

Department: \_\_\_\_\_

Account Number: \_\_\_\_\_

Line Description: \_\_\_\_\_

Form Completed By: \_\_\_\_\_

DESCRIPTION OF EXPENSES
include description of expenses in this account, providing as much detail as possible (attach additional support if necessary)

**2009 DETAILS**

**2010 DETAILS**

2009 ANNUAL COST ESTIMATE
must match total submitted to accounting
\$ _____

2010 ANNUAL COST ESTIMATE
must match total submitted to accounting
\$ _____ -

BASIS FOR 2009 COST ESTIMATE
include written description of how cost was determined
<input type="checkbox"/> Check for previous year plus standard inflation rate

BASIS FOR 2010 COST ESTIMATE
include written description of how cost was determined
<input type="checkbox"/> Check for previous year plus standard inflation rate

DETAILED 2009 COST ESTIMATE
include numerical support of budget estimate, including all assumptions (attache additional support if necessary)

DETAILED 2010 COST ESTIMATE
include numerical support of budget estimate, including all assumptions (attache additional support if necessary)

## **APPENDIX F**

**Capital Budget Request**

(This sheet must accompany all capital spending requests. Complete all shaded areas.)

**Capital Budget #:**

*(completed by accounting)*

**OEB Account #:**

*(completed by accounting)*

**Budget Year:**

**Project Length:**  within budget year      months:  (identify calendar months)  
 multi year      start year:       finish year:

**Department:**

**GL Number:**

**Total Cost:**

**Capital Contribution:**  (Include if applicable to this project. Attach support if necessary.)

**Form Completed By:**

**SCOPE OF PROJECT**

*include description of project, providing as much detail as possible (attach additional support if necessary)*

**JUSTIFICATION FOR PROJECT**

*describe why the project should be completed, providing as much detail as possible (attach additional support if necessary)*

**BASIS FOR COST ESTIMATE**

*include written description of how cost was determined (attach additional support if necessary)*

**DETAILED COST ESTIMATE**

*include numerical support of budget estimate, including all assumptions (attach additional support if necessary)*

## **2008 System Performance Report**



**2008**

***System Performance  
Report***

**Burlington Hydro Inc.**

**2008 System Performance Report**

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## Introduction

The 2008 System Performance Report is intended to provide a comprehensive overview of the performance of the Burlington Hydro distribution system during 2008. It is based on the format established for previous reports and contributes to BHI's Asset Management Strategy by identifying future maintenance and capital budget priorities to enhance the reliability and performance of the distribution system. The following specific attributes are reviewed and addressed:

- 1) Substation and Feeder performance at 4.16, 13.8 and 27.6 kV primary voltage levels
- 2) Underground Distribution
- 3) System demand and critical loading issues
- 4) System maintenance activities and priorities
- 5) Reliability statistics and observations
- 6) Future maintenance recommendations
- 7) Future Capital Budget recommendations

Information contained in the report was supplied by the Burlington Hydro Control Room and summarizes statistics and incidents that occurred in 2008. Data from previous years was used for comparison purposes and to identify any recurring issues. Recommendations were based on consultations with Burlington Hydro engineering and operations staff.

# 1 Substation and Feeder Performance

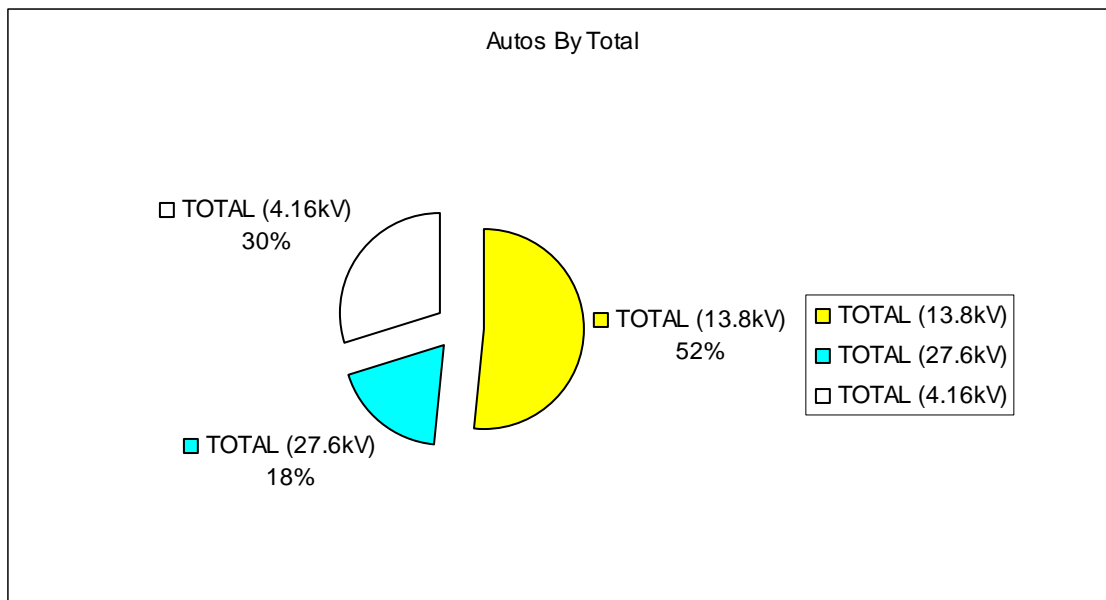
## 1a. General

In 2008, BHI had no major performance issues at its eight 27.6/13.8kV substation locations or its twenty-four 27.6/4.16kV substation locations. More specific observations and commentary are included in section 1b below.

The analysis of feeder performance is based on the recording of feeder auto-reclosures, of feeder lock-outs and a review of causes of interruptions. Appendix A summarizes the performance of each feeder since 1999, as follows:

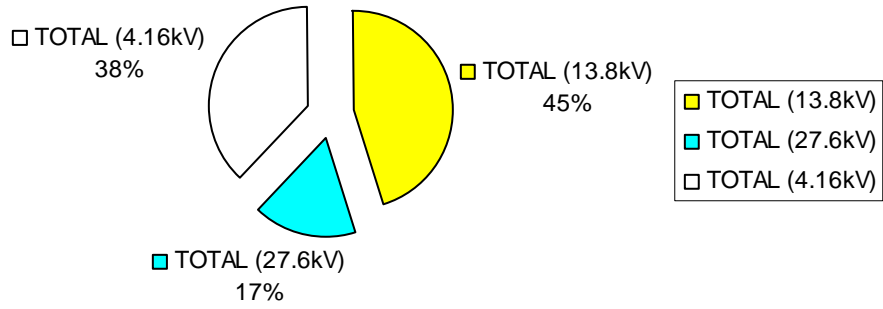
Appendix A1	2008 Auto-Reclosures (sorted by Total, since 1999)
Appendix A2	2008 Auto-Reclosures (sorted by no. in 2008)
Appendix A3	2008 Lock-Outs (sorted by Total, since 1999)
Appendix A4	2008 Lock-Outs (sorted by no. in 2008)

These Appendices identify the voltages of each feeder, and the percentages of occurrences are then presented in the following pie charts:

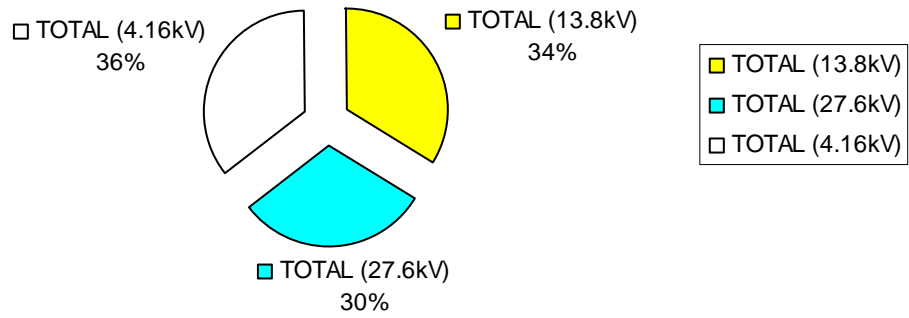


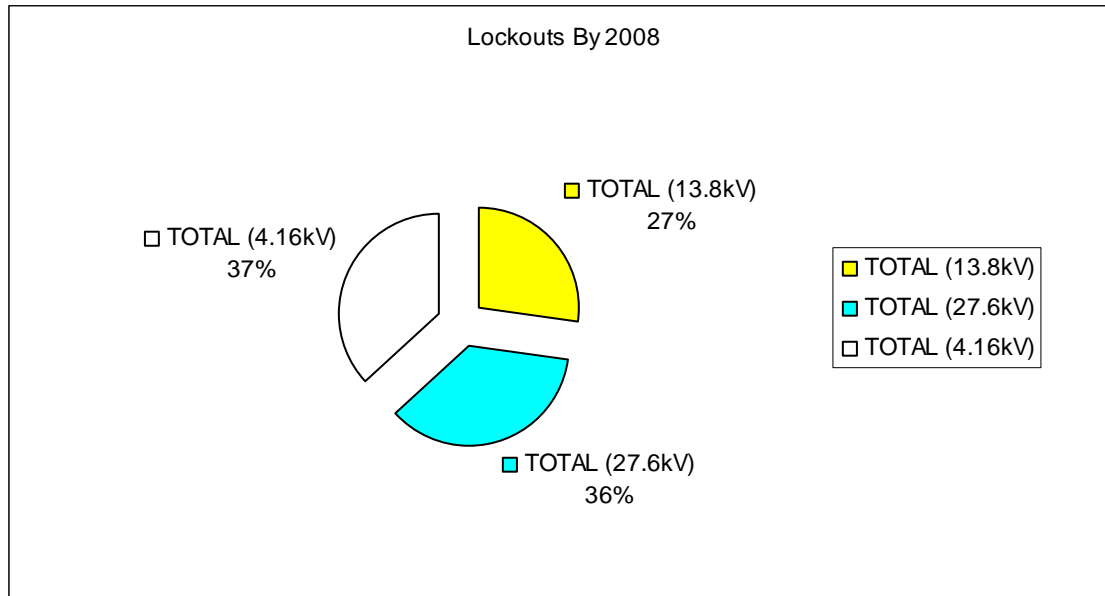


Autos By 2008



Lockouts By Total





In 2008 the control room customer data in Appendix A can be summarized, as follows:

Primary Voltage	No. of Customers	% of Total
27.6kV	13,419	25.80%
13.8kV	16,047	30.84%
4.16kV	22,561	43.36%
<b>TOTAL</b>	<b>52,027</b>	<b>100%</b>

The high level conclusions from the above can therefore be stated, as follows:

The direct **27.6kV customers** represent 25.8% of the total (customers 52,027) and have experienced:

- 18% of the Total Auto-Reclosures since 1999
- 30% of the Total Lock-Outs since 1999
- 17% of the Auto-Reclosures in 2008 (16.91% in 2007)
- 36% of the Lock-Outs in 2008 (7.14% in 2007)

Statistically 25.8 % of the customers should experience 25.8% of the occurrences.

**Conclusions:** The direct 27.6kV customers have generally experienced less of their statistical share of Auto-Reclosures in 2008 and since 1999. However, the Total Lock-Outs since 1999 is slightly higher than the statistical share and the Lock-Outs in 2008 were significantly higher particularly when compared to 2007. The explanations for this performance are noted, in more detail, in Section 1c.

The **13.8kV customers** represent 30.84% of the total (customers 52,027) and have experienced:

- 52% of the Total Auto-Reclosures since 1999
- 34% of the Total Lock-Outs since 1999
- 45% of the Auto-Reclosures in 2008 (57.14% in 2007)
- 27% of the Lock-Outs in 2008 (46.43% in 2007)

Statistically 30.84 % of the customers should experience 30.84% of the occurrences.

**Conclusions:** The 13.8kV customers have generally experienced more of their statistical share of Auto-Reclosures in 2008 and since 1999. However, the Total Lock-Outs since 1999 and the Lock-Outs in 2008 were closer to their statistical share.

The **4.16kV customers** represent 43.36% of the total (customers 52,027) and have experienced:

- 30% of the Total Auto-Reclosures since 1999
- 36% of the Total Lock-Outs since 1999
- 38% of the Auto-Reclosures in 2008(25.95% in 2007)
- 37% of the Lock-Outs in 2008(46.43% in 2007)

Statistically 43.36 % of the customers should experience 43.36% of the occurrences.

**Conclusions:** The 4.16kV customers have generally experienced less of their statistical share of Auto-Reclosures and Lock-Outs. However, the percentage of Auto-Reclosures, in 2008, was significantly higher than in 2007.

A review of the actual numbers of Auto-Reclosures and Lock-Outs for 2008 and 2007 when compared to the average number since 1999 is also worthy of note.

<b>Auto-Reclosures</b>	<b>2007</b>	<b>2008</b>	<b>10 year Average</b>
27.6kV	58	70	68.8
13.8kV	196	186	194.2
4.16kv	89	157	112.1
<b>TOTAL</b>	<b>343</b>	<b>413</b>	<b>375.1</b>

<b>Lock-Outs</b>	<b>2007</b>	<b>2008</b>	<b>10 year Average</b>
27.6kV	4	33	24.1
13.8kV	26	25	26.9
4.16kv	26	34	28.2
TOTAL	56	92	79.2

**Further Conclusions:**

The above numbers reconfirm three significant conclusions:

1. In 2008 the customers supplied directly from the 27.6kV system experienced significantly more Lock-Outs than in 2007.
2. The customers supplied from the 13.8kV system have experienced more than their statistical share of Auto-Reclosures.
3. The customers supplied from the 4.16kV system experienced more Auto-Reclosures than in 2007 and above the 10 year average.

More specific observations and commentary on these items are included in sections 1c, 1d and 1e below.

**Note:** the above analysis does not take into account the fact that both the 4.16 and 13.8kV customers actually experience more than the above occurrences as they may also experience the occurrences on their particular 27.6kV supply feeder.

**1b. Substations**

Appendix B presents the weekly peak loads for each substation and indicates no loading issues, under normal operation including the use of cooling fans when necessary. BHI Control Room Operators are aware of the system capabilities for station and feeder back-ups. At most times of the year these are not an issue, however there are two potential vulnerabilities that have been previously noted:

1. Brant M.S. and Mount Forest M.S. should provide back-up to each other, but this is not possible under heavy load conditions. In the past, planned maintenance has required the construction of temporary back-up arrangements by energizing 27.6 kV circuits at 4.16 kV, to maintain supply. This situation has continued in 2008 and should be addressed to reduce the vulnerability to customers. Refer to Section 7a for Capital Budget recommendations.
2. The loading situation at Hampton M.S. is a cause for concern where if a station was lost under heavy load conditions there may be low voltage conditions for some customers. This could be below the CSA standards and contrary to BHI's commitment in its Conditions of Service. The two transformers are also supplied from one set of four primary underground cables. The spare cable is useful but risks could be further minimized by providing a separate supply to each transformer. Refer to Section 7a for Capital Budget recommendations.

## 1c. 27.6kV Feeders

Appendix C contains the 27.6kV Feeder Outage Reports for all 27.6kV feeders experiencing 5 or more Auto-Reclosures or 2 or more Lock-Outs, during 2008. The following is a commentary on each feeder.

Feeder (TS)	No. of 2008 Auto-Reclosures (2007)	No. of 2008 Lock-Outs (2007)	Comments
76M23 (Cumberland)	3 (2)	4 (0)	<ul style="list-style-type: none"> <li>The 4 Lock-Outs resulted from thunderstorms at 3 locations, in Aug.</li> <li>Thunderstorms in June accounted for 2 of the Autos. The 3<sup>rd</sup> was caused by a squirrel, in Sept.</li> </ul>
39M2 (Burlington)	5 (3)	3 (0)	<ul style="list-style-type: none"> <li>A tree trimming crew caused a limb to fall on 2 circuits causing the Lock-Out in July.</li> <li>2 Lock-Outs resulted from thunderstorms at 2 locations, in Aug.</li> <li>2 Autos occurred during high wind or Thunderstorm conditions.</li> <li>2 Autos occurred in Oct. &amp; Nov. no causes were found.</li> <li>An Auto occurred, in May as a result of defective customer equipment.</li> </ul>
39M35 (Burlington)	0 (1)	3 (0)	<ul style="list-style-type: none"> <li>A large tree caused a Lock-Out in July. (Same incident on the 39M5)</li> <li>There was a Lock-Out in Oct. while a hold-off was in effect, no cause was identified.</li> <li>A failed lightning arrester caused the 3<sup>rd</sup> Lock-Out, in Dec.</li> </ul>
13M26 (Bronte)	0 (1)	2 (0)	<ul style="list-style-type: none"> <li>The 2 Lock-Outs occurred, in July and Aug. and were both caused by problems at Hydro One's Bronte Transformer Station. (Same incidents on the 13M25 and 13M28)</li> </ul>
76M28 (Cumberland)	6 (3)	2 (0)	<ul style="list-style-type: none"> <li>A Lock-Out occurred in Jan. during a period of high winds. Evidence of arcing was found at a switch location, this was replaced.</li> <li>A Lock-Out occurred in June during a thunderstorm. A switch was seriously damaged by lightning.</li> <li>All 6 Autos occurred during thunderstorms in June, July and Aug.</li> </ul>

39M5 (Burlington)	1 (2)	2 (0)	<ul style="list-style-type: none"> <li>• A large tree caused a Lock-Out in July. (Same incident on the 39M35)</li> <li>• During a thunderstorm, in Aug, a tree limb brought down a phase conductor.</li> <li>• The Auto. occurred during a thunderstorm, in June.</li> </ul>
39M1 (Burlington)	0 (2)	2 (0)	<ul style="list-style-type: none"> <li>• The large tree incident causing the incidents on the 39M35 and 39M5, in July, caused all feeders on the B-Bus at Burlington TS to lock-out.</li> <li>• A second Lock-Out occurred in Oct. the circuit was sectionalized but no fault was identified.</li> </ul>
13M25 (Bronte)	2 (1)	2 (0)	<ul style="list-style-type: none"> <li>• The 2 Lock-Outs occurred, in July and August and were both caused by problems at Hydro One's Bronte Transformer Station. (Same incidents on the 13M26 and 13M28)</li> <li>• Both Auto. incidents were caused by raccoons at different locations, in May.</li> </ul>
39M3 (Burlington)	2 (0)	2 (0)	<ul style="list-style-type: none"> <li>• The large tree incident causing the incidents on the 39M35 and 39M5, in July, caused all feeders on the B-Bus at Burlington TS to lock-out.</li> <li>• A second Lock-Out occurred in Dec. during very high winds when 2 poles were broken.</li> <li>• The Autos resulted from a thunderstorm and a squirrel's nest.</li> </ul>
13M28 (Bronte)	1 (0)	2 (0)	<ul style="list-style-type: none"> <li>• The 2 Lock-Outs occurred, in July and Aug. and were both caused by problems at Hydro One's Bronte Transformer Station. (Same incidents on the 13M25 and 13M26)</li> <li>• The cause of the Auto. incident was not definitely identified.</li> </ul>

As noted above the BHI 27.6kV feeders experienced a significant increase in the number of Lock-Outs, a total of 33. The following compares the preceding 6 years.

YEAR	Number of 27.6 kV Lockouts
2002	22
2003	28
2004	18
2005	26
2006	10
2007	4
2008	33

However, a review of the preceding commentary notes a small number of specific incidents related to this performance.

- On July 11 there was a severe lightning storm that resulted in a fallen tree contacting the 39M35 and 39M5 feeders. This also caused the 39M1 and 39M3 feeders on the B-Bus at Burlington TS to lock-out. Therefore, this incident resulted in a total number of 4 Lock-Outs. The operation of BHI's IntelliTEAM automated switching restored power to a large number of customers including the Joseph Brant Hospital, within 19 seconds. The use of fault indicators and remotely operated switches also allowed many more customers to be restored within 11 minutes.
- The 6 Lock-outs on the 13M25, 13M26 and 13M28 were all caused by incidents within the Hydro One Bronte TS and were outside the control of BHI.
- There was a serious incident on July 10 when a City of Burlington tree trimming crew caused a tree to fall onto the 39M2 and 39M4 feeders.

In many of these cases the outage times were significantly reduced by the use of remotely operated switches from the BHI Control room.

In general, thunderstorms and high winds were also a predominant feature of the weather conditions, in 2008, particularly in August and December. This fact and the uniqueness of the above incidents help to explain the increased number of 27.6kV feeder Lock-Outs.

### 1d. 13.8kV Feeders

The earlier conclusions, above, have identified the performance of the 13.8kV feeders as a cause for concern and Appendix A shows this to have been an issue for some time.

Appendix D contains the 13.8kV Feeder Outage Reports for all 13.8kV feeders experiencing more than 5 Auto-Reclosures or 2 or more Lock-Outs, during 2008. The following is a commentary on each of these feeders.

M.S. Feeder #	No. of 2008 Auto-Reclosures (2007)	No. of 2008 Lock-Outs (2007)	Comments
Lowville F3	26 (22)	2 (1)	<p>The performance of this feeder is very poor.</p> <ul style="list-style-type: none"> <li>• The Autos were primarily caused by High Winds/Trees, Unknown causes and Wildlife.</li> <li>• The 2 Lock-Outs were caused by Tree/Limbs during high wind conditions.</li> <li>• * See note below</li> </ul>
Tyandaga F2	23 (14)	1 (0)	<p>The performance of this feeder has deteriorated, in 2008.</p> <ul style="list-style-type: none"> <li>• The Autos were primarily caused by High Winds/Trees, Unknown causes and Wildlife.</li> <li>• The only Lock-Out was caused by a defective U/G cable.</li> <li>• ** See note below</li> </ul>

Lowville F4	18 (28)	2 (5)	<p>The performance of this feeder improved, in 2008, but significant problems remained.</p> <ul style="list-style-type: none"> <li>• The Autos were primarily caused by High Winds/Trees, Unknown causes and Wildlife.</li> <li>• The 2 Lock-Outs were caused by Tree/Limbs during high wind conditions.</li> <li>• * See note below</li> </ul>
Fairview F3	17 (14)	0 (1)	<p>The performance of this feeder is poor.</p> <ul style="list-style-type: none"> <li>• The Autos were primarily caused by Thunderstorms/ Unknown causes and Wildlife.</li> <li>• 3 Autos resulted from defective elbow connections on transformers. There were no specific incidents of U/G cable failures as noted in 2007.</li> <li>• Ref. Section 7b for recommendations.</li> </ul>
Reservoir F1	12 (6)	1 (0)	<p>The performance of this feeder has deteriorated, in 2008. It supplies a large number of customers – 1615 and therefore warrants some close attention.</p> <ul style="list-style-type: none"> <li>• U/G cable failures caused several of the Autos and the Lock-Out.</li> <li>• The remaining Autos were primarily caused by defective transformers, Thunderstorms/Trees and Unknown causes.</li> <li>• Ref. Section 7b for recommendations.</li> </ul>
Towerline F2	12 (9)	0 (0)	<p>The performance of this feeder is poor.</p> <ul style="list-style-type: none"> <li>• The Autos were primarily caused by Thunderstorms/ High Winds, Unknown causes and Wildlife.</li> <li>• *** See note below</li> </ul>
Towerline F4	11 (7)	1 (2)	<p>The performance of this feeder is poor.</p> <ul style="list-style-type: none"> <li>• The Autos were primarily caused by Thunderstorms and High Winds.</li> <li>• The one Lock-Out was the result of a pole fire.</li> </ul>
Towerline F1	8 (8)	1 (0)	<p>The performance of this feeder was relatively poor, in 2008.</p> <ul style="list-style-type: none"> <li>• There were a wide variety of causes for the Autos., defective equipment, a Thunderstorm, an Unknown cause and Wildlife.</li> <li>• 2 Autos and the Lock-Out were caused by the failure of a relatively new section of U/G cable.</li> <li>• *** See note below</li> </ul>



Orchard F1	6 (10)	4 (2)	<ul style="list-style-type: none"> <li>All of the Lock-Outs occurred in Aug. while resolving issues with U/G cable failures.</li> <li>Autos were primarily caused by the defective cables and switching cubicles</li> <li>**** See note below and Ref. Section 7b for recommendations.</li> </ul>
Orchard F2	6 (6)	3 (2)	<ul style="list-style-type: none"> <li>2 of the Lock-Outs were caused by trees in a rear lot area during Thunderstorms.</li> <li>The other Lock-Out was caused by the failure of an U/G cable.</li> <li>Many of the Autos were caused during storms and had Unknown causes.</li> </ul>
Tyandaga F3	6 (2)	0 (0)	<ul style="list-style-type: none"> <li>There were a wide variety of causes for the Autos, a defective transformer, Thunderstorms, and Wildlife.</li> </ul>
Interchange F2	6 (5)	2 (0)	<ul style="list-style-type: none"> <li>There were a wide variety of causes for the Autos Thunderstorms, Unknown cause, Wildlife and a vehicle accident.</li> </ul>

A large number of the Auto-Reclosures occurred during thunderstorms in the summer and during high winds in December.

\* There was increased tree trimming carried out on the Lowville F3 and F4 feeders that showed some improvement in the performance of the F4, more attention is still required on the F3. A review of the phase balancing is expected following the construction of a circuit along Derry Road which will provide a more reliable supply to the F4 customers, from Lowville F2.

\*\* The Tyandaga F2 feeder has significant exposure to rural conditions, north of Dundas St. This impacts the urban customers to the south. BHI is planning new automation technologies, in 2009 to improve the reliability of these customers.

\*\*\* BHI is planning to introduce new automation technologies to Towerline F1 and F2, in 2009 to improve the reliability of the customers supplied by these feeders.

\*\*\* The Orchard F1 feeder supplies a portion of the Tyandaga residential area. It has a combination of overhead and underground construction. The status of the underground rebuild work in this area should be reviewed as part of the Asset Management plan and prioritized for capital budget consideration.

## 1e. 4.16kV Feeders

The 4.16kV feeders performed fairly well, in 2008, Appendix E contains the 4,16kV Feeder Outage Reports for all 4.16kV feeders experiencing more than 5 Auto-Reclosures or 2 or more Lock-Outs, during 2008. The following is a commentary on each of these feeders.

M.S. Feeder #	No. of 2008 Auto-Reclosures (2007)	No. of 2008 Lock-Outs (2007)	Comments
Howard F2	10 (1)	1 (0)	<ul style="list-style-type: none"> <li>This feeder experienced an unusually large number of Autos in Jan. and Dec. due to high winds. It supplies only 36 customers.</li> </ul>
Marley F3	9 (0)	2 (0)	<ul style="list-style-type: none"> <li>This feeder also experienced an unusually large number of Autos in Dec. due to high winds.</li> <li>The Lock-Outs were caused by trees during storm conditions.</li> </ul>
Easterbrook F3	9 (5)	0 (0)	<ul style="list-style-type: none"> <li>This feeder experienced some typical Autos caused by storms and Wildlife. There were 4 Autos resulting from the investigation of a defective switch incident, in Jan.</li> </ul>
Fairleigh F3	7 (2)	1 (0)	<ul style="list-style-type: none"> <li>High winds in Dec. caused almost all of the Autos and the Lock-Out.</li> </ul>
Fairwood F6	6 (2)	0 (1)	<ul style="list-style-type: none"> <li>There were a number of Unknown causes of Autos, 2 others resulted from a defective transformer and 1 was due to high winds in Dec.</li> </ul>
Pt. Nelson F2	3 (1)	2 (0)	<ul style="list-style-type: none"> <li>The 2 Lock-outs were caused by a vehicle accident and a tree limb. The Autos were Unknown, a Thunderstorm and high winds in Dec.</li> </ul>
Easterbrook F1	3 (3)	2 (1)	<ul style="list-style-type: none"> <li>The 2 Lock-Outs were caused during the high winds in Dec.</li> </ul>

Harvester F1	0 (1)	2 (1)	<ul style="list-style-type: none"> <li>The 2 Lock-outs were caused by a tree limb and a defective transformer.</li> </ul>
Martha F1	4 (1)	2 (0)	<ul style="list-style-type: none"> <li>The cause of the 2 Lock-Outs and 1 Auto was a conductor failure at a rear lot location.</li> </ul>

Previous reports have indicated very few, if any, 4.16kV feeders experiencing more than 5 Auto-Reclosures or 2 or more Lock-Outs, in a year. A review of the above comments again identifies thunderstorms in the summer and high winds in December as the major causes of these increases, during 2008.

Poor phase balance has previously been identified as an issue, on a number of 4.16kV feeders. This issue should receive increased attention to improve the operational efficiency of the system. Ref. Section 6b for recommendations.

## 2 Underground Distribution

A very large percentage of BHI's residential distribution system has been constructed underground, particularly in the newer neighbourhoods, north of the QEW. This has been standard utility practice for over 30 years. These systems contain direct buried high voltage cables that have a finite length of life depending on the below-grade environment, the rate of deterioration of the cable insulation and the failure rate of underground splices. BHI closely monitors the failure of these cables on an individual feeder and geographic basis. Appendix G is a high level annual record of primary cable failures within the distribution system.

The planned replacement of primary cables is a very significant element within any utility's Asset Management Plan and represents the liability for very large, on-going, capital expenditures. The timing of complete cable replacements within specific neighbourhoods requires a careful balance considering the condition of the cable insulation and the historical reliability performance. Specific recommendations for cable replacements are indicated in Section 7b.

Commentary on the current maintenance and future recommendations for pad-mounted transformers and switching cubicles is included in Sections 4 and 6 respectively.

### 3 System demand and critical loading issues

#### 3a. Overall Demand/Load Growth

The following table shows BHI's **coincident** peak demand and percentage growth for the last 7 years.

Year	Peak Demand MW	% Increase (Decrease)
2002	358.24 (July)	
2003	334.14 (July)	(6.7)
2004	338.38 (July)	1.3
2005	364.96 (June)	7.9
2006	378.16 (Aug)	3.6
2007	367.28 (June)	(2.9)
2008	346.36 (June)	(5.7)

Despite steady customer growth, in 2008, the peak demand was reduced when compared to 2007. This was a reflection of slightly cooler summer temperatures and the impact of conservation initiatives.

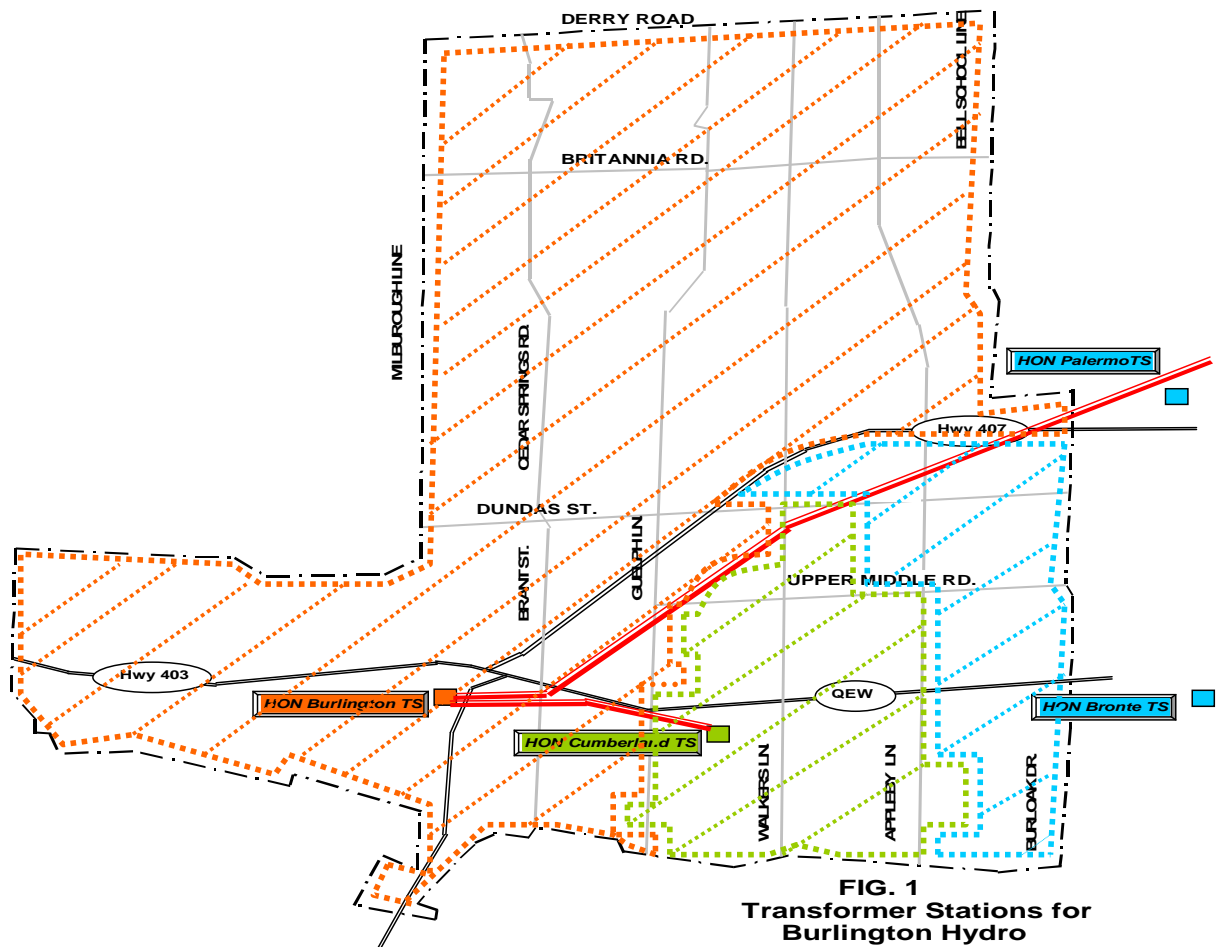
#### 3b. 27.6 Feeder Loads and Transformer Station Capacity

Appendix F presents the weekly peak loads for all of BHI's twenty-six 27.6kV feeders. These do not indicate any particular loading concerns under normal operating conditions. The feeder interconnections are well integrated and the back-up arrangements have been further enhanced by the addition of remotely operated switches.

A serious transformer loading issue, at Hydro One's Cumberland TS, arose in July 2008. Hydro One encountered an equipment limitation on its fleet of 1970s vintage 75/100/125MVA Canadian General Electric power transformers. Two of these transformers are installed at the Cumberland TS and an immediate total station loading limitation of 116 MVA was imposed. A new temporary 10 Day Limited Time Rating (LTR) of 144MVA was also introduced. Previous System Performance Reports have confirmed that BHI typically loaded this station, at peak times, in excess of its 10 Day LTR (~150 MW or 167MVA at 0.9pf). It was also emphasized that any future load in excess of the 144MVA would be subjected to selective load shedding. This was a very serious issue in 2008 that will remain for the summer of 2009 as time estimates for a solution are expected to be in 2010, at the earliest. BHI responded with a series of communications and meetings with Hydro One staff to impress on them the seriousness of this situation and to secure firm commitments for the replacement/repair of the transformers. This dialogue will continue until a firm schedule is finalized and the replacement/repairs completed.

Notwithstanding the above situation at Cumberland TS, the issue of overall TS capacity continues to be a concern for BHI. Burlington T.S. and Cumberland T.S. supply BHI exclusively and the peak loading on Cumberland TS exceeds its original 10 Day LTR. This less-than-ideal situation is

further aggravated when the geographic supply areas are considered. Figure 1, below, shows how the capacity limitations on Cumberland, Palermo and Bronte TS's cause the Burlington TS's supply area to extend way beyond its optimum distance. This introduces inefficiency into the BHI distribution system and may expose customers to less-than-optimum reliability. This concern was presented to Hydro One and resulted in the construction of two additional feeders supplied from Bronte TS, in 2008. This is providing some temporary relief but longer term plans are in progress for additional TS capacity in North-East Burlington. A series of planning meetings with Hydro One, Milton Hydro Distribution Inc. and Oakville Hydro Electricity Distribution Inc. were held, in 2008. These have resulted in commitments for a new TS in the area of Tremaine road, north of Dundas St. Capital Cost Recovery Agreements are being prepared and the new station is expected to be on-line in 2012.



**FIG. 1**  
**Transformer Stations for**  
**Burlington Hydro**

## 4 System maintenance activities and priorities

Burlington Hydro aims to meet or exceed the system maintenance and inspection requirements of Section 4.4 of the Ontario Energy Board's Distribution System Code (DSC). The following routine maintenance programs are consistent with good utility practices and are applied annually within the BHI distribution system.

- **Wood pole testing and replacement**

In addition to the inspection requirements of the DSC, Burlington Hydro has taken a proactive approach to the annual testing and replacement of wood poles. The testing is performed by an engineering company using specialized test equipment. Defective poles are identified for replacement with critical poles replaced immediately and a high priority placed on those equipped with transformers or underground dips. The following is a summary of the wood pole testing and replacement program for 2007 and 2008.

	2007	2008
<b>Total Number of Poles in the system</b>	<b>~20,000</b>	<b>~20,000</b>
<b>Number Tested</b>	<b>~1302</b>	<b>1037</b>
<b>Number identified for replacement at end of year</b>	<b>128</b>	<b>150</b>
<b>Number replaced</b>	<b>46</b>	<b>64</b>
<b>Number treated to extend life</b>	<b>237</b>	<b>655</b>

The figures above indicate that BHI should accelerate its pole replacement program. The testing has confirmed that an increasing number of poles are nearing the end of their useful life. The number of poles identified for replacement has increased from 128 to 150 at the end of 2008. This backlog should be addressed ahead of the poles that will be identified in 2009. Ref. Section 6c, for recommendations.

- **Insulator Washing**

Insulator washing is an important preventative measure to minimize flashovers and pole fires. Particular attention is given to the 27.6kV system including any areas where there are underbuild circuits and areas with potential for high salt contamination i.e. adjacent to highways. This is usually performed twice a year and was completed in April and November of 2008. In the course of this work, 14 defects were identified and corrected e.g. cracked insulators, broken switches.

- **Infrared Thermography of the Overhead system and Municipal Substations**

Annual inspection and scanning of the overhead system is an important and worthwhile part of a good preventative maintenance program. This work was completed in June of 2008. 15 concerns were reported and all were addressed.

- **Cleaning of Switching Cubicles**

Burlington Hydro has approximately 162 pad mounted switching cubicles within its distribution system. A specialized maintenance technique, using "dry ice", is employed, usually in the spring



to clean a selected number of the switching cubicles. This work can be safely completed with the equipment energized, therefore reducing the time and cost for switching activities. 27 units were inspected and cleaned in May 2008; 3 defects were identified and corrected.

- **PCB Testing and Replacement of Distribution Transformers**

BHI has approximately 9000 distribution transformers within its system. As a result of environmental legislation, only those units manufactured prior to 1980 are candidates for PCB contamination. By the end of 2007 BHI had tested all of these transformers. The following is a summary of the status of this program and the environmental requirements.

Degree of Contamination	Environmental Requirement	Status at end of 2008
>500ppm	To be removed from service by 2009	All removed from service, except 2 O/H units to be replaced in 2009
>50ppm and <500ppm	To be removed from service by 2009. Except units in non-sensitive locations by 2014	<ul style="list-style-type: none"> <li>• 7 Transformers in 5 vault locations to be replaced in 2009</li> <li>• 7 Pad-Mounted transformers to be replaced in 2009</li> <li>• 19 Overhead transformers in sensitive locations to be replaced in 2009</li> <li>• 97 Overhead transformers in non-sensitive locations to be replaced well in advance of 2014</li> </ul>

Ref. Section 6d, for recommendations.

- **Tree Trimming**

Tree trimming was completed in 2008, in accordance with BHI's established 3 year cycle; this is a normal utility practice. (The east end area from Burloak to Walkers Line and Lakeshore to Derry Road.) In August 2007 a priority was also placed on the performance of the rural 13.8 kV feeders (Lowville MS), some improved performance was noted on the Lowville F4 feeder, in 2008

- **Vault Washing**

Submersible transformers are being inspected as part of the annual transformer inspection process. There was a previous recommendation to introduce a formal program for the washing of underground vaults; this program has not been initiated. Ref. Section 6e, for recommendations.

- **Pad-Mounted Transformers & Switching Cubicles**

Pad-mounted transformers and switching cubicles receive their patrol inspections, in accordance with the Distribution System Code. No routine maintenance activities are planned for the exterior of these units. Ref. Section 6f, for recommendations.

## 5 Reliability statistics and observations

In accordance with Section 7.3.2 of the Ontario Energy Board's (OEB's) Electricity Distribution Rate Handbook, BHI records and reports annually the following Service Reliability Indices:

$$\begin{aligned} \text{SAIDI} &= \text{System Average Interruption Duration Index} \\ &= \frac{\text{Total Customer-Hours of Interruptions}}{\text{Total Customers Served}} \end{aligned}$$

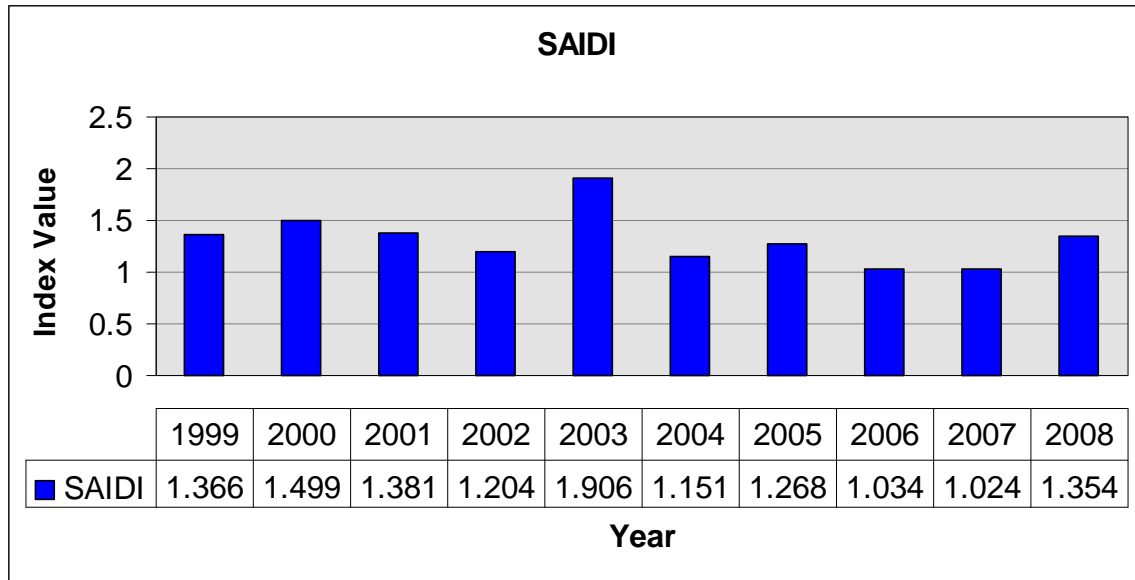
$$\begin{aligned} \text{SAIFI} &= \text{System Average Interruption Frequency Index} \\ &= \frac{\text{Total Customer Interruptions}}{\text{Total Customers Served}} \end{aligned}$$

$$\begin{aligned} \text{CAIDI} &= \text{Customer Average Interruption Duration Index} \\ &= \frac{\text{Total Customer-Hours of Interruptions}}{\text{Total Customer Interruptions}} \end{aligned}$$

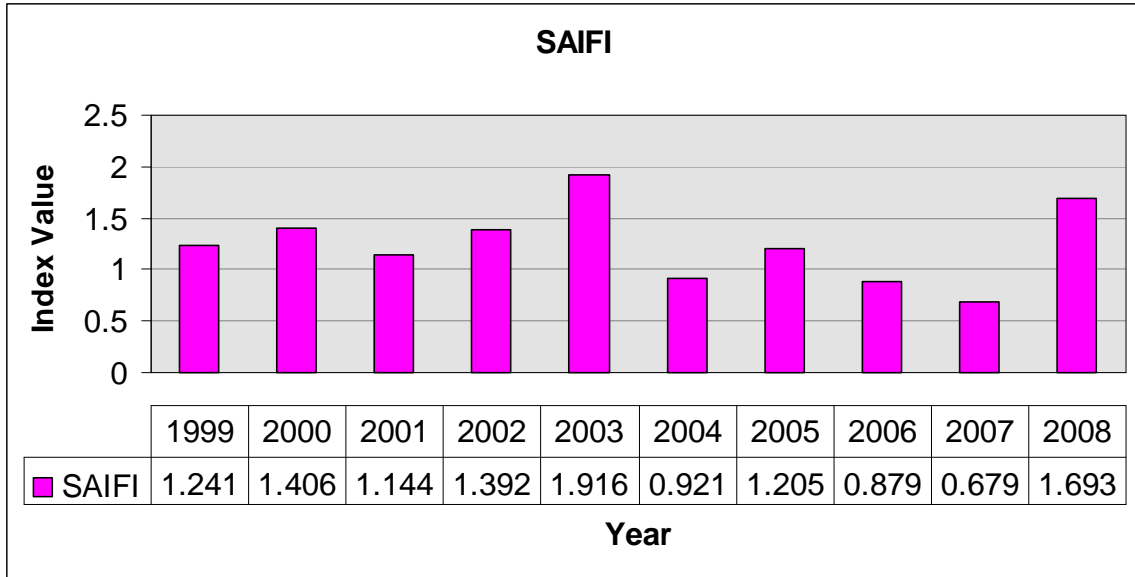
In addition, BHI also records:

$$\begin{aligned} \text{SAARI} &= \text{System Average Automatic Reclosure Index} \\ &= \frac{\text{Total Customer Automatic Reclosures}}{\text{Total Customers Served}} \end{aligned}$$

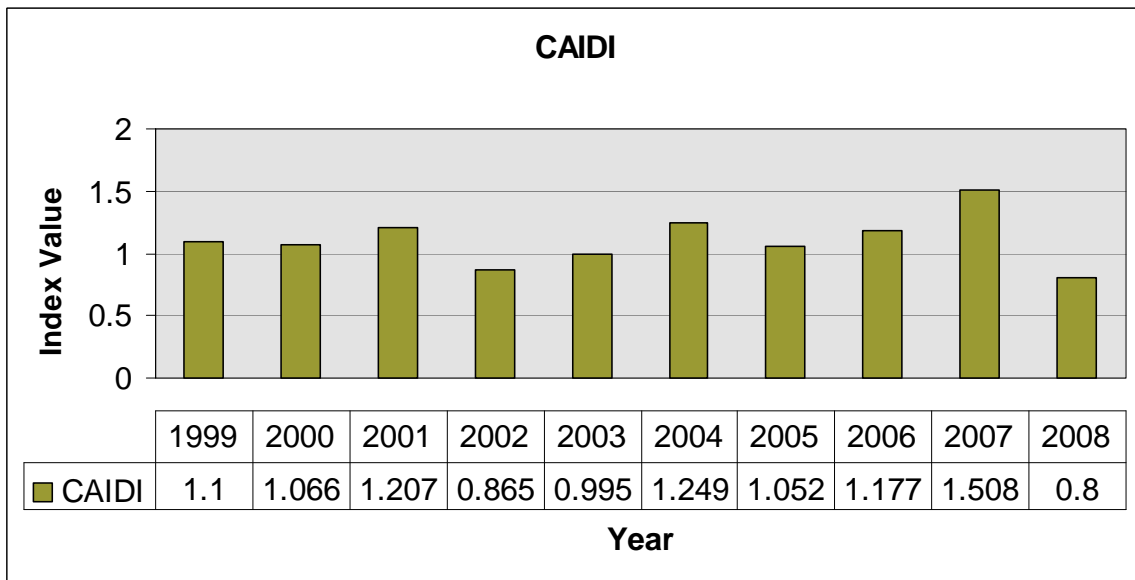
These indices provide BHI with an annual measure of its service performance for internal benchmarking and for comparisons with other distribution companies as part of the OEB's Performance Based Regulations. The following graphs demonstrate the individual performance measures over the last 10 years.



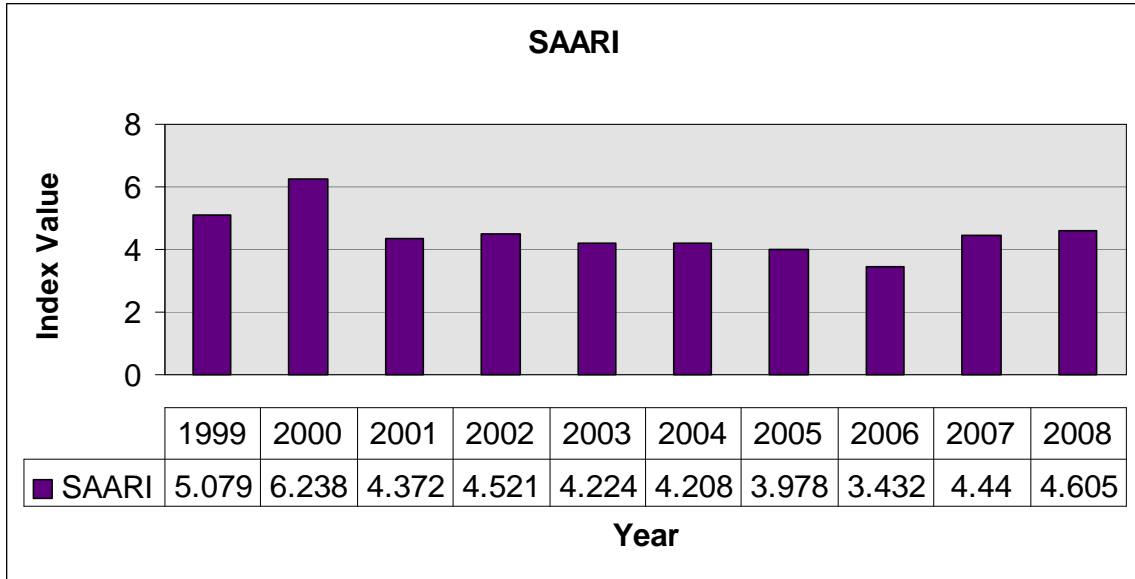
10 Year Average – 1.319



10 Year Average – 1.248



10 Year Average – 1.102



10 Year Average – 4.51

The graphs generally depict a consistent level of performance. As noted above, the 2008 performance was characterized by some specific incidents at the 27.6kV level and the feeder analysis points out the impact of the thunderstorm activity in the summer and high winds in December.

## **6 Future maintenance recommendations**

### **6a. 13.8kV Feeders**

A continued, focused approach to the performance of the poorest performing 13.8kV feeders is recommended. In addition to the geographic 3 year cycle of tree trimming on-going inspection and attention should be given to the tree clearances and condition of these feeders. BHI is planning to apply new automation technologies to some of its 13.8kV feeders, in 2009. The results of this application will be monitored closely to identify the reliability improvements; however it should not detract from more targeted attention to good utility practices when required on specific feeders.

### **6b. 4.16kV Feeders**

Opportunities, in the field, for improved phase balancing on 4.16kV feeders should continue to be investigated and carried out.

### **6c. Wood Pole Replacements**

The back log of poles, identified for replacement, has increased from 128 at the end of 2007 to 150 at the end of 2008. A strong effort should be made to allocate increased resources to this program, in 2009. This priority will remain a high profile item as BHI develops a more formal Asset Management Plan.

### **6d. PCB Testing and Replacement of Distribution Transformers**

This is a risk assessment issue for BHI that has been given some increased attention. This remains a high priority item with a planned program for elimination of all contaminated transformers well within the regulatory requirement dates. The program should be included in the formal Asset Management Plan.

### **6e. Vault Washing**

No vault washing was completed in 2008. A review of the inspection reports for the submersible transformers should be made and depending on the reported conditions, consideration should be given to a more structured vault washing program.

### **6f. Pad-Mounted Transformers & Switching Cubicles**

The exterior condition and appearance of these units require some planned maintenance including attention to landscape plantings that may interfere with the safe operation of these units. A program for the removal of obstructions, painting and replacement of safety signage and nomenclature is being developed.

## **7 Future Capital Budget recommendations**

### **7a. Substations**

The following projects are recommended for consideration in future capital budgets:

1. The loadings at Brant M.S. and Mount Forest M.S. should be reduced to a point where back-up capability is achievable. Whenever possible relatively low cost conversions to 13.8 kV and 27.6 kV should be considered to reduce the loadings, at both substations. A future capital project is planned, for 2010, to construct an additional 4.16 kV crossing of the QEW to provide the back-up to Mount Forest M.S.
2. The loading at Hampton M.S. could be reduced by carrying out voltage conversions of some significant apartment buildings along Lakeshore Road, east of Appleby Line. The extension of the 27.6 kV feeder along Lakeshore Road west of Hampton Heath Road should be considered to allow the staged conversion of these apartment buildings. A second set of primary cables would further reduce the risk of a prolonged outage if a primary cable failure occurred. The installation of these additional cables is planned as a capital project for 2010.

### **7b. 13.8kV Feeders**

The following areas of primary cable failures have been identified and should be reviewed as part of the Asset Management plan and prioritized for capital budget consideration.

1. North Brant Hills, Cavendish Drive/ Coventry Way between Guelph Line and Brant Street. (Reservoir F1). This project is scheduled for 2009, but is currently on-hold due to other priorities from municipal projects.
2. Faversham/Cavendish and Farnham Place areas east of Brant Street, south of Upper Middle Road. (Tyandaga F4)
3. Driftwood Drive area east of Guelph Line. (Reservoir F1)
4. Longmoor Drive to Catalina Cres. area east of Walkers Line, north of New Street. (Fairview F3). This area has a history of U/G cable failures that was not evident in 2008. However, the performance should be monitored to identify future occurrences.
5. Tyandaga Park Drive/Kerns Road area (Orchard F1)

BHI is planning new automation technologies, in 2009 that should improve the reliability of the customers, supplied by Tyandaga F2, Towerline F1 and F2. Based on this experience BHI expects to expand these applications throughout its system as part of future capital budget considerations.

## **Electrical Distribution System Inspection & Survey Report**





**BHI ANNUAL  
ELECTRICAL DISTRIBUTION SYSTEM  
INSPECTION & SURVEY REPORT**

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### **1. BHI Annual Electrical Distribution System Inspection & Survey Report**

- 1.1 Inspections and Assessments
- 1.2 Overhead Electrical Distribution Inspection
- 1.3 Underground Electrical Distribution Inspection

### **2. Appendices**

# 1. BHI - Annual Electrical Distribution System Inspection & Survey Report

The BHI Asset Management Team has established a very detailed inspection system, as well as, comprehensive reporting methods to allow BHI to continuously maintain asset management data for its electrical distribution system. This data, together with an improved methodology, courtesy of its new Asset Management strategy, will better position BHI to maintain its corporate mission and values.

## 1.1 Inspections and Assessments

The BHI system of inspection and survey is divided into 2 main categories:

- a) inspection of overhead electrical distribution system elements
- b) inspection of underground electrical distribution system elements

Each of the BHI electrical distribution categories has been examined separately through a process of survey and inspection.

The overhead and underground database packages were prepared for each sub-grid. All concerns and observations are classified into following categories:

1. Immediate Attention
2. Immediate Analysis
3. Priority Schedule (Planned)
4. Normal Schedule (Planned)
5. Normal Inspection Cycle

Handheld field units were used to collect the data and establish GPS locations for each element of the BHI electrical distribution system (Overhead and Underground). The data is populated within an Access database and will ultimately be included in the new GIS system developed by AGSI.

As indicated in the Asset Management Strategy document, this method is based on the principles of good utility practice, as well as, on BHI standards and specifications. The BHI Inspection program shall enhance preventive maintenance of equipment with the aim to, where possible, improve equipment design life to avoid any unplanned maintenance.

Burlington Hydro Inc.'s preventive maintenance program is based on:

- Periodic inspections (3 year cycle);
- Fault / Operational history;
- Scheduled maintenance;
- Pole testing results; and
- Planned maintenance to correct deficiencies found through inspections and/or testing.

The BHI Asset Management Committee established a 3 year cycle inspection program that will be a yearly component of the asset management plan.

Detailed regular inspection, maintenance and testing procedures have been developed for all assets. These maintenance programs are reviewed and optimized by taking into account the risk of failures and existing maintenance costs. Given the age of some of its assets, Burlington Hydro Inc. has established additional condition testing methods and programs to identify their condition

and assess end of life to enable a more precise determination of investment needs and produce risk management plans. Some assets are approaching the end of design life.

This data is subject to further investigation and business case analysis, to ensure that only priority assets are actually replaced. The resulting capital plan differs from the raw age based profiles based on careful risk management and predictions about the impact of the scheduled replacements within the wider Burlington Hydro Inc.'s system development plans.

The asset replacement program is expected to lead to improvement in overall safety and reliability.

The quality management standard facilitated by the BHI inspection program is intended to consistently deliver services that:

- Meet customer's quality requirements;
- Meet applicable regulatory standards;
- Reduce servicing and operating costs;
- Optimize the economic life of equipment;
- Ensure safe operation of assets;
- Enhance customer satisfaction; and
- Achieve continued improvement in performance.

## ***1.2 Overhead Electrical Distribution System Inspection***

Based on the BHI overhead work package inspection sheets, data for inspection, survey and evaluation of overhead electrical distribution system is divided into several categories of concern:

- A) **General** (public safety, worker safety, trees & environmental hazards)
- B) **Poles** (broken/rotten, leaning, damaged, finished grade, cross-arms, insulators, pins, loose hardware, grounding, yellow pine)
- C) **Anchors** (tension, guy guard, rod condition, guy breaker)
- D) **Riser Poles** (terminators, cables/guards, brackets, grounding, cut-outs)
- E) **Primary** (sag/clearance, size - #4Cu, size - #6Cu, broken strands)
- F) **Secondary** (triplex, open wire, sag/clearance)
- G) **Services** (triplex, open wire, sag clearances)
- H) **Transformers** (oil leaks, below secondary, bushings, arrestors, brackets, cut-outs, cluster mounts, reclosers, rust, PCB's)
- I) **Switches** (connections, alignment, insulators, grounding, locks, designation, underslung)
- J) **Additional Comments**

Each of these categories and sub-categories has been given a priority attribute indicator (1 to 5) that will help to further generate a risk assessment of each concern documented throughout this inspection and survey process. Please refer to overhead inspection excel spreadsheet summaries appended within this document for complete details specified in each category.

It has been established by the BHI Asset Management Committee, that all attribute indicators identified as 1 or 2 shall require immediate inspection by BHI crews. The schedule for addressing these concerns shall be developed based on BHI's Standard Operating Practice.

Safety concerns under the general category (public safety, worker safety and environmental hazards), as well as, any grounding concerns shall be completed on a priority.

All other concerns (attributes 1 & 2) shall be addressed as soon as possible, until they are completed.

During the process of inspection and survey, all urgent matters were dealt with directly via the BHI Control Room and BHI Operations Manager.

The main concern with the overhead components of the BHI distribution system is the supporting structures (poles). During the inspection process, some structural (broken, leaning, damaged), as well as, electrical deficiencies (grounding), were identified. These issues are classified under immediate inspection, testing, and review of the inspection data results, and should be completed to ensure the structural integrity is adequate to provide ongoing support for the conductors, joint-use cables, and related equipment (switches, transformers, lighting arrestors, etc.) mounted on the identified poles. All BHI poles that are identified to need immediate attention shall be replaced.

BHI pole data is divided into 5 age grouping categories [Category 1 (< 5 years), Category 2 (5-9 years), Category 3 (10-19 years), Category 4 (20-29 years) & Category 5 (> 30 years)]. Based on the age risk assessment BHI will schedule regular pole testing time frame as a part of preventive maintenance in such manner that Category 1 will be scheduled for testing in 10+ years, Category 2 in 8-9 years, Category 3 in 4-7 years, Category 4 in 2-3 years and Category 5 in 1 year. The regular pole testing schedule will further assist with pole replacement program scheduling.

BHI already established a preventive tree trimming maintenance program that is scheduled every year. There is also an emergency tree trimming program that deals with all emergency cases. These two programs are very important elements toward a continuous effort to reduce asset management risks within the BHI overhead electrical distribution system.

It is also important as part of the BHI Asset Management Plan, to budget for replacement of Yellow Pine poles in the system.

The BHI Asset Management Committee recognized a need for 10 year program for all open wire secondary replacement in the overhead distribution system.

Overall assessment on the condition of primary circuit conductors is satisfactory, but it is recommended that it be monitored on a regular three-year cycle inspection program.

When it comes to overhead transformer condition assessment, it is mandatory to address all oil leaks, bushings, arresters, brackets, cut-outs issues. Transformer rust issues shall be part of regular maintenance program that may become a priority, should the condition change between two scheduled inspections.

Overhead switch inspection indicates that all BHI switches are in good condition. This condition should be monitored as well, through a 3 year cycle inspection program. It is important that nomenclature issues with switch ID# and designation concerns shall be addressed immediately. (Refer to overhead concern spreadsheet for all category details)

After review of the results, a cause-effect study/review should be performed to see if there are common causes responsible for the issues found with the poles, perhaps as part of the BHI annual System Performance Report. The results of the cause-effect study may yield valuable information to assist with developing maintenance strategies and engineering practices to extend the life of the utility poles. It may also assist with selecting products based on regional variation in soil types, placement of assets with respect to vehicle patterns, etc.

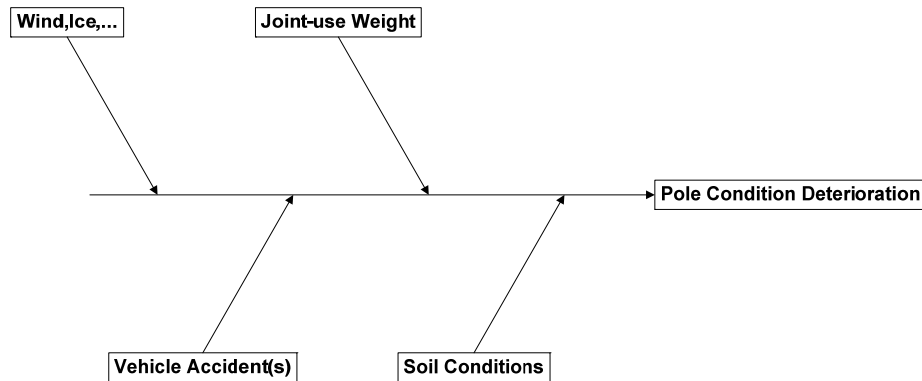


Fig 1: Sample Overhead Cause-Effect (Fish-bone) Diagram

### 1.3 Underground Electrical Distribution System Inspection

Based on the BHI underground work package inspection sheet the data, the inspection, survey and evaluation of overhead electrical distribution system has been divided into several concern categories:

- A) **Common Concerns** (paint, rust, locks, pentahead bolts, nomenclature, physical damage, animal intrusion, plant interference, switching access, grounding, doors do not open)
- B) **Pad-Mount Transformers** (elbows, concrete pad, grade concerns, bollards, danger signage, oil leaks)
- C) **Submersible Transformers** (elbows, vault condition, steel cover, oil leaks)
- D) **Switching Cubicles** (K-Bar dead-front elbow, S&C PMH live front, Vista Unit, switching access, danger signage)
- E) **General** (public safety, worker safety, cable faults)
- F) **Other**

Each of these categories and sub-categories has been given a priority attribute indicator (1 to 5), that will help to further analyze risk assessment of each concern documented throughout this inspection and survey process. Please refer to underground inspection excel spreadsheet summaries appended within this document for complete details specified for each category.

It has been established by the BHI Asset Management Committee that all attribute indicators identified as 1 or 2 shall require immediate inspection by BHI crews. A schedule for addressing these concerns shall be developed based on the BHI crew best practices.

Safety concerns under general category (public safety, worker safety and cable faults), as well as, any grounding concerns, shall take priority.

All other concerns (attributes 1 & 2) shall be addressed as soon as possible until they are completed.

During the process of inspection and survey all emergency and urgent matters were dealt directly with the BHI Control Room and BHI Operations Manager.

The main common concerns for underground components of the BHI distribution system are:

- Locks (Priority Attribute 1)
- Pentahead Bolts (Priority Attribute 1)
- Grounding (Priority Attribute 1)
- Doors Do Not Open (Priority Attribute 1)
- Rust (Priority Attribute 2)
- Physical damage (Priority Attribute 2)
- Animal Intrusion (Priority Attribute 2)

Total number of pad-mount single phase transformers, pad-mount 3 phase transformers, switching cubicles and submersible transformers with priority attributes 1 and 2 are specified in underground excel spreadsheet attached in this document. (For exact details with respect to this information refer to this spreadsheet). These items shall be inspected immediately by BHI crews and priority scheduled for completion of all deficiencies.

During the underground inspection it has been determined that single phase and 3 phase pad-mount transformers have a high number of lock and pentahead bolt issues. These deficiencies shall be addressed as a priority.

Any grounding issues with any of the underground equipment inspected shall also be given priority.

There are several "Door, Do Not Open" issues within all 4 categories of transformers and switching cubicles, that need immediate attention.

Single phase pad-mount transformers have a high number of rust issues that will have to be scheduled. Physical damage and Animal Intrusion shall be treated as priority as well.

The balance of the deficiencies under the common concern category established during this inspection process shall be treated as part of the normal schedule (Priority & Normal Schedule Attributes 3 & 4).

- Pad-Mount Single Phase Transformers

There are 76 transformers with elbows or oil leak issues that have to be addressed as priority item. 57 transformers are missing danger signage and 20 have issues with their concrete pad, grade concern or bollards. These items shall be treated and scheduled as priority within the work schedule (Priority & Normal Schedule Attributes 3 & 4).

- Pad-Mount Three Phase Transformers

There are 28 transformers with elbows or oil leak issues that have to be addressed as priority item. 24 transformers are missing danger signage and 4 have issues with their concrete pad, grade concern or bollards. These items shall be treated and scheduled as planned priority and normal schedule (Priority & Normal Schedule Attributes 3 & 4).

- Submersible Single Phase Transformers

There are 18 transformers with elbows or oil leak issues that have to be addressed as priority item. 4 transformers have issues with vault condition or steel cover. These items shall be treated and scheduled as priority items (Priority Attributes 1 & 2).

- Switching Cubicles

The total number of switching cubicles (K-Bar and PMH units) in BHI's electrical system is 192. There are 23 concerns with priority concern attribute 1 that have to be addressed immediately. 7 switching cubicles have issues with switching access or danger signage and 5 switching cubicles have issues with rust, physical damage or animal intrusion. These items shall be treated and scheduled as a priority within the work schedule (Priority Schedule Attribute 3).

There are numerous issues with the underground sections of the system. A high number of category 1's and 2's were noted in the pad mount transformer and switch cubicle inventory. A detailed inspection of each asset indicated as having a risk rating of 1 or 2 will determine the next best course of action (repair or replace). It is recommended that a cause-effect study be performed to assist with determining if the issues noted during the inventory are a result of normal "wear and tear" or if there are certain causes for particular damages. A cause-effect analysis will help with planning mitigation measures (maintenance practices, selection of materials, selection of vendor products, etc.) to minimize the number of assets requiring immediate attention.

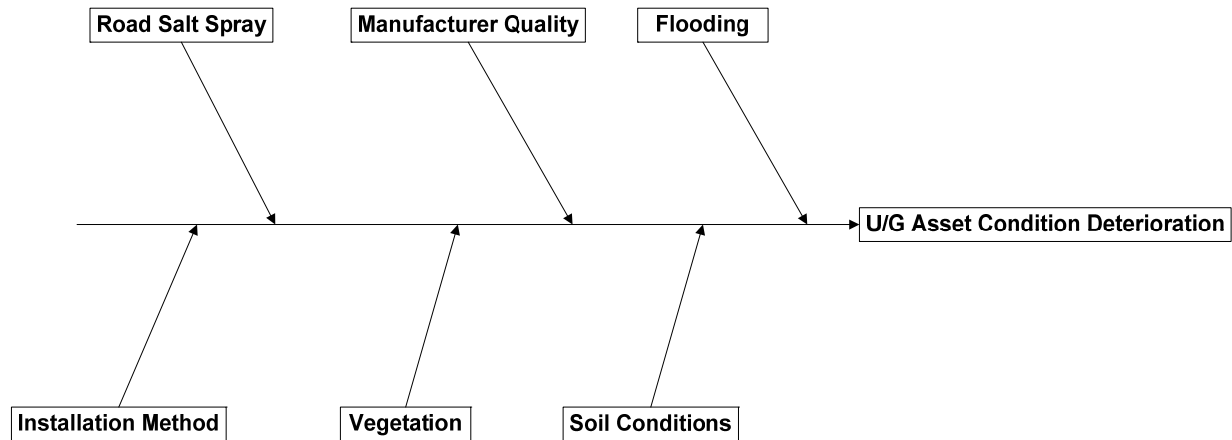
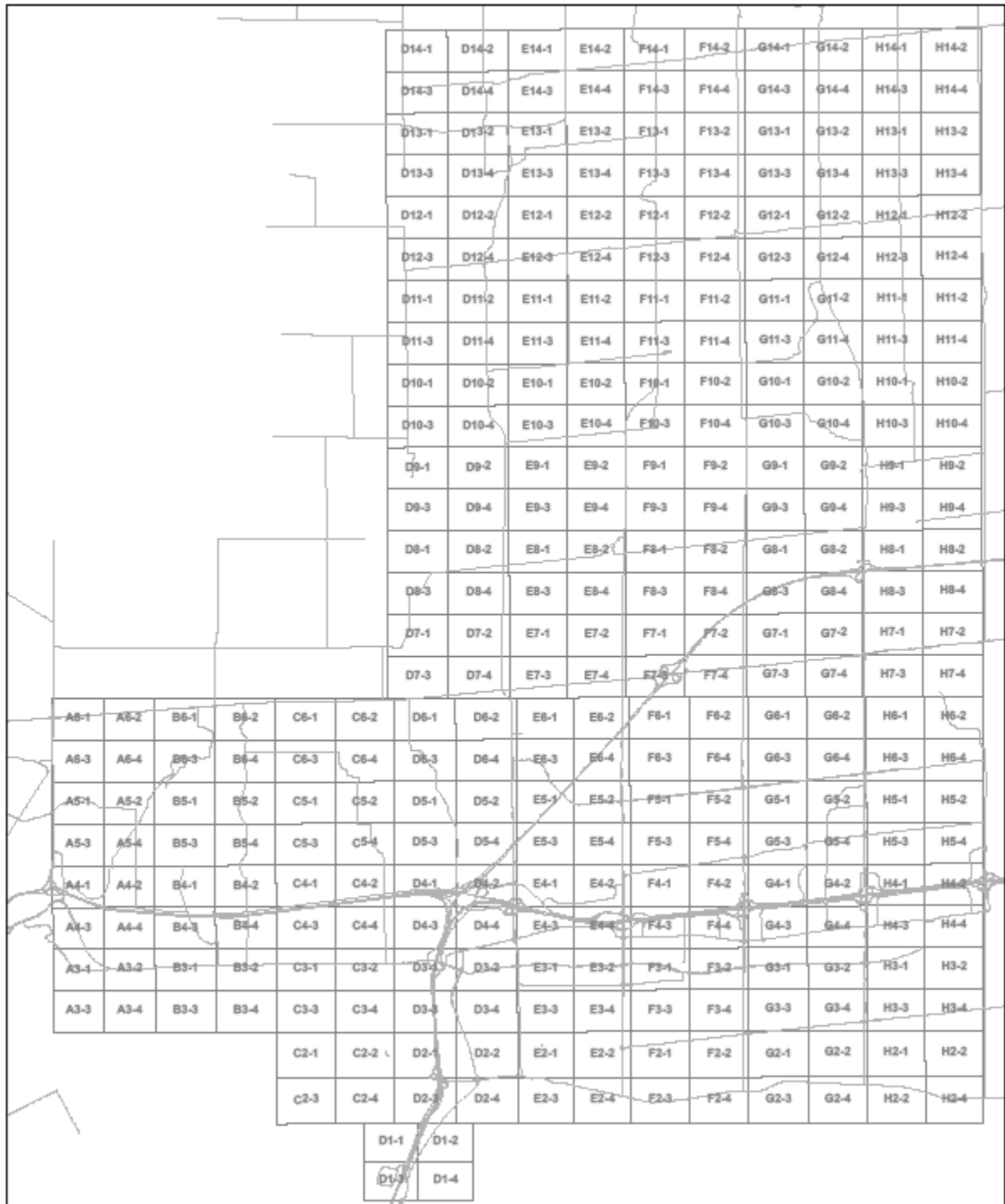


Fig 2: Sample Underground Cause-Effect (Fish-bone) Diagram



## **APPENDIX A**



**Inspection Grids**



## **APPENDIX B**

## Details of the Overhead Electrical Distribution System Inspection

### Rating System for Inspection

- Group 1 = Immediate Attention
- Group 2 = Immediate Analysis
- Group 3 = Priority Schedule (Planned)
- Group 4 = Normal Schedule (Planned)
- Group 5 = Regular Inspection

Table A – General Concerns

General Concerns	Group 1 Public Safety	Group 2 Worker Safety	Group 3 Trees	Group 4 N/A	Group 5 N/A
	11	0	38	0	0

\*Note: All public safety concerns were resolved immediately

Table B – Poles

	Total						
<b>Poles</b>	16,661						
<b>Pole Type</b>	<b>CCA</b>	<b>CCC</b>	<b>Concrete</b>	<b>EC</b>	<b>JP</b>	<b>JPP</b>	<b>LPB</b>
	27	9	220	1	494	670	5
	<b>LPP</b>	<b>Other</b>	<b>RP</b>	<b>RPP</b>	<b>RPS</b>	<b>SPP</b>	<b>SYP</b>
	165	59	249	1492	1	53	40
	<b>WC</b>	<b>WCC</b>	<b>YPP</b>	<b>Unknown</b>	<b>Steel</b>		
	1870	199	20	11086	1		

Condition Rating	Group 1 Public Safety, Env. Hazards, Grounding, Guy Insulator	Group 2 Worker Safety, Broken/Rotten, Damaged, Crossarms, Guy Guard	Group 3 Trees, Anchor Tension, Anchor Rod Condition	Group 4 Leaning, Finished Grade, Insulators, Pins, Loose Hardware, Yellow Pine	Group 5 No concerns
<b>All poles</b>	191	321	64	67	16,018
<b>Front lot</b>	105	166	43	41	10,377
<b>Rear lot</b>	86	155	21	26	5,641
	Category 1	Category 2	Category 3	Category 4	Category 5
<b>Age Grouping</b>	<b>Less than 5 Years</b>	<b>5 to 9 Years</b>	<b>10 - 19 Years</b>	<b>20 - 29 Years</b>	<b>More than 30 Years</b>
	357	755	1,362	1,276	12,911

Joint Use Attachments	Quantity	Group 1 Public Safety, Env. Hazards, Grounding, Guy Insulator	Group 2 Worker Safety, Broken/Rotten, Damaged, Crossarms, Guy Guard	Group 3 Trees, Anchor Tension, Anchor Rod Condition	Group 4 Leaning, Finished Grade, Insulators, Pins, Loose Hardware, Yellow Pine	Group 5 No concerns
AllStream		0	0	0	0	6
Bell		120	133	41	30	8006
City Connect		0	0	0	0	6
City Street Light Bus		9	34	5	8	1805
Cogeco		15	63	5	6	4659
NA		0	1	0	1	32
Other		20	69	9	15	1510
<b>Total</b>		<b>164</b>	<b>300</b>	<b>60</b>	<b>60</b>	<b>16024</b>

Ground Concerns	Group 1 Immediate attention
	70

\*Note: Ground concerns are also included in condition rating table

Table C - Anchors

General Concerns	Group 1 Guy Insulator	Group 2 Guy Guard	Group 3 Rod Condition, Tension	Group 4 N/A	Group 5 N/A
	6	299	26	0	0

Table D – Riser Poles

Riser Poles	Group 1 Grounding	Group 2 Terminators, Brackets, Cut-Outs	Group 3 Cables, Guards	Group 4 N/A	Group 5 N/A
	2	1	10	0	0

Table E – Primary Conductors

Primary Conductor		Group 1 Broken Strands	Group 2 Sag/Clearance	Group 3 Trees	Group 4 Size #4 Cu, Size #6 Cu	Group 5 No Concerns
<b>Quadruple Circuit</b>	Three Phase	0	0	0	0	95
	Two Phase	0	0	0	0	0
	Single Phase	0	0	0	0	1
<b>Triple Circuit</b>	Three Phase	0	0	0	0	504
	Two Phase	0	0	0	0	1
	Single Phase	0	0	0	0	4
<b>Double Circuit</b>	Three Phase	1	0	0	0	2259
	Two Phase	0	0	0	0	14
	Single Phase	0	0	0	0	161
<b>Single Circuit</b>	Three Phase	1	0	3	0	8030
	Two Phase	0	0	0	0	113
	Single Phase	2	0	15	28	4587

Table F – Secondary Conductors

Secondary Conductor		Group 1 N/A	Group 2 Sag/Clearance	Group 3 Trees	Group 4 Triplex, Open Wire	Group 5 No Concerns
	Double Circuit	0	0	0	0	439
	Single Circuit	0	3	19	0	7655

Table G – Services

Services	Group 1 N/A	Group 2 Sag/Clearance	Group 3 Trees	Group 4 Triplex, Open Wire	Group 5 N/A
	0	1	1	0	7762

Table H – Transformers

Overhead Transformers	Group 1 Oil Leaks	Group 2 Bushings, Arrestors, Brackets, Cut-outs, Cluster Mounts, Reclosers	Group 3 N/A	Group 4 Rust	Group 5 No Concerns
	3	3	22	136	2565

Table I – Overhead Switches

Overhead Switch	Group 1 Connections, Grounding, Locks	Group 2 Designation, Comments	Group 3 N/A	Group 4 Alignment, Insulators, Underslung	Group 5 No Concerns
Cut-out	0	1	0	1	1800
LBS	0	0	0	0	63
Solid Blade	1	0	0	0	953
Temporary Opener	0	0	0	0	2
Under-slung	0	0	0	0	36

## **APPENDIX C**

## Details of the Underground Electrical Distribution System Inspection

### Rating System for Inspection

Group 1 = Immediate Attention

Group 2 = Immediate Analysis

Group 3 = Priority Schedule (Planned)

Group 4 = Normal Schedule (Planned)

Group 5 = Regular Inspection

Table A – Common Concerns

Common Concerns	Group 1 Locks, Pentahead Bolts, Grounding, Doors Do Not Open	Group 2 Rust, Physical Damage, Animal Intrusion	Group 3 Nomenclature, Plant Interference, Switching Access	Group 4 Paint	Group 5 No concerns
Single Phase Padmount	192	34	175	20	1719
Three Phase Padmount	65	6	47	12	498
Submersible Transformers	13	5	32	0	544
Switching Cubicle	21	5	7	1	146

Table B – Padmount Transformers

Pad Mount Concerns	Group 1 Elbows, Oil leaks	Group 2 N/A	Group 3 Danger Signage	Group 4 Pad, Grade Concerns, Bollards	Group 5 No concerns
Single Phase Padmount	75	0	57	20	1988
Three Phase Padmount	28	0	24	3	573

Table C – Submersible Transformers

Submersible TX Concerns	Group 1 Elbows, Oil leaks	Group 2 Vault Condition, Steel Cover	Group 3 N/A	Group 4 N/A	Group 5 No concerns
Submersible Transformers	18	3	0	0	573



**Table D – Switching Cubicle**

<b>Switching Cubicle</b>	<b>Group 1 K-Bar dead-front elbow, S&amp;C (PMH) live-front</b>	<b>Group 2 N/A</b>	<b>Group 3 Switching Access, Danger Signage</b>	<b>Group 4 N/A</b>	<b>Group 5 No concerns</b>
	160	0	0	0	20

**Table E – General**

<b>General Concerns</b>	<b>Group 1 Public Safety, Cable Faults</b>	<b>Group 2 Worker Safety</b>	<b>Group 3 N/A</b>	<b>Group 4 N/A</b>	<b>Group 5 No Concerns</b>
<b>Underground</b>	6	7	0	0	3786

1 **SERVICE QUALITY AND RELIABILITY PERFORMANCE**

2 Burlington Hydro has consistently exceeded the OEB's Service Quality Indicators, as set out in  
 3 Table 1 below. Burlington Hydro has targeted to maintain its performance at levels equal to or  
 4 above the OEB's standards in 2009 and 2010.

<b>Reported Service Quality Indicators</b>				
<b>SQI</b>	<b>2006 Actuals</b>	<b>2007 Actuals</b>	<b>2008 Actuals</b>	<b>OEB Standard</b>
New Connection - Low Voltage (connection made within 5 working days)	97.20%	98.70%	97.20%	90.00%
Underground Cable Locates (requests completed within 5 working days)	91.92%	99.40%	99.00%	90.00%
Telephone Accessibility (answered in person within 30 seconds)	71.42%	74.70%	73.40%	65.00%
Appointments Met (appointment date and time met)	100.00%	100.00%	99.80%	90.00%
Written Responses to Inquiries (responses provided within 10 working days)	100.00%	100.00%	100.00%	80.00%
Emergency Response - Urban (onsite within 60 minutes of call)	91.23%	89.60%	89.80%	80.00%

5

6 Burlington Hydro tracks service reliability statistics SAIDI (System Average Interruption  
 7 Duration Index) and SAIFI (System Average Interruption Frequency Index) including and  
 8 excluding Hydro One related incidents. The following table shows actual results for the past  
 9 four historical years.

SQI	2005 Actuals		2006 Actuals		2007 Actuals		2008 Actuals	
	All Interruptions	Excluding Loss of Supply (Code 2)	All Interruptions	Excluding Loss of Supply (Code 2)	All Interruptions	Excluding Loss of Supply (Code 2)	All Interruptions	Excluding Loss of Supply (Code 2)
SAIDI (System Average Interruption Duration Index)	1.27	1.18	1.05	1.02	1.03	1.02	1.36	1.35
SAIFI (System Average Interruption Frequency Index)	1.21	1.05	0.88	0.81	0.68	0.61	1.70	1.61
CAIDI (Customer Average Interruption Duration Index)	1.05	1.12	1.19	1.26	1.51	1.66	0.80	0.84

1

2 The SQI values for 2008 were above the 3 year average for SAIDI and SAIFI and below the 3  
 3 year average for CAIDI.

4 In 2008 Burlington Hydro's service reliability statistics were negatively affected by two major  
 5 tree related outages. In the first incident (July 10, 2008), an large tree fell into two feeders as a  
 6 result of tree trimming, independent from the Burlington Hydro tree trimming program. This  
 7 impacted 5,416 customers. In a second incident (July 11, 2008), during a severe lightning storm  
 8 a large tree broke as and fell into 39M5 and 39M35 feeders affecting 7,815 customers.  
 9 Generally, Burlington Hydro was impacted by a year with high winds in the early part of the  
 10 year, and numerous storms throughout the summer months. More details on the specific outages  
 11 in 2008 are available in the 2008 System Performance Report, at Exhibit 2, Tab 6, Schedule 1.

12 Burlington Hydro is committed to the reliability of the distribution system and through continued  
 13 maintenance expects these figures to return to, or improve upon, the historical statistics.

14

## **EXHIBIT 3 – OPERATING REVENUE**

### **Tab 1 – Operating Revenue Overview**

- Schedule 1 - Overview of Operating Revenue
- Schedule 2 - Summary of Operating Revenue Table
- Schedule 3 - Variance Analysis on Operating Revenue

### **Tab 2 – Throughput Revenue**

- Schedule 1 - Weather Normalized Load and Customer/Connection Forecast
- Schedule 2 - Monthly Data Used for Regression Analysis

### **Tab 3 – Other Distribution Revenue**

- Schedule 1 - Summary of Other Distribution Revenue
- Schedule 2 - Variance Analysis on Other Distribution Revenue

1 **OVERVIEW OF OPERATING REVENUE:**

2 This Exhibit provides the details of Burlington Hydro's operating revenue for 2006 Board  
3 Approved, 2006 Actual, 2007 Actual, 2008 Actual the 2009 Bridge Year and the 2010 Test Year.  
4 This Exhibit also provides a detailed variance analysis by rate class of the operating revenue  
5 components. Distribution revenue does not include revenue from commodity sales.

6 A summary of operating revenues is presented in Exhibit 3, Tab 1, Schedule 2.

7 **Throughput Revenue:**

8 Information related to Burlington Hydro's throughput revenue includes details such as weather  
9 normalized forecasting methodology, normalized volume based on historical number of  
10 customers billed throughout the year and known economic conditions. Detailed variance  
11 analysis on the throughput revenue is set out in Exhibit 3, Tab 3, Schedules 1 and 2.

12 **Other Revenue:**

13 Other revenues include Late Payment Charges, Miscellaneous Service Revenues and Retail  
14 Services Revenues, to name a few. A summary of these operating revenues together with a  
15 materiality analysis of variances is presented in Exhibit 3, Tab 3, Schedules 1 and 2.

**SUMMARY OF OPERATING REVENUE TABLE**

	Last Rebasing Year (Board Approved) - 2006BA	Last Rebasing Year (Actuals) - 2006 Actuals	Variance 2006 Actuals - 2006 BA	2007 Actuals	Variance 2007 - 2006 Actuals	2008 Actuals	Variance 2008 - 2007 Actuals	Bridge Year - 2009	Variance 2009 - 2008 Actuals	2010	Variance 2010 - 2009 Actuals
<b>Distribution Revenues</b>											
Residential	15,613,659	16,537,900	924,241	16,571,358	33,458	16,316,295	(255,063)	16,311,459	(4,836)	17,991,492	1,680,032
General Service < 50 kW	3,469,777	3,745,046	275,269	3,820,939	75,893	3,752,372	(68,567)	3,765,592	13,220	4,081,216	315,623
General Service > 50 kW	7,237,631	7,275,647	38,016	7,270,002	(5,645)	7,044,398	(225,604)	6,924,264	(120,134)	7,973,679	1,049,415
Street Lighting	38,790	41,833	3,043	39,291	(2,542)	39,718	428	40,555	837	135,305	94,750
Unmetered Scattered Load	135,423	80,127	(55,296)	133,532	53,405	135,352	1,821	134,249	(1,103)	150,293	16,043
<b>Subtotal Distribution Revenues</b>	<b>26,495,280</b>	<b>27,680,552</b>	<b>1,185,272</b>	<b>27,835,121</b>	<b>154,569</b>	<b>27,288,136</b>	<b>(546,985)</b>	<b>27,176,120</b>	<b>(112,016)</b>	<b>30,331,983</b>	<b>3,155,864</b>
<b>Other Distribution Revenues</b>											
Late Payment Charges	252,107	199,974	(52,133)	233,163	33,189	221,083	(12,080)	200,000	(21,083)	202,800	2,800
Specific Service Charges	763,765	882,019	118,254	974,770	92,751	944,028	(30,742)	956,901	12,873	846,985	(109,916)
Other Distribution Revenues	428,918	291,095	(137,823)	494,979	203,883	481,523	(13,456)	377,197	(104,326)	381,727	4,530
Other Income and Expenses	736,637	940,501	203,864	1,017,171	76,670	596,804	(420,367)	186,082	(410,721)	152,390	(33,692)
<b>Subtotal Other Revenues</b>	<b>2,181,427</b>	<b>2,313,589</b>	<b>132,162</b>	<b>2,720,082</b>	<b>406,493</b>	<b>2,243,437</b>	<b>(476,645)</b>	<b>1,720,180</b>	<b>(523,257)</b>	<b>1,583,902</b>	<b>(136,278)</b>
<b>Total</b>	<b>28,676,707</b>	<b>29,994,141</b>	<b>1,317,434</b>	<b>30,555,203</b>	<b>561,062</b>	<b>29,531,573</b>	<b>(1,023,630)</b>	<b>28,896,300</b>	<b>(635,273)</b>	<b>31,915,885</b>	<b>3,019,585</b>

1 **VARIANCE ANALYSIS ON OPERATING REVENUE:**

2 Burlington Hydro's distribution revenue for actual years 2006 – 2008 are based on actual sales as  
3 reflected in the trial balance. The operating revenue for 2009 has been calculated using its most  
4 recently approved rates applied to the 2009 forecast information included in this exhibit. In  
5 particular, delivery rates are based on the EB-2008-0163 dated March 10, 2009. The distribution  
6 revenue for 2010 is based on the throughput forecast in this exhibit, and the proposed rates as per  
7 Exhibit 8. It is noted that the distribution revenue does not include commodity-related revenue.

8 A summary of normalized operating revenues is presented in Exhibit 3, Tab 1, Schedule 2.

9 **2006 Board Approved:**

10 Burlington Hydro's 2006 Board Approved operating revenue was forecast to be \$28,676,707 as  
11 shown in Exhibit 3, Tab 1, Schedule 2. Distribution revenue totaled \$26,495,280 or 92.4% of  
12 total revenues. Other operating revenue (net) accounts for the remaining revenue of \$2,181,427

13 **2006 Actual:**

14 Burlington Hydro's operating revenue in fiscal 2006 was \$29,994,141 as shown in Exhibit 3,  
15 Tab 1, Schedule 2. Distribution revenue totaled \$27,680,552 or 92.3% of total revenues. Other  
16 operating revenue (net), accounts for the remaining revenue of \$2,313,589.

17 **Comparison to 2006 Board Approved:**

18 As shown in Exhibit 3, Tab 1, Schedule 2, the total operating revenue was \$1,317,434 higher  
19 than the 2006 Board Approved level forecasted. This increase resulted from higher than  
20 forecasted consumption levels, mainly in the residential rate class.

1    **2007 Actual:**

2    Burlington Hydro's operating revenue in fiscal 2007 was \$30,555,203, as shown in Exhibit 3,  
3    Tab 1, Schedule 2. Distribution revenue totaled \$27,835,121 or 91.1% of total revenues. Other  
4    operating revenue (net), accounts for the remaining revenue of \$2,720,082.

5    **Comparison to 2006 Actual:**

6    As shown in Exhibit 3, Tab 1, Schedule 2, the total operating revenue was \$561,062 higher than  
7    the 2006 actual operating revenue. This increase resulted from the partial year realization of  
8    increased Specific Service Charge rates approved in the 2006 EDR as well as an increase in  
9    revenue related to subdivision administrative charges and growth within the Burlington area.

10   **2008 Actual:**

11   Burlington Hydro's operating revenue in fiscal 2008 was \$29,531,573, as shown in Exhibit 3,  
12   Tab 1, Schedule 2. Distribution revenue totaled \$27,288,136 or 92.4% of total revenues. Other  
13   operating revenue (net), accounts for the remaining revenue of \$2,243,437.

14   **Comparison to 2007 Actual:**

15   As shown in Exhibit 3, Tab 1, Schedule 2, the total operating revenue was \$1,023,630 lower than  
16   the 2007 actual operating revenue. This decrease was primarily due to lower system demand  
17   stemming from a cool, wet summer and a decrease in interest revenue.

18   **2009 Bridge Year:**

19   Burlington Hydro's operating revenue is forecast to be \$28,896,300 in fiscal 2009, as shown in  
20   Exhibit 3, Tab 1, Schedule 2. Distribution revenue totals \$27,176,120 or 94.0% of total revenues.  
21   Other operating revenue (net), accounts for the remaining revenue of \$1,720,180.



1    **Comparison to 2008 Actual:**

2    As shown in Exhibit 3, Tab 1, Schedule 2, the total operating revenue is expected to be \$635,273  
3    lower than the actual year level in fiscal 2008. This decrease is the result of a reduced  
4    throughput forecast related to a warm heating season in early 2009 and forecasted reduced  
5    revenues from other distribution revenue (most significantly, lower interest income due to  
6    decreased rate of interest) in this period.

7    **2010 Test Year:**

8    Burlington Hydro's operating revenue is forecast to be \$31,915,885 in fiscal 2010, as shown in  
9    Exhibit 3, Tab 1, Schedule 2. Distribution revenue totals \$30,331,983 or 95.0% of total revenues.  
10   Other operating revenue (net), accounts for the remaining revenue of \$1,583,902.

11   **Comparison to 2009 Bridge Year:**

12   As shown in Exhibit 3, Tab 1, Schedule 2, the total operating revenue is expected to be  
13   \$3,019,585 above the bridge year level in fiscal 2009. This increase is the result of an increase  
14   in revenue requirement for 2010. See Exhibit 6, Tab 1 for an explanation of the revenue  
15   deficiency for 2010 test year.

1 **WEATHER NORMALIZED LOAD AND CUSTOMER/CONNECTION FORECAST**

2 The purpose of this evidence is to present the process used by Burlington Hydro to prepare the  
3 weather normalized load and customer/connection forecast used to design the proposed  
4 distribution rates. Burlington Hydro reviewed the various processes used by the 2008 and 2009  
5 cost of service applicants and is proposing to adopt a weather normalization forecasting method  
6 similar to the one approved by the Board for Toronto Hydro Electric System Ltd in its 2008,  
7 2009 and 2010 rate application (EB-2007-0680). A similar method was also approved by the  
8 Board for the following 2009 cost of service applicants.

- 9 a) Innisfil Hydro Distribution Systems Ltd.
- 10 b) Lakeland Power Distribution Ltd.
- 11 c) Niagara-on-the-Lake Hydro Inc.
- 12 d) Thunder Bay Hydro Electricity Distribution Inc.

13 In summary, Burlington Hydro has used the same regression analysis methodology used by the  
14 distributors mentioned above to determine a prediction model. With regards to the overall  
15 process of load forecasting, it is Burlington Hydro's view that conducting a regression analysis  
16 on historical purchases to produce an equation that will predict purchases is appropriate.  
17 Burlington Hydro knows by month the exact amount of kWhs purchased from the IESO for use  
18 by customers of Burlington Hydro. With a regression analysis these purchases can be related to  
19 other monthly explanatory variables such as heating degree days and cooling degree days which  
20 occur in the same month. The results of regression analysis produces a equation that predicts the  
21 purchases based on the explanatory variables. This prediction model is then used as the basis to  
22 forecast the total level of weather normalized purchases for Burlington Hydro for the bridge and  
23 test year which is converted to billed kWh by rate class. A detailed explanation of the process is  
24 provided later on in this evidence.

1 During the review process of the 2009 cost of service applications, Intervenors expressed  
2 concerns with the load forecasting weather process being proposed by Burlington Hydro.  
3 Intervenors suggested the weather normalization should be conducted on an individual rate class  
4 basis and the regression analysis would be based on monthly billed kWh by rate class. Burlington  
5 Hydro attempted to conduct the regression analysis on an individual rate class basis. Burlington  
6 Hydro estimated the amount consumed in a month by rate class using an equation to prorate  
7 billing data based on the net system load shape process used for retail settlement. However,  
8 based on the R square values shown in the following table, Burlington Hydro concluded using  
9 the equation resulting from the individual rate class regression analysis would not be satisfactory  
10 for forecasting purposes

**Table 3-1: R Square Values for Individual Class Regression Analysis**

Class	R Square Values
Residential	86.5%
GS<50	43.7%
GS>50	61.8%

11  
12 In Burlington Hydro's view, conducting a regression analysis which relates the monthly billed  
13 kWh of a class to other monthly variables is problematic. The monthly billed amount is not the  
14 amount consumed in the month but the amount billed. The amount billed is based on billing  
15 cycle meter reading schedules whose reading dates vary and typically are not at month end. The  
16 amount billed could include consumption from the month before or even further back. By using  
17 a regression analysis to relate rate class billing data to a variable such as heating degree days  
18 does not appear to be reasonable, since the resulting regression model would attempt to relate  
19 heating degree days in a month to the amount billed in the month, not the amount consumed. In  
20 Burlington Hydro's view, variables such as heating degree days impact the amount consumed not  
21 the amount billed.

22 Burlington Hydro attempted to estimate the amount consumed in a month but based on the  
23 information provided above in table 3-1 it appears the estimation process was not accurate

1 enough. The accuracy will only improve when smart meters are fully deployed and actual  
2 monthly consumption by rate class and individual customer can be determined. In addition,  
3 Burlington Hydro does not have as many years of monthly historical billed data by rate class as it  
4 does for the amount purchased. As a result, conducting the regression analysis on purchases  
5 provides better results since a higher level of historical data increases the accuracy of the  
6 regression analysis.

7 Burlington Hydro understands that to a certain degree the process of developing a load forecast  
8 for cost of service rate application is an evolving science for electric distributors in the province.  
9 Burlington Hydro expects to include additional improvements to the load forecasting  
10 methodology in future cost of service rate applications by taking into consideration data provided  
11 by smart meters and how others are conducting load forecasts in future cost of service rate  
12 applications. However, based on the Board's approval of this methodology in a number of 2009  
13 applications as well as the discussion that follows, Burlington Hydro submits the load forecasting  
14 methodology is reasonable at this time for the purposes of this application.

15 The following provides the material to support the weather normalized load forecast used by  
16 Burlington Hydro in this application.

17 Table 3-2, 3-3 and 3-4 below provides a summary of the weather normalized load and  
18 customer/connection forecast used in this application

Table 3-2: Summary of Load and Customer/Connection Forecast

Year	Billed (GWh)	Growth (GWh)	Percent Change	Customer/ Connection Count	Growth	Percent Change (%)
<b>Billed Energy (GWh) and Customer Count / Connections</b>						
2006 Board Approved	1,706.7			72,760		
2003 Actual	1,622.0			70,190		
2004 Actual	1,638.1	16.1	1.0%	71,878	1,688	2.4%
2005 Actual	1,731.1	93.0	5.7%	73,538	1,660	2.3%
2006 Actual	1,669.6	(61.5)	(3.6%)	75,066	1,528	2.1%
2007 Actual	1,707.8	38.2	2.3%	75,949	883	1.2%
2008 Actual	1,655.0	(52.8)	(3.1%)	77,104	1,155	1.5%
<b>2009 Normalized Bridge</b>	<b>1,624.1</b>	<b>(30.9)</b>	<b>(1.9%)</b>	<b>78,526</b>	<b>1,422</b>	<b>1.8%</b>
<b>2010 Normalized Test</b>	<b>1,615.3</b>	<b>(8.8)</b>	<b>(0.5%)</b>	<b>79,977</b>	<b>1,450</b>	<b>1.8%</b>

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2003 to 2008 are weather actual. 2009 is weather actual from January to April and weather normalized for the remaining months and 2010 is weather normalized. Burlington Hydro currently does not have a process to adjust weather actual data to a weather normal basis. However, based on the process outlined in this Exhibit a process to forecast energy on a weather normalized basis has been developed and used in this application.

Total Customers are as of year-end and streetlight, sentinel lights and unmetered loads are measured as connections.

On a rate class basis actual and forecasted billed amount and number of customers are shown in Table 3-3 and customer usage is shown in Table 3-4

Table 3-3: Billed Energy and Number of Customers / Connections by Rate Class

Year	Residential	GS<50	GS>50	SLR	USL	TOTAL
<b>Billed Energy (GWh)</b>						
2006 Board Approved	530.7	162.8	1001.2	8.7	3.2	1,706.7
2003 Actual	512.3	161.0	938.6	8.8	1.4	1,622.0
2004 Actual	503.3	160.6	961.1	8.9	4.3	1,638.1
2005 Actual	558.2	165.2	994.3	9.1	4.3	1,731.1
2006 Actual	528.3	164.2	963.8	9.1	4.2	1,669.6
2007 Actual	545.2	177.3	972.1	9.1	4.0	1,707.8
2008 Actual	534.9	173.8	933.0	9.2	4.0	1,655.0
<b>2009 Normalized Bridge</b>	<b>525.1</b>	<b>171.8</b>	<b>914.1</b>	<b>9.2</b>	<b>3.9</b>	<b>1,624.1</b>
<b>2010 Normalized Test</b>	<b>520.4</b>	<b>171.4</b>	<b>910.1</b>	<b>9.4</b>	<b>3.9</b>	<b>1,615.3</b>

<b>Number of Customers/Connections</b>						
Year	Residential	GS<50	GS>50	SLR	USL	TOTAL
2006 Board Approved	52,787	4,381	1,051	13,907	634	72,760
2003 Actual	50,793	4,355	969	13,672	401	70,190
2004 Actual	52,051	4,367	1,006	13,835	619	71,878
2005 Actual	53,357	4,394	1,063	14,091	633	73,538
2006 Actual	54,582	4,484	1,101	14,276	623	75,066
2007 Actual	55,380	4,766	992	14,222	589	75,949
2008 Actual	56,284	4,826	1,012	14,380	602	77,104
<b>2009 Normalized Bridge</b>	<b>57,451</b>	<b>4,926</b>	<b>1,021</b>	<b>14,526</b>	<b>602</b>	<b>78,526</b>
<b>2010 Normalized Test</b>	<b>58,643</b>	<b>5,028</b>	<b>1,030</b>	<b>14,673</b>	<b>602</b>	<b>79,977</b>

Table 3-4: Annual Usage per Customer/Connection by Rate Class

Year	Residential	GS<50	GS>50	SLR	USL
<b>Energy Usage per Customer/Connection (kWh per customer/connection)</b>					
2006 Board Approved	10,054	37,166	952,662	627	4,991
2003 Actual	10,086	36,968	968,579	642	3,430
2004 Actual	9,669	36,767	955,321	644	6,975
2005 Actual	10,461	37,598	935,363	647	6,762
2006 Actual	9,679	36,609	875,386	641	6,692
2007 Actual	9,844	37,200	979,951	642	6,860
2008 Actual	9,504	36,023	921,901	642	6,660
<b>2009 Normalized Bridge</b>	9,139	<b>34,874</b>	<b>895,411</b>	<b>635</b>	<b>6,510</b>
<b>2010 Normalized Test</b>	8,874	<b>34,089</b>	<b>883,857</b>	<b>642</b>	<b>6,508</b>

<b>Annual Growth Rate in Usage per Customer/Connection</b>					
2006 Board Approved vs 2006 Actual	3.9%	1.5%	8.8%	-2.1%	-25.4%
2003 Actual					
2004 Actual	-4.1%	-0.5%	-1.4%	0.3%	103.4%
2005 Actual	8.2%	2.3%	-2.1%	0.4%	-3.1%
2006 Actual	-7.5%	-2.6%	-6.4%	-1.0%	-1.0%
2007 Actual	1.7%	1.6%	11.9%	0.3%	2.5%
2008 Actual	-3.5%	-3.2%	-5.9%	0.0%	-2.9%
<b>2009 Normalized Bridge</b>	<b>-3.8%</b>	<b>-3.2%</b>	<b>-2.9%</b>	<b>-1.1%</b>	<b>-2.2%</b>
<b>2010 Normalized Test</b>	<b>-2.9%</b>	<b>-2.3%</b>	<b>-1.3%</b>	<b>1.1%</b>	<b>0.0%</b>

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1 **LOAD FORECAST AND METHODOLOGY**

2  
3 Burlington Hydro's weather normalized load forecast is developed in a three-step process. First,  
4 a total system weather normalized purchased energy forecast is developed based on a multifactor  
5 regression model that incorporates historical load, weather, and economic data. Second, the  
6 weather normalized purchased energy forecast is adjusted by a historical loss factor to produce a  
7 weather normalized billed energy forecast. Finally, the forecast of billed energy by rate class is  
8 developed based on a forecast of customer numbers and historical usage patterns per customer.  
9 For the rate classes that have weather sensitive load their forecasted billed energy is adjusted to  
10 ensure that the total billed energy forecast by rate class is equivalent to the total weather  
11 normalized billed energy forecast that has been determined from the regression model. The  
12 forecast of customers by rate class is determined using a geometric mean analysis. For those rate  
13 classes that use kW for the distribution volumetric billing determinant an adjustment factor is  
14 applied to class energy forecast based on the historical relationship between kW and kWh. The  
15 following will explain the forecasting process in more detail.

16  
17 **Purchased KWh Load Forecast**

18  
19 An equation to predict total system purchased energy is developed using a multifactor regression  
20 model with the following independent variables: weather (heating and cooling degree days),  
21 economic output (GDP growth), total customer numbers and calendar variables (days in month,  
22 seasonal). The regression model uses monthly kWh and monthly values of independent variables  
23 from January 1996 to December 2008 to determine the monthly regression coefficients.

24  
25 Data for Burlington Hydro's total system load is available as far back as January 1996. This  
26 provides 156 data monthly data points which is a reasonable data set for use in a multiple  
27 regression analysis. Based on the recent global activity surrounding climate change historical  
28 weather data is showing that there is a warming of the global climate system. In this regard, it is  
29 Burlington Hydro's view that it is appropriate to review the impact of weather since 1996 on the  
30 energy usage and then determine the average weather conditions from January 1996 to



1 December 2008 which would be applied in the forecasting process to determine a weather  
2 normalized forecast. However, in accordance with the filing requirement Burlington Hydro has  
3 also provided sensitivity analysis showing the impact on the 2010 forecast of purchases  
4 assuming weather normal conditions is based on a 10 year average and a 20 year trend of  
5 weather data.

6  
7 The multifactor regression model has determined drivers of year-over-year changes in  
8 Burlington Hydro's load growth are economic growth, weather and "calendar" factors. These  
9 factors are captured within the multifactor regression model.

10  
11 Economic growth – which encompasses customer trends in the Burlington Hydro service area as  
12 well as general economic conditions is captured in the model using an index of economic output,  
13 Ontario Real Gross Domestic Product ("GDP") and historical customer numbers.

14  
15 Weather impacts on load are apparent in both the winter heating season, and in the summer  
16 cooling season. For that reason, both Heating Degree Days (i.e. a measure of coldness in winter)  
17 and Cooling Degree Days i.e. a measure of summer heat) are modeled.

18  
19 The third main factor determining energy use in the monthly model can be classified as "calendar  
20 factors". For example, the number of days in a particular month will impact energy use. The  
21 modeling of purchased energy uses number of days in the month and a "flag" variable to capture  
22 the typically lower usage in the spring and fall months.

23  
24

1 The following outlines the predication model used by Burlington Hydro to predict weather  
2 normal purchases for 2008.

3

4 Burlington Hydro Monthly Predicted kWh Purchases

5 = Heating Degree Days \* 22,159

6 + Cooling Degree Days \* 310,474

7 + Ontario Real GDP Monthly Index \* 1,318,757

8 + Number of Customers \* (1,828)

9 + Number of Peak Hours \* 40,776

10 + Number of Days in the Month \* 3,298,468

11 + Spring Fall Flag \* (5,436,067)

12 + Constant of (48,952,145)

13

14 The monthly data used in the regression model and the resulting monthly prediction for the  
15 actual and forecasted years are provided in Appendix A.

16

17 The sources of data for the various data points are:

18 a) Environment Canada website for monthly heating degree day and cooling  
19 degree information. Data for the Hamilton A weather station was used.

20 b) The 2003, 2008 and 2009 Ontario Economic Outlooks from the Ontario  
21 Ministry of Finance provided the Ontario real GDP index and;

22 c) Customer data is based on historical customer data and the customer forecast  
23 mention later on in this evidence.

24 d) The calendar provided information related to number of days in the month and  
25 the spring/fall flag.

26

27 The prediction formula has the following statistical results which generally indicates the formula  
28 has a very good fit to the actual data set.

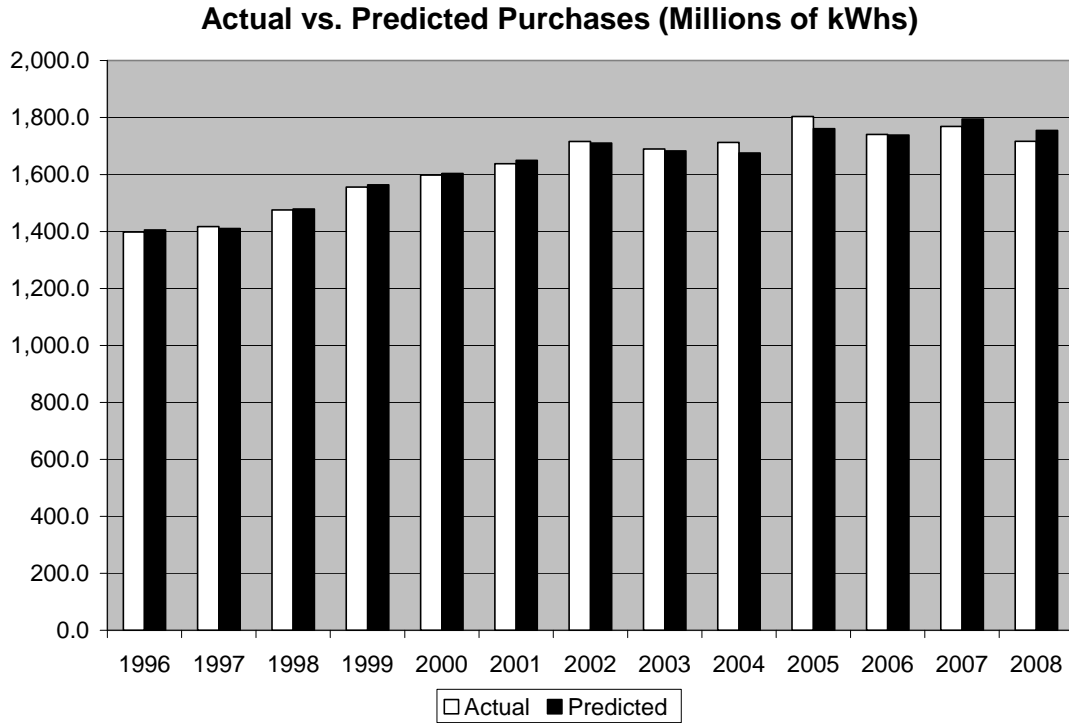
29

**Table 3-5: Statistical Results**

Statistic	Value
R Square	94.9%
Adjusted R Square	94.7%
F Test	396.3
T-stats by Coefficient	
Intercept	(3.7)
Heating Degree Days	11.4
Cooling Degree Days	20.2
Ontario Real GDP Monthly %	8.3
Number of Days in Month	8.6
Spring Fall Flag	(6.8)
Number of Customers	(4.1)
Number of Peak Hours	2.2

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1 The annual results of the above prediction formula compared to the actual annual purchases from  
2 1996 to 2008 are shown in the chart below.



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The following table outlines the data that supports the above chart. In addition, the predicted total system purchases for Burlington Hydro is provided for 2009 and 2010. For 2009, the value reflects actual purchases from January to April and weather normalized purchases for the remaining months of 2009. For, 2010 the system purchases reflect a weather normalized forecast for the full year . In addition values for 2010 are provided with different assumptions of weather normalization.

Year	Actual	Predicted	% Difference
<b>Purchased Energy (GWh)</b>			
1996	1,397.5	1,405.8	0.6%
1997	1,416.7	1,410.6	(0.4%)
1998	1,475.5	1,478.9	0.2%
1999	1,556.1	1,563.8	0.5%
2000	1,598.0	1,603.5	0.3%
2001	1,637.9	1,649.4	0.7%
2002	1,716.0	1,710.4	(0.3%)
2003	1,689.6	1,682.9	(0.4%)
2004	1,712.3	1,675.4	(2.2%)
2005	1,803.8	1,760.9	(2.4%)
2006	1,740.5	1,738.8	(0.1%)
2007	1,768.8	1,794.3	1.4%
2008	1,716.7	1,754.5	2.2%
<b>2009 Actual (J-A) and Weather Normal for remaining</b>		<b>1,690.2</b>	
<b>2010 Weather Normal - 13 year average</b>		<b>1,681.1</b>	
<b>2010 Weather Normal - 10 year average</b>		<b>1,684.6</b>	
<b>2010 Weather Normal - 20 year trend</b>		<b>1,689.7</b>	

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The weather normalized amount for 2010 is determined by using 2010 dependent variables in the prediction formula on a monthly basis along with the average monthly heating degree days and cooling degree days which has occurred from January 1996 to December 2008 (i.e. 13 years). The 2010 weather normal 10 year average value represents the average monthly heating degree days and cooling degree days which has occurred from January 1999 to December 2008. The 2010 weather normal 20 year trend value reflects the trend in monthly heating degree days and cooling degree days which has occurred from January 1989 to December 2008.

The weather normal 13 year average has been used as the purchased forecast in this application for the purposes of determining a billed kWh load forecast which is used to design rates.

1 **Billed KWh Load Forecast**

2

3 To determine the total weather normalized energy billed forecast, the total system weather  
4 normalized purchases forecast is adjusted by a historical loss factor. As outlined in the table  
5 below, historically the Burlington Hydro loss factor on average has been 4.07%

6

**Table 3-7: Historical Loss Factor**

Year	Actual Purchased	Actual Billed	Loss Factor
2003	1,689.6	1,622.0	4.17%
2004	1,712.3	1,638.1	4.53%
2005	1,803.8	1,731.1	4.20%
2006	1,740.5	1,669.6	4.25%
2007	1,768.8	1,707.8	3.57%
2008	1,716.7	1,655.0	3.73%
Average			4.07%

7

8

9 With this average loss factor the total weather normalized billed energy will be 1,624.0 (GWh)  
10 for 2009 (i.e. 1,690.2/1.0407) and 1,615.3 (GWh) for 2010 (i.e. 1,681.1 /1.0407)

11

12 **Billed KWh Load Forecast and Customer/Connection Forecast by Rate Class**

13

14 Since the total weather normalized billed energy amount is known this amount needs to be  
15 distributed by rate class for rate design purposes taking into consideration the  
16 customer/connection forecast and expected usage per customer by rate class.

17

18 The next step in the forecasting process is to determine a customer/connection forecast. The  
19 customer/connection forecast is based on reviewing historical customer/connection data that is  
20 available as shown in the following table.

Table 3-8: Historical Customer/Connection Data

Year	Residential	GS<50	GS>50	SLR	USL	TOTAL
<b>Number of Customers/Connections</b>						
2003	50,793	4,355	969	13,672	401	70,190
2004	52,051	4,367	1,006	13,835	619	71,878
2005	53,357	4,394	1,063	14,091	633	73,538
2006	54,582	4,484	1,101	14,276	623	75,066
2007	55,380	4,766	992	14,222	589	75,949
2008	56,284	4,826	1,012	14,380	602	77,104

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From the historical customer/connection data the growth rate in customer/connection can be evaluated which is provided on the following table. The geometric mean growth rate in number of customers is also provided. The geometric mean approach provides the average growth rate on a compounding basis.

Table 3-9: Growth Rate in Customer/Connections

Year	Residential	GS<50	GS>50	SLR	USL
<b>Growth Rate in Customers/Connections</b>					
2003					
2004	2.5%	0.3%	3.8%	1.2%	54.4%
2005	2.5%	0.6%	5.7%	1.9%	2.3%
2006	2.3%	2.0%	3.6%	1.3%	(1.6%)
2007	1.5%	6.3%	(9.9%)	(0.4%)	(5.5%)
2008	1.6%	1.3%	2.0%	1.1%	2.2%
<b>Geometric Mean</b>	<b>2.1%</b>	<b>2.1%</b>	<b>0.9%</b>	<b>1.0%</b>	<b>(0.7%)</b>

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The resulting geometric mean is applied to the 2008 customer/connection numbers to determine the forecast of customer/connections in 2009 and 2010. Table 3-10 outlines the forecast of customers by rate class for 2009 and 2010

Table 3-10: Customer/Connection Forecast

Year	Residential	GS<50	GS>50	SLR	USL	TOTAL
<b>Forecast number of Customers/Connections</b>						
2009 Normalized Bridge	57,451	4,926	1,021	14,526	602	78,526
2010 Normalized Test	58,643	5,028	1,030	14,673	602	79,977

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The next step in the process is to review the historical customer/connection usage and to reflect this usage per customer in the forecast. The following table provides the average annual usage per customer by rate class from 2003 to 2008 where data is available.

Table 3-11: Historical Annual Usage per Customer

Year	Residential	GS<50	GS>50	SLR	USL
<b>Annual kWh Usage Per Customer/Connection</b>					
2003	10,086	36,968	968,579	642	0
2004	9,669	36,767	955,321	644	6,975
2005	10,461	37,598	935,363	647	6,762
2006	9,679	36,609	875,386	641	6,692
2007	9,844	37,200	979,951	642	6,860
2008	9,504	36,023	921,901	642	6,660

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As can be seen from the above table usage per customer/connection declines in the Residential after 2005. It is Burlington Hydro's view, that this decline is partially due to the CDM programs initiated in 2005, in conjunction with cooler summer weather experienced in 2007 and 2008.

From the historical usage per customer/connection data the growth rate in usage per customer/connection can be reviewed which is provided on the following table. The geometric mean growth rate has also been shown.



Table 3-12: Growth Rate in Usage Per Customer/Connection

Year	Residential	GS<50	GS>50	SLR	USL
<b>Growth Rate in Customer/Connection</b>					
2003					
2004	(4.1%)	(0.5%)	(1.4%)	0.3%	
2005	8.2%	2.3%	(2.1%)	0.4%	(3.1%)
2006	(7.5%)	(2.6%)	(6.4%)	(1.0%)	(1.0%)
2007	1.7%	1.6%	11.9%	0.3%	2.5%
2008	(3.5%)	(3.2%)	(5.9%)	(0.0%)	(2.9%)
<b>Geometric Mean</b>	<b>(1.2%)</b>	<b>(0.5%)</b>	<b>(1.0%)</b>	<b>(0.0%)</b>	<b>(1.1%)</b>

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For the forecast of usage per customer/connection the historical geometric mean was used for all rate classes and the resulting usage forecast is as follows.

Table 3-13: Forecast Annual kWh Usage per Customer/Connection

Year	Residential	GS<50	GS>50	SLR	USL
<b>Forecast Annual kWh Usage per Customers/Connection</b>					
2009 Normalized Bridge	9,392	35,837	912,839	642	6,584
2010 Normalized Test	9,281	35,652	903,866	642	6,508

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With the preceding information the non-normalized weather billed energy forecast can be determine by applying the forecast number of customer/connection from Table 3-10 by the forecast of annual usage per customer/connection from Table 3-13. The resulting non-normalized weather billed energy forecast is shown in the following table.

Table 3-14: Non-normalized Weather Billed Energy Forecast

Year	Residential	GS<50	GS>50	SLR	USL	TOTAL
<b>NON-normalized Weather Billed Energy Forecast (GWh)</b>						
2009 (Not Normalized)	539.6	176.5	931.8	9.2	3.9	1,661.1
2010 (Not Normalized)	544.3	179.3	930.7	9.4	3.9	1,667.6

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 2 The non-normalized weather billed energy forecast has been determined but this needs to be  
 3 adjusted in order to be aligned with the total weather normalized billed energy forecast. As  
 4 previously determined, the total weather normalized billed energy forecast is 1,624.0 (GWh) for  
 5 2009 and 1,615.3 (GWh) for 2010

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 7 The difference between the non-normalized and normalized forecast adjustments is 37.0 GWh in  
 8 2009 (i.e. 1,661.1 – 1,624.0) and 52.3 GWh in 2010 (i.e. 1,667.6 – 1,615.3). The difference is  
 9 assumed to be the amount related to moving the forecast to a weather normal basis. This  
 10 difference will be assigned to those rate classes that are weather sensitive. Based on the weather  
 11 normalization work completed by Hydro One for Burlington Hydro for the cost allocation study,  
 12 which has been used to support this rate application, it was determined the weather sensitivity by  
 13 rate classes is as follows.

**Table 3-15: Weather Sensitivity by Rate Class**

Residential	GS<50	GS>50	SLR	USL
<b>Weather Sensitivity</b>				
100%	100%	51%	0%	0%

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 16 As a result, the difference of 37.0 GWh in 2009 and 52.3 GWh in 2010 has been assigned on a  
 17 prorated basis to each rate classes based on the above level of weather sensitivity. The following  
 18 tables outline how the weather sensitive rate classes have been adjusted to align the non-  
 19 normalized forecast with the normalized forecast.

Table 3-16: Alignment of Non-normal to Weather Normal Forecast

Year	Residential	GS<50	GS>50	SLR	USL	TOTAL
<b>Non-normalized Weather Billed Energy Forecast (GWh)</b>						
2009 NON-Normalized Bridge	539.6	176.5	931.8	9.2	3.9	1,661.1
2010 NON-Normalized Test	544.3	179.3	930.7	9.4	3.9	1,667.6
<b>Adjustment for Weather (GWh)</b>						
2009 Normalized Bridge	(14.5)	(4.7)	(17.8)	0.0	0.0	(37.0)
2010 Normalized Test	(23.9)	(7.9)	(20.6)	0.0	0.0	(52.3)
<b>Weather Normalized Billed Energy Forecast (GWh)</b>						
2009 Normalized Bridge	525.1	171.8	914.1	9.2	3.9	1,624.1
2010 Normalized Test	520.4	171.4	910.1	9.4	3.9	1,615.3

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**Billed KW Load Forecast**

There are two rate classes that charge volumetric distribution on per kW basis. These include General Service > 50 and Streetlights. As a result, the energy forecast for these classes needs to be converted to a kW basis for rate setting purposes. The forecast of kW for these classes is based on a review of the historical ratio of kW to kWhs and applying the average ratio to the forecasted kWh to produce the required kW.

The following table outlines the annual demand units by applicable rate class.

**Table 3-17: Historical Annual kW per Applicable Rate Class**

Year	GS>50	SLR	TOTAL
<b>Billed Annual kW</b>			
2003	2,358,680	24,537	2,383,217
2004	2,416,692	24,894	2,441,586
2005	2,514,283	25,441	2,539,723
2006	2,628,975	25,551	2,654,526
2007	2,518,089	24,575	2,542,663
2008	2,448,386	25,768	2,474,154

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3 The following is the historical ratio of kW/kWh as well as the average ratio.

**Table 3-18: Historical kW/KWh Ratio per Applicable Rate Class**

Year	GS>50	SLR
<b>Ratio of kW to kWh</b>		
2003	0.2513%	0.2793%
2004	0.2515%	0.2794%
2005	0.2529%	0.2791%
2006	0.2728%	0.2794%
2007	0.2590%	0.2690%
2008	0.2624%	0.2790%
<b>Average</b>	<b>0.2575%</b>	<b>0.2773%</b>

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6 The average ratio was applied to the weather normalized billed energy forecast in Table 3-16 to  
 7 provide the forecast of kW by rate class as shown below. The following outlines the forecast of  
 8 kW for the applicable rate classes.

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**Table 3-19: kW Forecast by Applicable Rate Class**

Year	GS>50	SLR	TOTAL
<b>Predicted Billed kW</b>			
<b>2009 Normalized Bridge</b>	<b>2,353,610</b>	<b>25,572</b>	<b>2,379,182</b>
<b>2010 Normalized Test</b>	<b>2,343,504</b>	<b>26,120</b>	<b>2,369,624</b>

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Table 3-20 on the next page provides a summary of the billing determinants by rate class that are used to develop the proposed rates.

Table 3-20: Summary of Forecast

	2006 Board Approved	2006 Actual	2007 Actual	2008 Actual	2009 With Actual (J-A) Weather Normal Remaining	2010 Weather Normal Test
<b>ACTUAL AND PREDICTED KWH PURCHASES</b>						
Actual kWh Purchases		1,740,504,463	1,768,767,708	1,716,667,999		
Predicted kWh Purchases before load displacement		1,738,768,062	1,794,326,043	1,754,549,754	1,690,242,614	1,681,109,268
% Difference between actual and predicted purchases		(0.1%)	1.4%	2.2%		
<b>BILLING DETERMINANTS BY CLASS</b>						
Residential						
Customers	52,787	54,582	55,380	56,284	57,451	58,643
kWh	530,711,276	528,303,980	545,180,314	534,926,360	525,074,536	520,407,965
GS<50						
Customers	4,381	4,484	4,766	4,826	4,926	5,028
kWh	162,824,507	164,156,752	177,295,234	173,848,077	171,794,967	171,414,280
GS>50						
Customers	1,051	1,101	992	1,012	1,021	1,030
kW	2,527,531	2,628,975	2,518,089	2,448,386	2,353,610	2,343,504
kWh	1,001,248,021	963,800,303	972,110,976	932,963,615	914,058,878	910,133,799
SLR						
Connections	13,907	14,276	14,222	14,380	14,526	14,673
kW	24,753	25,551	24,575	25,768	25,572	26,120
kWh	8,720,337	9,144,515	9,134,108	9,234,331	9,223,186	9,421,002
USL						
Connections	634	623	589	602	602	602
kWh	3,163,978	4,169,170	4,040,802	4,009,459	3,919,270	3,918,008
<b>Total</b>						
Customer/Connections	72,760	75,066	75,949	77,104	78,526	79,977
kWh	1,706,668,120	1,669,574,719	1,707,761,434	1,654,981,842	1,624,070,837	1,615,295,054
kW from applicable classes	2,552,284	2,654,526	2,542,663	2,474,154	2,379,182	2,369,624

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**Appendix A**

	<u>Purchased</u>	<u>Heating Degree Days</u>	<u>Cooling Degree Days</u>	<u>Ontario Real GDP Monthly %</u>	<u>Number of Days in Month</u>	<u>Spring Fall Flag</u>	<u>Number of Customers</u>	<u>Number of Peak Hours</u>	<u>Predicted Purchases</u>
Jan-96	127,001,844	774.2	0	94.72	31	0	45,786	352	126,007,357
Feb-96	116,901,361	699.4	0	94.80	29	0	45,835	336	117,124,969
Mar-96	117,976,816	666.6	0	94.89	31	1	45,883	336	117,583,589
Apr-96	107,143,211	408.3	0	94.97	30	1	45,931	336	108,586,097
May-96	106,058,784	210.1	10.7	95.06	31	1	45,979	352	111,491,897
Jun-96	112,169,494	26.5	38.7	95.14	30	0	46,028	320	116,974,402
Jul-96	122,159,321	12	56.3	95.23	31	0	46,076	352	126,745,721
Aug-96	131,333,090	2.2	78.1	95.32	31	0	46,124	336	132,669,560
Sep-96	112,537,659	85.4	22.5	95.40	30	1	46,172	320	107,889,057
Oct-96	108,732,592	272.4	0	95.49	31	1	46,221	352	109,675,723
Nov-96	114,830,946	521	0	95.57	30	1	46,269	320	110,606,554
Dec-96	120,683,577	570.8	0	95.66	31	0	46,317	320	120,470,098
Jan-97	128,694,310	746.1	0	96.01	31	0	46,398	352	125,978,706
Feb-97	111,747,955	573.8	0	96.37	28	0	46,483	320	111,274,156
Mar-97	117,181,903	583.1	0	96.73	31	1	46,597	304	115,549,577
Apr-97	107,161,146	375.1	0	97.08	30	1	46,683	352	109,914,627
May-97	106,394,396	269.6	0	97.44	31	1	46,814	336	110,457,729
Jun-97	123,254,023	33.3	61.8	97.81	30	0	47,039	336	126,611,180
Jul-97	134,759,801	14.5	72.1	98.17	31	0	47,191	352	133,543,324
Aug-97	124,346,581	23.1	37.2	98.53	31	0	47,328	320	121,822,665
Sep-97	112,876,062	89.5	6.7	98.90	30	1	47,522	336	105,869,173
Oct-97	112,203,952	270	3.9	99.26	31	1	47,613	352	113,267,265
Nov-97	115,294,567	485.1	0	99.63	30	1	47,763	304	111,777,856
Dec-97	122,784,481	596.9	0	100.00	31	0	47,884	336	124,560,171
Jan-98	124,500,618	620.8	0	100.39	31	0	47,987	336	125,430,879
Feb-98	110,086,696	520.3	0	100.79	28	0	48,076	320	112,996,094
Mar-98	119,340,648	504.6	0	101.18	31	1	48,242	352	118,632,256
Apr-98	106,322,473	290.7	0	101.58	30	1	48,342	336	110,295,882
May-98	117,016,730	82.1	29.2	101.98	31	1	48,507	320	117,596,533
Jun-98	131,190,519	63.3	79.2	102.38	30	0	48,550	352	136,601,909
Jul-98	143,729,403	1.3	74	102.78	31	0	48,581	352	137,378,505
Aug-98	142,815,465	5.3	100.7	103.18	31	0	48,653	320	144,852,725
Sep-98	123,514,514	51.8	41.4	103.59	30	1	48,937	336	119,417,865
Oct-98	112,889,020	234.9	0	104.00	31	1	49,133	336	114,099,902
Nov-98	117,564,732	402.7	0	104.40	30	1	49,284	336	114,780,063
Dec-98	126,524,487	539.5	0	104.81	31	0	49,409	336	126,859,856
Jan-99	134,462,766	774.6	0	105.45	31	0	49,439	320	132,184,098
Feb-99	117,234,002	556.8	0	106.09	28	0	49,515	320	118,163,517
Mar-99	125,923,474	566.8	0	106.73	31	1	49,687	368	125,350,954
Apr-99	112,620,293	317.5	0	107.38	30	1	49,820	336	115,830,806
May-99	117,905,766	113.1	13.6	108.03	31	1	49,949	320	118,778,460
Jun-99	141,488,576	37.5	86.3	108.68	30	0	50,070	352	143,765,005
Jul-99	162,808,104	1	163.7	109.34	31	0	50,208	336	170,256,915
Aug-99	138,030,583	12.7	47	110.00	31	0	50,390	336	134,824,127
Sep-99	127,708,692	71	38.5	110.67	30	1	50,497	336	125,423,175
Oct-99	119,029,033	282.5	0	111.34	31	1	50,631	320	121,428,219
Nov-99	123,523,400	377.2	0	112.01	30	1	50,733	352	122,242,082
Dec-99	135,369,839	588.5	0	112.69	31	0	50,902	336	135,600,292
Jan-00	140,662,869	747.9	0	113.21	31	0	51,055	320	138,868,020
Feb-00	129,601,695	622.7	0	113.73	29	0	51,138	336	130,693,402
Mar-00	128,745,157	434.7	0	114.25	31	1	51,232	368	129,514,910
Apr-00	119,783,042	363.5	0	114.77	30	1	51,362	304	122,465,597
May-00	126,682,902	151.7	18.7	115.30	31	1	51,456	352	129,360,318
Jun-00	136,400,475	42.8	38.6	115.83	30	0	51,737	352	135,454,883
Jul-00	144,022,908	12.2	57.7	116.36	31	0	51,840	320	143,207,421
Aug-00	147,008,975	18	58.3	116.90	31	0	51,939	352	145,350,715
Sep-00	129,675,483	115.3	30.1	117.43	30	1	52,315	320	128,723,385
Oct-00	122,928,642	230.8	0.2	117.97	31	1	52,476	336	126,392,377
Nov-00	128,419,474	447.4	0	118.52	30	1	52,552	352	129,051,197
Dec-00	144,114,086	811.6	0	119.06	31	0	52,691	304	144,371,520



	<u>Purchased</u>	<u>Heating Degree Days</u>	<u>Cooling Degree Days</u>	<u>Ontario Real GDP Monthly %</u>	<u>Number of Days in Month</u>	<u>Spring Fall Flag</u>	<u>Number of Customers</u>	<u>Number of Peak Hours</u>	<u>Predicted Purchases</u>
Jan-01	142,351,972	703	0	119.23	31	0	52,787	352	143,958,638
Feb-01	126,041,379	597.3	0	119.40	28	0	52,854	320	130,519,899
Mar-01	136,018,897	598.5	0	119.58	31	1	52,922	352	136,416,145
Apr-01	120,196,898	314.1	0	119.75	30	1	53,056	320	125,484,853
May-01	126,233,959	142.2	8.3	119.92	31	1	53,208	352	128,816,345
Jun-01	143,347,094	40.9	63.7	120.10	30	0	53,252	336	145,419,178
Jul-01	150,307,400	17.9	79.6	120.27	31	0	53,341	336	153,213,268
Aug-01	164,156,729	0.7	114	120.45	31	0	53,475	352	164,134,376
Sep-01	132,639,872	93.3	21.8	120.62	30	1	53,635	304	126,803,503
Oct-01	130,025,592	243.5	0	120.80	31	1	53,724	352	128,689,900
Nov-01	128,766,490	332.1	0	120.97	30	1	53,883	352	127,301,717
Dec-01	137,802,402	535.2	0	121.15	31	0	53,954	304	138,689,677
Jan-02	142,989,819	592.6	0	121.50	31	0	54,032	352	142,232,916
Feb-02	128,587,043	553.9	0	121.86	28	0	54,132	320	130,464,375
Mar-02	136,938,873	539.3	0	122.22	31	1	54,230	320	134,898,091
Apr-02	128,640,632	338.9	8	122.59	30	1	54,295	352	131,311,775
May-02	130,133,301	248.9	8.3	122.95	31	1	54,378	352	133,028,397
Jun-02	144,359,997	41.9	64.7	123.31	30	0	54,556	320	146,929,426
Jul-02	178,716,552	0.9	151	123.68	31	0	54,675	352	177,690,787
Aug-02	166,905,129	4.2	94.4	124.04	31	0	54,712	336	159,968,516
Sep-02	147,446,463	32.8	61.3	124.41	30	1	54,864	320	141,119,533
Oct-02	133,615,014	304.1	8.9	124.78	31	1	55,016	352	135,682,348
Nov-02	133,390,797	449.5	0	125.14	30	1	55,245	336	132,271,346
Dec-02	144,241,308	643.2	0	125.51	31	0	55,427	320	144,787,795
Jan-03	151,993,116	829.5	0	125.66	31	0	55,494	352	150,289,933
Feb-03	136,950,789	699.2	0	125.81	28	0	55,749	320	135,926,636
Mar-03	140,181,663	593.1	0	125.95	31	1	55,795	336	138,812,504
Apr-03	129,564,207	387.1	0	126.10	30	1	55,897	336	130,953,376
May-03	128,132,568	215.8	0	126.24	31	1	55,998	336	130,466,070
Jun-03	140,127,266	54.5	41.4	126.39	30	0	56,161	336	141,776,077
Jul-03	159,796,917	6.5	83.9	126.54	31	0	56,302	352	157,780,546
Aug-03	156,569,923	5.7	102.6	126.68	31	0	56,413	320	162,254,688
Sep-03	134,874,519	73.9	14.8	126.83	30	1	56,526	336	128,424,310
Oct-03	132,746,747	293.5	0	126.98	31	1	56,665	352	132,572,708
Nov-03	133,757,607	391.5	0	127.12	30	1	56,782	320	130,111,750
Dec-03	144,906,017	571	0	127.27	31	0	56,877	336	143,521,712
Jan-04	155,195,062	859.1	0	127.53	31	0	56,973	336	150,075,960
Feb-04	139,659,585	647.7	0	127.80	29	0	57,073	320	138,300,567
Mar-04	142,476,567	513.6	0	128.06	31	1	57,199	368	138,568,841
Apr-04	128,979,435	329.3	0	128.32	30	1	57,300	336	130,043,199
May-04	132,072,706	164.1	14.2	128.59	31	1	57,383	320	133,621,091
Jun-04	141,344,476	60.1	29.2	128.85	30	0	57,472	352	139,609,204
Jul-04	154,433,723	7.7	71.6	129.12	31	0	57,575	336	154,428,417
Aug-04	151,763,698	28.9	40	129.38	31	0	57,725	336	145,163,708
Sep-04	145,054,109	43.9	31.2	129.65	30	1	57,879	336	134,097,343
Oct-04	133,574,773	253.5	0	129.92	31	1	58,038	320	131,749,592
Nov-04	136,344,495	396	0	130.19	30	1	58,155	352	133,059,162
Dec-04	151,366,561	636.7	0	130.45	31	0	58,266	336	146,634,159
Jan-05	157,662,745	765.8	0	130.74	31	0	58,411	320	148,944,753
Feb-05	138,166,091	641.7	0	131.03	28	0	58,505	320	136,508,817
Mar-05	147,163,732	646.9	0	131.33	31	1	58,567	352	142,660,573
Apr-05	131,348,999	339	0	131.62	30	1	58,676	336	132,085,928
May-05	132,470,427	212.7	0	131.91	31	1	58,824	336	132,702,866
Jun-05	169,813,431	13.1	119.6	132.20	30	0	58,861	352	168,513,160
Jul-05	178,273,905	1.1	144.7	132.50	31	0	59,074	320	178,025,349
Aug-05	171,876,870	3.8	102.5	132.79	31	0	59,065	352	166,692,492
Sep-05	147,749,759	32.8	25.6	133.09	30	1	59,193	336	134,241,271
Oct-05	136,628,971	234.2	7.6	133.38	31	1	59,352	320	135,847,979
Nov-05	139,576,195	396.3	0	133.68	30	1	59,473	352	135,262,996
Dec-05	153,070,078	688.8	0	133.98	31	0	59,541	320	149,435,212

	<u>Purchased</u>	<u>Heating Degree Days</u>	<u>Cooling Degree Days</u>	<u>Ontario Real GDP Monthly %</u>	<u>Number of Days in Month</u>	<u>Spring Fall Flag</u>	<u>Number of Customers</u>	<u>Number of Peak Hours</u>	<u>Predicted Purchases</u>
Jan-06	149,679,367	554.7	0	134.25	31	0	59,693	336	147,217,144
Feb-06	138,153,687	602.8	0	134.53	28	0	59,829	320	137,834,256
Mar-06	145,273,665	530.4	0	134.81	31	1	59,902	368	142,895,141
Apr-06	127,405,814	314.6	0	135.08	30	1	59,921	304	132,518,580
May-06	137,279,602	155.5	22.4	135.36	31	1	60,098	352	141,249,694
Jun-06	151,573,797	26.7	43.2	135.64	30	0	60,200	352	147,179,134
Jul-06	176,319,724	1.9	136.1	135.92	31	0	60,239	320	177,756,908
Aug-06	163,584,314	8.1	70.1	136.20	31	0	60,351	352	158,871,958
Sep-06	134,533,385	105.3	4.1	136.48	30	1	60,406	320	130,755,115
Oct-06	135,590,034	304.1	0	136.76	31	1	60,535	336	137,997,971
Nov-06	136,824,541	393.1	0	137.04	30	1	60,632	352	137,509,761
Dec-06	144,286,533	508.1	0	137.33	31	0	60,760	304	146,982,399
Jan-07	151,264,062	665.6	0	137.57	31	0	60,843	352	152,591,020
Feb-07	143,694,846	761.8	0	137.82	28	0	60,907	320	143,733,156
Mar-07	145,900,676	565.2	0	138.07	31	1	60,944	352	145,404,745
Apr-07	133,441,786	374.2	0	138.33	30	1	61,009	320	136,771,266
May-07	137,562,131	138.4	23.3	138.58	31	1	61,033	352	143,680,193
Jun-07	159,231,958	19.2	74.2	138.83	30	0	61,169	336	158,423,590
Jul-07	160,705,581	9.2	82	139.08	31	0	61,193	336	164,212,555
Aug-07	169,154,601	8.4	106	139.33	31	0	61,304	352	172,413,272
Sep-07	143,143,131	55.2	37.2	139.59	30	1	61,383	304	141,584,053
Oct-07	138,148,431	157.8	13	139.84	31	1	61,423	352	141,863,749
Nov-07	137,981,290	467.5	0	140.09	30	1	61,609	352	141,393,313
Dec-07	148,539,215	641	0	140.35	31	0	61,666	304	152,255,131
Jan-08	151,610,447	633	0	140.30	31	0	61,774	352	153,757,137
Feb-08	141,584,477	679	0	140.25	29	0	61,854	320	146,668,852
Mar-08	143,117,622	622	0	140.21	31	1	61,939	304	145,697,069
Apr-08	129,207,268	291	0	140.16	30	1	62,004	352	136,836,182
May-08	129,874,894	214	0	140.11	31	1	62,114	336	137,617,372
Jun-08	149,018,945	34	55	140.07	30	0	62,151	336	152,622,141
Jul-08	166,485,771	4	88	140.02	31	0	62,211	352	165,878,303
Aug-08	152,257,812	20	45	139.97	31	0	62,269	320	151,576,237
Sep-08	139,709,272	70	20	139.93	30	1	62,384	336	136,603,808
Oct-08	132,114,600	298	0	139.88	31	1	62,461	352	139,082,000
Nov-08	133,835,958	461	0	139.83	30	1	62,638	304	137,055,226
Dec-08	147,850,933	655	0	139.79	31	0	62,743	336	151,155,426
Jan-09	152,290,188	713	0	139.49	31	0	62,841	336	151,862,373
Feb-09	131,046,386	627	0	139.20	28	0	62,939	304	138,202,682
Mar-09	137,401,709	567	0	138.90	31	1	63,037	352	142,704,049
Apr-09	125,715,787	342	1	138.61	30	1	63,135	320	132,746,545
May-09		178	11	138.32	31	1	63,233	320	135,226,711
Jun-09		38	61	138.03	30	0	63,331	352	150,438,588
Jul-09		7	97	137.74	31	0	63,428	352	163,586,242
Aug-09		11	77	137.45	31	0	63,547	320	155,457,484
Sep-09		71	27	137.16	30	1	63,665	336	132,805,955
Oct-09		260	3	136.87	31	1	63,784	336	132,008,974
Nov-09		425	0	136.58	30	1	63,902	320	130,308,463
Dec-09		614	0	136.29	31	0	64,021	352	143,956,127
Jan-10		713	0	136.55	31	0	64,139	320	144,957,488
Feb-10		627	0	136.81	28	0	64,258	304	132,641,963
Mar-10		567	0	137.07	31	1	64,376	368	138,487,327
Apr-10		342	1	137.33	30	1	64,494	320	128,568,818
May-10		178	11	137.59	31	1	64,613	320	131,740,233
Jun-10		38	61	137.85	30	0	64,731	352	147,643,199
Jul-10		7	97	138.11	31	0	64,850	336	160,829,367
Aug-10		11	77	138.37	31	0	64,968	336	154,733,732
Sep-10		71	27	138.63	30	1	65,087	336	132,157,921
Oct-10		260	3	138.90	31	1	65,205	320	131,436,508
Nov-10		425	0	139.16	30	1	65,323	336	131,768,675
Dec-10		614	0	139.43	31	0	65,442	368	146,144,036

1 **SUMMARY OF OTHER DISTRIBUTION REVENUE**

2 This Tab provides the details on Burlington Hydro's other distribution revenue. The table below  
 3 provides a summary of each year of information that is detailed in Schedule 1 of this Tab, the  
 4 breakdown of each of the other distribution revenue accounts.

5

Description	Last Rebasng Year (Actuals) - 2006 Actuals	2007 Actuals	2008 Actuals	Bridge Year - 2009	2010
<b>Other Distribution Revenues</b>					
Specific Service Charges	882,019	974,770	944,028	956,901	846,985
Late Payment Charges	199,974	233,163	221,083	200,000	202,800
Other Distribution Revenue	291,095	494,979	481,523	377,197	381,727
Other Income and Expenses	940,501	1,017,171	596,804	186,082	152,390
<b>Total</b>	<b>2,313,589</b>	<b>2,720,082</b>	<b>2,243,437</b>	<b>1,720,180</b>	<b>1,583,902</b>

6  
7

8 Variance analysis information is provided at Schedule 2 of this Tab.

1 The following table provides the breakdown of other distribution revenue, by account.

Uniform System of Account #	OEB Description	Actual Year - 2006	Actuals - 2007	Actuals - 2008	Bridge Year - 2009	Test Year - 2010
4235	Specific Service Charges	882,019	974,770	944,028	956,901	846,985
4225	Late Payment Charges	199,974	233,163	221,083	200,000	202,800
4082	Retail Services Revenues	65,053	71,906	67,554	68,000	68,000
4084	Service Transaction Requests (STR) Revenues	3,116	4,801	2,200	3,300	3,300
4090	Electric Services Incidental to Energy Sales	-	-	-	-	-
4205	Interdepartmental Rents	-	-	-	-	-
4210	Rent from Electric Property	131,518	132,322	166,521	202,217	202,217
4215	Other Utility Operating Income	-	-	-	-	-
4220	Other Electric Revenues	91,409	285,949	245,248	103,680	108,210
4240	Provision for Rate Refunds	-	-	-	-	-
4245	Government Assistance Directly Credited to Income	-	-	-	-	-
	<b>Subtotal Other Distribution Revenues</b>	<b>291,095</b>	<b>494,979</b>	<b>481,523</b>	<b>377,197</b>	<b>381,727</b>
4305	Regulatory Debits	-	-	-	-	-
4310	Regulatory Credits	-	-	-	-	-
4315	Revenues from Electric Plant Leased to Others	-	-	-	-	-
4320	Expenses of Electric Plant Leased to Others	-	-	-	-	-
4325	Revenues from Merchandise, Jobbing, Etc.	54,183	-	-	-	-
4330	Costs and Expenses of Merchandising, Jobbing, Etc.	-	-	-	-	-
4335	Profits and Losses from Financial Instrument Hedges	-	-	-	-	-
4340	Profits and Losses from Financial Instrument Investments	-	-	-	-	-
4345	Gains from Disposition of Future Use Utility Plant	-	-	-	-	-
4350	Losses from Disposition of Future Use Utility Plant	-	-	-	-	-
4355	Gain on Disposition of Utility and Other Property	-	-	48,549	-	-
4360	Loss on Disposition of Utility and Other Property	56,106	7,160	-	2,080	2,000
4365	Gains from Disposition of Allowances for Emission	-	-	-	-	-
4370	Losses from Disposition of Allowances for Emission	-	-	-	-	-
4375	Revenues from Non-Utility Operations	520,523	551,820	503,846	375,821	387,755
4380	Expenses of Non-Utility Operations	(372,692)	(408,792)	(387,832)	(303,044)	(315,265)
4385	Non-Utility Rental Income	-	-	-	-	-
4390	Miscellaneous Non-Operating Income	59,379	55,465	31,914	45,000	45,630
4395	Rate-Payer Benefit Including Interest	-	-	-	-	-
4398	Foreign Exchange Gains and Losses, Including Amortization	-	-	-	-	-
4405	Interest and Dividend Income	623,002	811,518	400,326	66,225	32,270
4415	Equity in Earnings of Subsidiary Companies	-	-	-	-	-
	<b>Subtotal Other Income and Expenses</b>	<b>940,501</b>	<b>1,017,171</b>	<b>596,804</b>	<b>186,082</b>	<b>152,390</b>
	<b>TOTAL OTHER INCOME AND EXPENSES</b>	<b>2,313,589</b>	<b>2,720,082</b>	<b>2,243,437</b>	<b>1,720,180</b>	<b>1,583,902</b>

2

1 **VARIANCE ANALYSIS ON OTHER DISTRIBUTION REVENUE:**

2 The following table provides Burlington Hydro's other distribution Revenue for 2006 Actual,  
 3 2007 Actual, 2008 Actual, 2009 Bridge Year and 2010 Test Year, and the following variances:

- 4 • 2007 Actual against 2006 Actual;
- 5 • 2008 Actual against 2007 Actual
- 6 • 2009 Bridge Year against 2008 Actual; and
- 7 • 2010 Test Year against 2009 Bridge Year.

Description	Last Rebasng Year (Actuals) - 2006 Actuals	2007 Actuals	Variance 2007 - 2006 Actuals	2008 Actuals	Variance 2008 - 2007 Actuals	Bridge Year - 2009	Variance 2009 - 2008 Actuals	2010	Variance 2010 - 2009 Actuals
<b>Other Distribution Revenues</b>									
Specific Service Charges	882,019	974,770	92,751	944,028	(30,742)	956,901	12,873	846,985	(109,916)
Late Payment Charges	199,974	233,163	33,189	221,083	(12,080)	200,000	(21,083)	202,800	2,800
Other Distribution Revenue	291,095	494,979	203,883	481,523	(13,456)	377,197	(104,326)	381,727	4,530
Other Income and Expenses	940,501	1,017,171	76,670	596,804	(420,367)	186,082	(410,721)	152,390	(33,692)
<b>Total</b>	<b>2,313,589</b>	<b>2,720,082</b>	<b>406,493</b>	<b>2,243,437</b>	<b>(476,645)</b>	<b>1,720,180</b>	<b>(523,257)</b>	<b>1,583,902</b>	<b>(136,278)</b>

8

9 The Materiality threshold used to analyze Other Distribution Revenue is \$157,176, consistent  
 10 with the threshold used throughout this application.

11 *Other Distribution Revenue – 2007 Actuals -2006 Actuals*

12 This account had an increase in revenue of \$203,883 driven by activity in OEB account 4220,  
 13 Other Electric Revenues. This activity is related to payments by developers who are required  
 14 to provide payment to Burlington Hydro for administrative activities related to the  
 15 development of subdivisions in the distribution area. Developer activity was up substantially  
 16 in 2007.

17 *Other Income and Expenses -2008 Actuals -2007 Actuals*

18 *Other Income and Expenses -2009 Actuals -2008 Actuals*

19 This account had a decrease in revenues of \$420,367 from 2007 to 2008, and \$410,721 from  
 20 2008 to 2009. This change is driven by decrease in interest revenue. 2007 had very strong

1 investment rates which increased interest revenue compared to earlier years. In 2008 and into  
2 2009 Burlington Hydro has experienced a drop in these investment rates which has  
3 significantly reduced interest income. In conjunction with the decrease in interest rates,  
4 Burlington Hydro has also had a reduction in the forecast of surplus funds available for  
5 investment.

## **EXHIBIT 4 – OPERATING COSTS**

### **Tab 1 - Manager's Summary**

### **Tab 2 - Summary and Cost Drivers**

- Schedule 1 - Description of OM&A Expenses
- Schedule 2 - Summary of OM&A Expenses
- Schedule 3 - Detailed Account by Account OM&A Expenses
- Schedule 4 - OM&A Cost Drivers
- Schedule 5 - Regulatory Costs
- Schedule 6 - OM&A Cost per Customer and per Full Time Equivalent
- Schedule 7 - One Time Costs
- Schedule 8 - Low-Income Energy Consumer Programs
- Schedule 9 - Green Energy and Green Economy Act
- Schedule 10 - Charitable Donations

### **Tab 3 - Variance Analysis on OM&A Costs**

- Schedule 1 - OM&A Variances

### **Tab 4 - Employee Compensation, Incentive Plan Expenses, Pension Expenses and Post Retirement Expenses**

- Schedule 1 - Overview of Employee Compensation
- Schedule 2 - Employee Costs

### **Tab 5 - Charges to Affiliates for Services Provided**

- Schedule 1 - Shared Services/Corporate Cost Allocation

### **Tab 6 - Purchase of Services**

### **Tab 7 - Depreciation, Amortization and Depletion**

- Schedule 1 - Burlington Hydro Fixed Asset Policy
- Schedule 2 - Depreciation Schedules

### **Tab 8 - Taxes**

- Schedule 1 - Tax Overview
- Schedule 2 - Tax Calculations
- Schedule 3 - CCA Continuity Schedules
- Schedule 4 - 2008 Federal and Ontario Tax Return

1 **MANAGER'S SUMMARY**

2 OM&A costs in this Exhibit represent Burlington Hydro's integrated set of asset maintenance  
 3 and customer activity needs to meet public and employee safety objectives; to comply with the  
 4 Distribution System Code, environmental requirements and government direction; and to  
 5 maintain distribution business service quality and reliability at targeted performance levels.  
 6 OM&A costs also include providing services to customers connected to Burlington Hydro's  
 7 distribution system, and meeting the requirements of the OEB's Standard Supply Service Code  
 8 and Retail Settlement Code.

9 Burlington Hydro is proposing recovery of 2010 Test Year OM&A costs, including amortization  
 10 but excluding PILs and Interest totaling \$21,535,686. A summary of Burlington Hydro's  
 11 operating costs for the 2006 Board Approved, 2006 Actual, 2007 Actual, 2008 Actual, 2009  
 12 Bridge Year and the 2010 Test Year is provided below.

13 **Summary of Operating Costs**

Description	2006 Board Approved	2006 Actual	2007 Actual	2008 Actual	2009 Bridge	2010 Test
Operation	2,846,089	3,501,950	3,607,258	4,383,027	4,157,707	4,513,354
Maintenance	2,154,745	2,652,339	2,664,758	2,411,913	2,613,009	2,894,945
Billing and Collections	1,972,864	1,997,392	2,091,157	2,298,488	2,317,744	2,348,908
Community Relations	411,491	436,651	538,029	41,317	47,101	80,687
Administrative and General Expenses	3,841,086	3,501,772	3,791,023	3,910,354	4,901,006	4,963,100
Subtotal	11,226,275	12,090,103	12,692,225	13,045,099	14,036,568	14,800,994
Amortization Expenses	5,715,922	5,920,601	6,128,220	6,205,927	6,436,328	6,694,092
Total Operating Costs	16,942,197	18,010,705	18,820,445	19,251,027	20,472,896	21,495,086

14  
 15  
 16 Detailed information with respect to OM&A costs and variances, arranged by USoA account, is  
 17 provided at Exhibit 4, Tab 3, Schedule 1.

18 Burlington Hydro, similar to many other LDCs, has found a need to increase headcount,  
 19 specifically in the skilled trade areas, in order to address the aging workforce and the limited  
 20 pool of skilled workers. To that effect, Burlington Hydro has an increase from a level of 90 staff  
 21 in 2006 to 101 staff in 2010. This is a significant driver in the increase in OM&A costs. More  
 22 detailed information is provided at Tab 4 of this Exhibit.



1 In addition to staffing changes, Burlington Hydro has experienced increases in costs of some  
2 contracted services (e.g. tree trimming), regulatory expenses and required programs (e.g. LEAP).

3 Burlington Hydro began development of the budget to support this forecast in late summer of  
4 2008, with a presentation to the Board of Directors in the fall of 2008. The budget process is  
5 described in more detail at Exhibit 1, Tab 2, Schedule 2. At the time of budget creation,  
6 managers involved in the establishment of the budget were directed to estimate OM&A costs for  
7 their specific groups based on a number of factors including review of historical spending,  
8 review of specific requirements anticipated in the future, and where no changes were identified,  
9 to use an inflation factor of 2%. This value was based on the Bank of Canada total CPI, as  
10 published in July 2008. Wages and benefits were increased in 2010 at a rate of 3% for unionized  
11 staff, which is consistent with negotiated wages. Non-unionized staff wages and benefits were  
12 increased at a rate of 3.4%.

13 The variance used to determine the OM&A accounts requiring analysis has been prescribed by  
14 the Filing Requirements as 0.5% of distribution revenue requirement for distributors with a  
15 revenue requirement greater than \$10 million and less than or equal to \$200 million. Burlington  
16 Hydro has based the threshold calculation on the proposed revenue requirement and adopted a  
17 variance analysis threshold of \$156,589 throughout this analysis.

1 **SUMMARY AND COST DRIVERS**

2 The purpose of this section is to provide detail information in support of Burlington Hydro's  
3 proposed 2010 Test Year OM&A costs. To support this request, the following Schedules have  
4 been completed and attached to this Tab:

5 **Schedule 1 - Description of OM&A Expenses** – This schedule provides a description  
6 of the various departments within Burlington Hydro, and some of the associated costs and  
7 functions of each.

8 **Schedule 2 - Summary of OM&A Expenses** – This schedule provides Appendix 2-F  
9 from the filing requirements.

10 **Schedule 3 - Detailed Account by Account OM&A Expenses** – This schedule  
11 provides Appendix 2-G from the filing requirements.

12 **Schedule 4 - OM&A Cost Drivers** – This schedule provides Appendix 2-H from the  
13 filing requirements, along with written support.

14 **Schedule 5 - Regulatory Costs** – This schedule provides Appendix 2-I from the filing  
15 requirements.

16 **Schedule 6 - OM&A Cost per Customer and per Full Time Equivalent** – This  
17 schedule provides Appendix 2-J from the filing requirements.

18 **Schedule 7 - One Time Costs** – This schedule describes one-time OM&A costs.

19 **Schedule 8 - Low-Income Energy Consumer Program** – This schedule describes  
20 Burlington Hydro contributions to this program.

21 **Schedule 9 - Green Energy and Green Economy Act** – This schedule describes  
22 Burlington Hydro's plans related to this initiative.

23 **Schedule 10 - Charitable Donations** – This schedule describes Burlington Hydro's  
24 charitable donations.

25

1 **DESCRIPTION OF OM&A EXPENSES**

2 Below is a description of the nature of costs included in each cost category for Burlington Hydro,  
3 along with the departments responsible for the costs, and how costs are determined.

4 **OPERATIONS & MAINTENANCE**

5 As described in the Filing Guidelines, the Distribution Expenses – Operations and  
6 Distribution Expenses – Maintenance cost category includes the following accounts:

7 **Distribution Expenses – Operation**

- 8 5005 Operation Supervision and Engineering
- 9 5010 Load Dispatching
- 10 5012 Station Buildings and Fixtures Expense
- 11 5014 Transformer Station Equipment - Operation Labour
- 12 5015 Transformer Station Equipment - Operation Supplies and Expenses
- 13 5016 Distribution Station Equipment - Operation Labour
- 14 5017 Distribution Station Equipment - Operation Supplies and Expenses
- 15 5020 Overhead Distribution Lines and Feeders - Operation Labour
- 16 5025 Overhead Distribution Lines and Feeders - Operation Supplies and Expenses
- 17 5030 Overhead Sub-transmission Feeders - Operation
- 18 5035 Overhead Distribution Transformers- Operation
- 19 5040 Underground Distribution Lines and Feeders - Operation Labour
- 20 5045 Underground Distribution Lines and Feeders - Operation Supplies and Expenses
- 21 5050 Underground Sub-transmission Feeders - Operation
- 22 5055 Underground Distribution Transformers - Operation
- 23 5060 Street Lighting and Signal System Expense
- 24 5065 Meter Expense
- 25 5070 Customer Premises - Operation Labour
- 26 5075 Customer Premises - Materials and Expenses
- 27 5085 Miscellaneous Distribution Expense
- 28 5090 Underground Distribution Lines and Feeders - Rental Paid
- 29 5095 Overhead Distribution Lines and Feeders - Rental Paid
- 30 5096 Other Rent

31 **Distribution Expenses – Maintenance**

- 32 5105 Maintenance Supervision and Engineering
- 33 5110 Maintenance of Buildings and Fixtures - Distribution Stations
- 34 5112 Maintenance of Transformer Station Equipment
- 35 5114 Maintenance of Distribution Station Equipment
- 36 5120 Maintenance of Poles, Towers and Fixtures
- 37 5125 Maintenance of Overhead Conductors and Devices
- 38 5130 Maintenance of Overhead Services
- 39 5135 Overhead Distribution Lines and Feeders - Right of Way

- 1 5145 Maintenance of Underground Conduit
- 2 5150 Maintenance of Underground Conductors and Devices
- 3 5155 Maintenance of Underground Services
- 4 5160 Maintenance of Line Transformers
- 5 5165 Maintenance of Street Lighting and Signal Systems
- 6 5170 Sentinel Lights - Labour
- 7 5172 Sentinel Lights - Materials and Expenses
- 8 5175 Maintenance of Meters
- 9 5178 Customer Installations Expenses- Leased Property
- 10 5195 Maintenance of Other Installations on Customer Premises

11 Within Burlington Hydro, expenses related to these two cost categories include all costs  
12 relating to the operation and maintenance of the Burlington Hydro electrical system. This  
13 includes both direct labor costs and non-capital material spending to support both  
14 scheduled and reactive maintenance events. In addition, costs are allocated from support  
15 departments to cover the costs of Labour Burden, Engineering, Material and Vehicles.

16 Burlington Hydro's maintenance strategy is, to the extent possible, to minimize reactive  
17 and emergency-type work through an effective planned maintenance program (including  
18 predictive and preventative actions).

19 Burlington Hydro's customer responsiveness and system reliability are monitored  
20 continually to ensure that its maintenance strategy is effective. This effort is coordinated  
21 with Burlington Hydro's capital project work, so that where maintenance programs have  
22 identified matters the correction of which require capital investments, Burlington Hydro  
23 may adjust its capital spending priorities to address those matters. This process is  
24 described in more detail in conjunction with Burlington Hydro's Asset Management Plan,  
25 found at Exhibit 2, Tab 6.

26 Below is a description of each of the departments involved directly in Operations &  
27 Maintenance of the Burlington Hydro system, as well as a description of the indirect costs  
28 that are allocated.

- 29 Direct costs: Control Room
- 30 Meter shop
- 31 Stations
- 32 Construction

1 Indirect costs: Labour Burden  
2 Engineering  
3 Material  
4 Vehicles

5 **Control Room:**

6 Network operating costs are related to the 24-hour monitoring and operation of the  
7 distribution system through Burlington Hydro's control room in Burlington. The control  
8 room in Burlington is staffed 24 hours a day, 7 days a week. The control room is linked to  
9 the distribution system by a data communication network and information is processed by a  
10 Supervisory Control and Data Acquisition ("SCADA") system. Real-time breaker status,  
11 and voltage and current readings from the Hydro One transformer stations and Burlington  
12 Hydro substations, are sent to the control room and displayed on the SCADA system. The  
13 control room operators continuously monitor the system and dispatch repair crews to  
14 manage equipment failures and provide work protection for the crews doing work on the  
15 system.

16 **Metering:**

17 This department is responsible for the installation, testing, and commissioning of new and  
18 existing simple and complex metering installations. Testing of complex metering  
19 installations ensures the accuracy of the installation and verifies meter multipliers for  
20 billing purposes.

21 Revenue Protection is another key activity performed by Metering, by proactively  
22 investigating potential diversion and theft of power.

23 **Construction**

24 The Burlington Hydro construction group is responsible for the field assets at the 4kV /  
25 13.8kV / 27.6kV levels, required for maintaining power to its 63,000 residential and  
26 business customers in the City of Burlington. This is accomplished through predictive and  
27 pro-active maintenance programs, equipment repair and expansion of its system to meet  
28 customer demand. The field assets include approximately 16,600 poles, 1000 km of 3

1 phase & 1 phase overhead line, 650 km of 3 phase & 1 phase underground cable, and 9,000  
2 transformers. Duties also include emergency and trouble call response 24 hours/day, 365  
3 days/year.

#### 4 **Substation Services:**

5 Substation services activities address the maintenance of all equipment at Burlington  
6 Hydro's 32 substations. This includes both labor costs and non-capital material spending  
7 to support both scheduled and emergency maintenance events. As with the maintenance  
8 activities, Burlington Hydro's substation maintenance strategy focuses on minimizing, to  
9 the extent possible, emergency-type work by improving the effectiveness of Burlington  
10 Hydro's planned maintenance program (including predictive and preventative actions) for  
11 its substations.

12 This department also provides an underground locate service to anyone requesting  
13 verification of underground cable locations.

#### 14 **Engineering**

15 The Engineering department is responsible for keeping asset related data current on a  
16 recently purchased Geographic Information System (GIS). This data is the basis of  
17 numerous applications within Burlington Hydro, including up-to-date mapping in the  
18 Control Room used for all system switching, trouble shooting, load shifting and emergency  
19 response. The Engineering department produces the annual System Performance Report  
20 and the Asset Management Plan, which is used in the development of the annual Capital  
21 and Operating budgets. It produces Engineering designs and estimates for Capital projects  
22 and services. Engineering has responsibility for Burlington Hydro's compliance with ESA  
23 Regulation #22/04, which includes approved; standard framing designs, materials, and  
24 construction designs, which are required for the construction and energization of projects  
25 as per Burlington Hydro's Construction Verification Program. Additional responsibilities  
26 with Reg. #22/04 include Due Diligence Inspections, Annual Audit and the Annual  
27 Declaration of Compliance. Engineering also delivers drafting services to the design  
28 technicians for Capital projects and provides distribution system asset information to many

1 departments within Burlington Hydro. It also handles service inquiries from customers and  
2 developers. Engineering produces design standards and guidelines for subdivision and  
3 townhouse developments. It also produces the Conditions of Service document and  
4 updates as required. Also, Project Management of Capital work including surveying and  
5 inspection is completed within the department.

6

7 Engineering costs are allocated to Operations, Maintenance, Capital and Third Party  
8 receivable accounts. A standard overhead percentage is set at the beginning of the year and  
9 adjusted to actual at year end.

10 **Materials:**

11 A percentage rate is calculated based on the annual cost of operating the Stock Room. This  
12 percentage is then applied to the cost of the material that is issued from the Stock Room and  
13 charged to a project. Projects may be capital, operating, maintenance, or third party billable  
14 projects.

15 Stores staff is accountable for managing the procurement, control, and movement of  
16 materials within Burlington Hydro's service centre. This would include monitoring  
17 inventory levels, issuing material receipts, material issues, and material returns as required.  
18 A standard overhead percentage is set at the beginning of the year and adjusted to actual at  
19 year end.

20 **Vehicles:**

21 Burlington Hydro currently has 37 fleet vehicles, and an objective to maintain vehicle  
22 reliability and safety, and minimize vehicle down time. An hourly rate per vehicle class is  
23 calculated based on the annual cost of maintaining the fleet. This rate is then charged to all  
24 projects based on the number of hours the vehicle is used on that project. Vehicle costs are  
25 allocated to operations, maintenance, capital and third party billable projects. A standard  
26 hourly cost/hr is set for all vehicles within the fleet. Costs are adjusted to actual at year  
27 end.

1    **Labour Burden Costs**

2    To capture the labour burden costs, a percentage rate is calculated on the annual cost of the trade  
3    employee benefits and the expenses of the trades supervisory department. These costs include  
4    items such as employee benefits and payroll taxes such as EI, CPP, EHT, WSIB, and group  
5    insurances. Costs are allocated to operations, maintenance, capital and third party billable  
6    projects as a total percentage based on direct labour costs charged to each project. An overhead  
7    rate is set at the beginning of each year and adjusted to actual at year end.

8

9    **BILLING AND COLLECTING**

10   Within Burlington Hydro, the costs included in the Billing and Collecting cost category,  
11   accounts listed below, are related to two departments within the organization, the Billing and  
12   Meter Reading department and the Customer Service department. Descriptions of these  
13   departments and their activities are included below the account listing.

14   **Billing and Collecting Account Listing**

15   5305 Supervision  
16   5310 Meter Reading Expense  
17   5315 Customer Billing  
18   5320 Collecting  
19   5325 Collecting- Cash Over and Short  
20   5330 Collection Charges  
21   5335 Bad Debt Expense  
22   5340 Miscellaneous Customer Accounts Expenses

23   **Billing and Meter Reading Department Functions**

24   The Billing and Meter Reading group is responsible for meter reading and billing activities  
25   for the approximately 63,000 customers in Burlington Hydro's service area. The costs  
26   associated with the Billing and Meter Reading department are collected in accounts 5305 to  
27   5315.

28   **Meter Reading:**



1 Meter reading services are primarily contracted out to a non-affiliated third party under a  
2 service contract agreement. On average the contractor reads 35,000 electric service meters  
3 per month. The meter contract was negotiated in January 2005 after the completion of a  
4 competitive bid process. This contract is in place until February 1, 2010.

5 Burlington Hydro is actively installing smart meters to residents and small businesses in the City  
6 of Burlington. As part of this installation, the ability to remotely read meters is underway.  
7 Burlington Hydro is currently working with the IESO on the transition to the MDMR for storage  
8 of meter reading data, and reviewing our CIS system to allow for billing customers based on  
9 automated readings. Once the installation of smart meters has been completed and integrated  
10 with the provincial MDMR, it is anticipated that Burlington Hydro will apply to the OEB for a  
11 smart meter rate rider which will include final and audited capital costs, plus OM&A costs and  
12 potential savings reflecting actual smart meter communication costs.

13 **Billing:**

14 With a mix of bi-monthly and monthly billing, Burlington Hydro issues approximately  
15 400,000 invoices annually to customers. On average this total includes 8,200 final bills for  
16 customers moving within or outside of Burlington Hydro's service territory. An annual  
17 billing schedule is created based on the meter reading schedule to ensure timely billing of  
18 services. The billing functions include the VEE processes; EBT and retailer settlement  
19 functions for approximately 6,600 retailer accounts; account adjustments; processing meter  
20 changes; and other various account related field service orders and mailing services.  
21 Burlington Hydro offers customers a number of billing and payment options including an  
22 equal payment plan, direct deposit, electronic billing, credit card payment and a  
23 preauthorized payment plan.

24 **Customer Service Department Functions**

25 The Customer Service group is responsible for the call centre and collection activities for  
26 the approximately 63,000 customers in Burlington Hydro's service area. Burlington Hydro  
27 aspires to achieve customer service excellence in its processes and customer programs.

1 The costs associated with the Customer Service department are collected in accounts 5320  
2 to 5340.

3 **Customer Call Centre:**

4 The Customer Call Centre is responsible for such activities as payment processing; move in  
5 and out requests; and call centre activities for Burlington Hydro's service territory. On  
6 average call volumes continue to increase annually. Burlington Hydro's customer service  
7 department handles over 61,000 inquires per year. With time-of-use billing and smart  
8 meter installations, Burlington Hydro anticipates an increase in call volume activity.

9 **Collections:**

10 Collections involve a combination of activities, including the collection of overdue active  
11 accounts, security deposits and final bills for service termination. Credit risk is a concern  
12 for Burlington Hydro with 2010 a bad debt expense forecast at \$400,000, based on bad debt  
13 experienced in 2008. In an effort to minimize credit losses, Burlington Hydro enforces a  
14 prudent credit policy in accordance with the Distribution System Code. Active overdue  
15 accounts are collected by in-house staff through notices, letters and direct telephone  
16 contact. Final bill collections are turned over to a collection agency 30 days after the final  
17 due date.

18

19 **COMMUNITY RELATIONS**

20 Burlington Hydro is committed to providing consumer information and responses, in a  
21 timely and proactive manner, on electricity distribution and related issues. Burlington  
22 Hydro maintains a presence in the communities it serves, where Burlington Hydro staff is  
23 available to answer customer questions in a friendly environment.

24 Since LDCs are the "face-to-the-customer" for the electricity industry, Burlington Hydro  
25 has an important role to play in educating the public about electricity safety and energy  
26 conservation.

1 Within Burlington Hydro, the costs included in the Community Relations cost category are  
2 related to the functions of the Burlington Hydro community safety programs and the  
3 conservation initiatives that are not funded by the OPA. Descriptions of these activities are  
4 included below the account listing. Burlington Hydro does not have any sales related  
5 expenditures.

6 **Community Relations (including sales expenses)**

7 5405 Supervision  
8 5410 Community Relations - Sundry  
9 5415 Energy Conservation  
10 5420 Community Safety Program  
11 5425 Miscellaneous Customer Service and Informational Expenses  
12 5505 Supervision  
13 5510 Demonstrating and Selling Expense  
14 5515 Advertising Expense  
15 5520 Miscellaneous Sales Expense

16 **Education – Electricity Safety:**

17 Burlington Hydro supports electrical safety education in the community through a number  
18 of various channels including:

- 19 • Elementary School Safety: Burlington Hydro visits local schools providing age  
20 appropriate sessions on electricity safety and conservation for students in grades  
21 one through eight. It is targeted to reach each school on a three year cycle.
- 22 • Secondary School Safety: Burlington Hydro participates in two programs aimed  
23 at reaching new and young workers to assist this group in workplace health and  
24 safety. These programs are the “Passport to Safety” and “Our Youth at Work”.  
25 Burlington Hydro also participates in “Take your Child to Work” day, in which  
26 grade 9 sons and daughters of employees are invited to Burlington Hydro to  
27 learn aspects of work in the LDC, including workplace and electrical safety.
- 28 • Contractor Safety: Burlington Hydro has initiated a Powerline Safety Seminar  
29 to interested local businesses, with special effort made to attract managers or  
30 owners/operators of non-electrical businesses whose workers are at greatest risk

1 of inadvertent contact with live power lines. The first of these sessions was  
2 extremely successful and this program is anticipated to be a regular event.

- 3 • General Safety: Burlington Hydro has worked with neighbouring utilities to  
4 deliver Electrical Safety messages throughout the area. Burlington Hydro also  
5 supports Crime Stoppers of Halton, helping to educate customers with respect to  
6 grow house operations.

### 7 **Energy Conservation:**

8 Building a conservation culture in Burlington continues to be an important objective for  
9 Burlington Hydro. Burlington Hydro is very active in the community promoting  
10 conservation initiatives, attending a number of community events each year, distributing  
11 information on energy conservation. Burlington Hydro continues to participate with the  
12 OPA in administering programs directed at energy conservation such as The Great  
13 Refrigerator Roundup, peaksaver, ERIP and Power Savings Blitz.

14

## 15 **ADMINISTRATIVE AND GENERAL EXPENSES**

16 Administrative and general expenses include expenses incurred in connection with the general  
17 administration of the utility's operations. Below is a listing of the OEB accounts included in this  
18 cost category, as well as a description of the activities and costs included in each.

### 19 **Administrative and General Expenses**

- 20 5605 Executive Salaries and Expenses
- 21 5610 Management Salaries and Expenses
- 22 5615 General Administrative Salaries and Expenses
- 23 5620 Office Supplies and Expenses
- 24 5625 Administrative Expense Transferred–Credit
- 25 5630 Outside Services Employed
- 26 5635 Property Insurance
- 27 5640 Injuries and Damages
- 28 5645 Employee Pensions and Benefits
- 29 5650 Franchise Requirements
- 30 5655 Regulatory Expenses
- 31 5660 General Advertising Expenses

- 1 5665 Miscellaneous General Expenses
- 2 5670 Rent
- 3 5675 Maintenance of General Plant
- 4 5680 Electrical Safety Authority Fees
- 5 5685 Independent Electricity System Operator Fees and Penalties
- 6 5695 OM&A Contra Account
- 7 6205 Charitable Donations

8 Within Burlington Hydro, the following functional areas are considered to be part of general  
9 administration and, as such, expenses incurred within these functional areas are accounted for as  
10 administrative and general expenses:

- 11 Executive
- 12 Human Resources
- 13 Accounting
- 14 Information Technology
- 15 Regulatory Affairs
- 16 Purchasing

17 The functions of each of these groups are described in more detail below.

18 **Executive:**

19 The Executive group is responsible for the leadership and direction of Burlington Hydro, in  
20 accordance with the Burlington Hydro Mission Statement. The costs associated with this group  
21 include the salaries, benefits, and miscellaneous costs of the President and CEO, CFO and Vice-  
22 President of Finance/Administration, and Chief Operating Officer. In addition to these costs,  
23 Director Remuneration and liability insurance is also included in the Executive Salaries and  
24 Expenses account.

25 **Human Resources:**

26 The Human Resources department is responsible for benefits administration, pension, health &  
27 safety, employee wellness, recruitment, labour relations, performance management and training  
28 and development of all staff. The department is made up of an Human Resources Generalist,  
29 Manager Health, Safety and Environment and Human Resources Director.

30 **Accounting:**

1 The Accounting department is responsible for the preparation of statutory, management and  
2 Board of Directors financial reporting in accordance with GAAP; all daily accounting functions,  
3 including accounts payable, accounts receivable, and general accounting; accounting systems  
4 and internal control processes; preparation of consolidated budgets and forecasts; and supporting  
5 tax compliance. Expenses include salaries and all related expenses associated with the  
6 Controller, Accountant, Payroll Administrator and two Accounting Clerks.

7 **Information Services:**

8 The Information Services department is responsible for the development, operation, maintenance  
9 and security of all business system applications utilized by the utility in its operations. These  
10 include the customer information, financial management and work management systems.  
11 Expenses include salaries and all related costs associated with the Director of Information  
12 System, Business Systems Coordinator, Network Administrator and two Programmer Analysts.

13 **Regulatory Affairs:**

14 The Regulatory Affairs department is responsible for all regulatory reporting and compliance  
15 with applicable codes and legislation governing Burlington Hydro. Regulatory reporting  
16 includes development and preparation of rate filings, performance reporting, and compliance.  
17 This group is comprised of a Manager, Regulatory Affairs and a Conservation and Regulatory  
18 Analyst. Further details on regulatory costs are included at Exhibit 4, Tab 2, Schedule 5.

19 The Regulatory Affairs department is also responsible for the management and delivery of all  
20 energy conservation program initiatives.

21 **Purchasing**

22 The Purchasing department is responsible for the procurement of materials (stock) and related  
23 services for the LDC. The purchasing of materials and services may be tendered, RFQ, RFP,  
24 cooperative purchasing (Halton Cooperative Purchasing Group), or through long term alliance  
25 agreements, with coordination of these processes by the Manger of Purchasing and/or the Buyer  
26 in the group. The Purchasing department is also responsible (where applicable) for the disposal  
27 of materials.

- 1 The purchasing group is also responsible for the Stores Department (Inventory Control,
- 2 warehouse functions as listed under Materials). A portion of the costs associated with these
- 3 groups is allocated to operations group as part of the stores overhead calculations.

1 **SUMMARY OF OM&A EXPENSES**  
2 **(Filing Requirements Appendix 2-F)**

	Last Rebasing Year (Board Approved) -	Last Rebasing Year (Actuals) -	Variance 2006BA - 2006 Actuals	2007 Actuals	Variance 2007 - 2006 Actuals	2008 Actuals	Variance 2008 - 2007 Actuals	Bridge Year - 2009	Variance 2009 - 2008 Actuals	2010	Variance 2010 - 2009 Actuals
Operation	2,846,089	3,501,950	(655,861)	3,607,258	105,308	4,383,027	775,769	4,157,707	(225,320)	4,513,354	355,647
Maintenance	2,154,745	2,652,339	(497,594)	2,664,758	12,420	2,411,913	(252,846)	2,613,009	201,096	2,894,945	281,936
Billing and Collecting	1,972,864	1,997,392	(24,528)	2,091,157	93,765	2,298,488	207,331	2,317,744	19,256	2,348,908	31,163
Community Relations	411,491	436,651	(25,160)	538,029	101,378	41,317	(496,712)	47,101	5,784	80,687	33,586
Administrative and General	3,841,086	3,532,205	308,881	3,842,957	310,752	3,957,348	114,391	4,942,623	985,276	5,003,700	61,077
Total OM&A Expenses	11,226,275	12,120,536	(894,261)	12,744,159	623,623	13,092,093	347,933	14,078,185	986,092	14,841,594	763,409
Variance from previous year			(894,261)		623,623		347,933		986,092		763,409
Percent Change (year over year)			7.97%		5.15%		2.73%		7.53%		5.42%
Percent Change Test Year vs Most Current Actuals											13.36%
Percent Change Test Year vs Last Board Approved Rebasing Year											32.20%
Average of 2007, 2008, 2009											5.136%
Compound Annual Growth Rate (for Y1, Y2, Y3)											5.117%

3

4

5



1  
 2  
**DETAILED ACCOUNT BY ACCOUNT OM&A EXPENSES**  
*(Filing Requirements Appendix 2-G)*

	2006 Actuals	2007 Actuals	2008 Actuals	2009	2010
<b>Operation</b>					
5005	-	-	-	-	-
5010	915,110	972,296	1,001,159	1,049,785	1,090,861
5012	188,893	80,774	102,061	102,981	93,941
5014	-	-	-	-	-
5015	-	-	-	-	-
5016	427,348	371,730	476,695	519,152	599,364
5017	268,518	299,360	287,772	274,022	320,072
5020	304,188	304,027	332,024	278,657	361,128
5025	248,498	243,856	314,874	419,111	464,702
5030	-	-	-	-	-
5035	83,744	95,803	361,107	147,345	184,304
5040	188,376	87,075	46,303	154,360	154,360
5045	358,768	565,279	765,474	556,455	556,455
5050	-	-	-	-	-
5055	57,128	66,050	104,183	67,554	69,925
5060	-	-	-	-	-
5065	180,501	209,103	231,202	224,982	249,521
5070	93,933	116,662	163,885	154,420	152,157
5075	20,635	26,895	33,283	31,187	31,587
5085	-	-	-	-	-
5090	-	270	-	71	71
5095	166,309	168,079	163,006	177,625	184,906
5096	-	-	-	-	-
<b>Subtotal Operation</b>	<b>3,501,950</b>	<b>3,607,258</b>	<b>4,383,027</b>	<b>4,157,707</b>	<b>4,513,354</b>
<b>Maintenance</b>					
5105	-	-	-	-	-
5110	62,286	79,207	70,507	105,301	129,620
5112	-	-	-	-	-
5114	76,253	64,767	59,336	85,889	108,119
5120	204,601	95,527	69,216	128,507	137,219
5125	524,594	557,246	625,028	598,891	555,809
5130	237,539	272,706	256,636	241,431	248,776
5135	499,563	521,420	548,329	457,050	582,162
5145	61,148	41,622	16,386	33,746	44,107
5150	394,628	482,901	245,924	335,263	406,883
5155	300,636	188,898	238,498	224,597	254,176
5160	189,950	201,638	108,698	191,165	194,322
5165	-	-	-	-	-
5170	-	-	-	-	-
5172	-	-	-	-	-
5175	101,138	158,825	173,355	211,169	233,752
5178	-	-	-	-	-
5195	-	-	-	-	-
<b>Subtotal Maintenance</b>	<b>2,652,339</b>	<b>2,664,758</b>	<b>2,411,913</b>	<b>2,613,009</b>	<b>2,894,945</b>
<b>Billing and Collecting</b>					
5305	-	-	-	-	-
5310	406,087	386,235	381,905	405,824	376,389
5315	728,153	731,675	708,553	696,594	726,649
5320	244,732	197,931	212,604	195,053	198,375
5325	200	100	320	100	100
5330	12,116	12,168	11,552	11,967	13,997
5335	77,364	156,380	405,047	400,000	400,000
5340	528,740	606,668	578,507	608,207	633,398
<b>Subtotal Billing and Co</b>	<b>1,997,392</b>	<b>2,091,157</b>	<b>2,298,488</b>	<b>2,317,744</b>	<b>2,348,908</b>
<b>Community Relations</b>					
5405	-	-	-	-	-
5410	-	8,400	24,863	25,000	64,000
5415	425,292	526,155	1,569	3,026	3,087
5420	11,359	3,474	14,885	19,075	13,600
5425	-	-	-	-	-
5505	-	-	-	-	-
5510	-	-	-	-	-
5515	-	-	-	-	-
5520	-	-	-	-	-
<b>Subtotal Community R.</b>	<b>436,651</b>	<b>538,029</b>	<b>41,317</b>	<b>47,101</b>	<b>80,687</b>
<b>Administration and General Expenses</b>					
5605	740,994	793,452	774,991	753,577	788,318
5610	344,831	347,807	464,159	481,277	497,055
5615	888,373	1,031,185	1,174,978	1,329,826	1,428,668
5620	210,307	211,741	295,758	369,528	425,015
5625	(134,159)	(143,250)	(353,146)	(250,377)	(259,430)
5630	241,354	287,623	253,090	333,506	351,659
5635	26,699	27,071	35,335	124,077	144,495
5640	113,568	141,794	144,098	128,973	131,580
5645	312,007	319,326	290,454	332,009	346,814
5650	-	-	-	-	-
5655	170,019	206,347	214,409	519,153	352,270
5660	-	7,835	5,100	10,000	10,200
5665	360,537	292,767	337,411	443,765	423,645
5670	83,033	92,753	93,586	119,895	120,000
5675	144,208	183,236	180,131	205,797	202,811
5680	-	-	-	-	-
5685	-	-	-	-	-
5695	-	(8,665)	-	-	-
<b>Subtotal Admin</b>	<b>3,501,772</b>	<b>3,791,023</b>	<b>3,910,354</b>	<b>4,901,006</b>	<b>4,963,100</b>
<b>Total OM&amp;A</b>	<b>12,090,103</b>	<b>12,692,225</b>	<b>13,045,099</b>	<b>14,036,568</b>	<b>14,800,994</b>

1 **OM&A COST DRIVERS**

2 Burlington Hydro has reviewed the OM&A actual and forecasted information from 2006 to 2010  
 3 Test year and provides the following cost driver summary table, as well as written explanation of  
 4 the drivers below.

5 The following table identifies key cost drivers from 2006 to 2010 Test year:

OM&A Cost Drivers	2006 Actual	2007 Actual	2008 Actual	2009 Bridge Year	2010 Test Year
<b>Opening Balance</b>	<b>10,761,508</b>	<b>12,090,103</b>	<b>12,692,225</b>	<b>13,045,099</b>	<b>14,036,568</b>
OEB Reclassification (OMERS)	175,730	122,612	-	-	-
Employee Costs	361,527	162,133	218,383	701,022	580,491
Regulatory Expenses	123,340	36,327	8,062	304,744	(166,883)
Conservation and Demand Management	268,772	100,863	(524,586)	-	-
PCB Cleaning and Disposal	50,287	1,899	257,609	(219,670)	20,924
Locates	92,044	220,238	195,155	(232,175)	-
Tree Trimming	64,580	8,365	36,023	(94,894)	124,843
Contracted Labour	62,260	(60,303)	13,370	41,425	122,191
Bad Debts	(39,563)	79,052	248,667	13,484	-
Software Amortization	19,674	8,062	(926)	55,633	35,007
Administration Expenses from Non Regulated	-	-	-	117,614	-
Accounts Receivable insurance	-	-	-	88,900	19,440
Bank Fees	8,082	(3,661)	546	48,377	24,628
Meter Reading Contractor	2,887	(31,473)	11,823	10,152	19,377
Postage	12,790	(5,584)	4,116	14,849	14,169
Low Income Energy Assistance Program	-	-	-	-	39,000
Employee Training	2,779	(1,998)	62,261	10,625	14,898
Communications	-	-	-	30,868	-
Other	123,406	(34,410)	(177,629)	100,515	(83,659)
<b>Closing Balance</b>	<b>12,090,103</b>	<b>12,692,225</b>	<b>13,045,099</b>	<b>14,036,568</b>	<b>14,800,994</b>
Total	1,328,595	602,122	352,874	991,469	764,426

6

7

8 **2006 Cost Drivers**

9 **2006 Cost Driver: OEB reclassification**

10 *2006 Expenditure: \$175,730*

11 For all of 2005 the OMERS premiums were charged to Account 1508, per instructions from the  
 12 OEB. Commencing in May of 2006 the OMERS premiums were expensed in the O M & A  
 13 costs. As there were no OMERS recorded in 2005, comparing 2005 to 2006 will result in a net  
 14 increase in expenses of \$175,730.

1

2 **2006 Cost Driver: Employee Costs**

3 *2006 Expenditure: \$361,527*

4 Employee costs were driven by a partial overlap related to hiring of a new Safety Officer and  
5 retirement of the outgoing employee, along with the hiring of an Apprentice. During the year  
6 there were two maternity leaves, resulting in the hiring and training of temporary staff prior to  
7 the each of the leaves. There was also an average pay increase of 3.25%. More information on  
8 employee compensation is included in Exhibit 4, Tab 2.

9 **2006 Cost Driver: Regulatory Expenses**

10 *2006 Expenditure: \$123,340*

11 Late in 2004, the OEB advised market participants that they were developing a new cost  
12 assessment model. In 2004 and 2005 incremental costs were included in a variance account.  
13 These costs were included in the 2006 EDR rate application, and were tracked in the regulatory  
14 account from May 2006 forward.

15 **2006 Cost Driver: Conservation and Demand Management**

16 *2006 Expenditure: \$268,772*

17 These costs are related to expenditures on conservation and demand management initiatives, as  
18 approved under the Burlington Hydro Conservation and Demand Management Plan (RP-2004-  
19 0203/EB-2004-0525).

20 **2006 Cost Driver: PCB Cleaning and Disposal**

21 *2006 Expenditure: \$50,287*

22 The Federal Government's Environmental Protection Act (Subsection 93(1)) directs utilities to  
23 identify all PCB (over 50 ppm) on the systems prior to the end of 2009.

24 The Act identifies a graduated system of removal and replacement to comply with these same  
25 regulations. 2006 saw a marked increase in the throughput of PCB contaminated transformers  
26 through the Burlington Hydro yard.

1 In order to best manage the handling of the increased number of over 50 ppm transformers,  
2 Burlington Hydro entered into a maintenance contract with a company called “PCB Disposal” to  
3 manage and remove these same transformers at a yearly cost of \$50,287.

4 **2006 Cost Driver: Locates**  
5 *2006 Expenditure: \$92,044*

6 With the advent of ESA Regulation 22/04, Burlington Hydro began to move from a model of  
7 doing locates internally in combination with a local small non-specialized locate firm to a model  
8 of moving towards a centralized “Ontario One call” direction.

9 In 2006, Burlington Hydro made the decision to work with a professional locate firm to augment  
10 internal staff during peak volumes as well as signing on with Ontario One Call for all locate  
11 scheduling as this was viewed to be the safest manner in which to provide this service. This  
12 resulted in an increase in operating costs of \$92,043 for 2006.

13 **2006 Cost Driver: Tree Trimming**  
14 *2006 Expenditure: \$64,580*

15 Tree trimming is a fundamental component of Burlington Hydro’s preventative maintenance  
16 program. Burlington Hydro manages its tree trimming on a three year cycle breaking the City of  
17 Burlington up into 3 distinct areas consisting of areas: west end / north; central; and east end.  
18 Burlington Hydro also maintains a standby contract to trim and clean up vegetation related to  
19 “emergency” work.

20 In advance of all commencing with tree trimming, Burlington Hydro runs an RFP process to  
21 select qualified contractors who bid specifically on each of the three areas as well as the  
22 emergency / standby contract.

23 For 2006, the tree trimming contract called for the Central area of Burlington to be trimmed  
24 which is the high density population area of Burlington. There was a \$64,580 increase over  
25 2005.

26

1 **2006 Cost Driver: Contracted Labour**

2 *2006 Expenditure: \$62,260*

3 The OEB's distribution system code and ESA Regulation 22/04 both require regular inspection  
4 of all Burlington Hydro facilities.

5 In 2006, Burlington Hydro determined that additional line contractor assistance was required to  
6 ensure that the company was meeting all of its maintenance and inspection obligations as well as  
7 responding to trouble calls. In January of 2006, Burlington Hydro entered into a contract with a  
8 third party to provide this service, with an increase to contracted labour of \$62,260 over 2005  
9 costs.

10 **2006 Cost Driver: Bad Debts**

11 *2006 Expenditure: \$(39,563)*

12 2006 saw a reduction in write-offs compared to 2005. In 2005, two mid-size general service  
13 accounts were written off.

14 **2006 Cost Driver: Software Amortization**

15 *2006 Expenditure: \$19,674*

16 As advances in computer technology accelerate, computer software becomes obsolete more  
17 rapidly, resulting in more frequent updates. This results in greater volatility in the software  
18 amortization expenses. The amortization expense is affected by the additions of software in the  
19 year. An increase in the expense occurs when the amortization for the additions is greater than  
20 the amortization on those assets that have become fully depreciated in the year. A decrease  
21 occurs when the amortization on the additions is less than the amortization on assets that have  
22 become fully depreciated in the year.

23 **2006 Cost Driver: Bank Fees**

24 *2006 Expenditure: \$8,082*

25 Additional bank fees relate to amended Bank credit facilities negotiated in 2006. Amendments  
26 included an increased operating line of credit and an increase in the letter of credit facility for  
27 IESO power purchases.

1 **2006 Cost Driver: Meter Reading Contractor**

2 *2006 Expenditure: \$2,887*

3 Burlington Hydro utilizes a third party contractor, in conjunction with one in-house employee, to  
4 perform meter reading functions. The increase in 2006 expenditures is related to changes in  
5 customer numbers and required reads.

6 **2006 Cost Driver: Postage**

7 *2006 Expenditure: \$12,790*

8 In January of 2006 Canada Post applied an increase of \$0.01 on regular mail, and \$0.02 on  
9 presort mail. The \$0.01 increase on regular mail affects our reminder notices, and the \$0.02 on  
10 presort mail affects our bills. Burlington Hydro sends approximately 75% of customer invoices  
11 at presort rate (the majority of customer invoices) and the remainder at regular mail (items such  
12 as reminder notices, some invoices, other mailed correspondence). In addition to the increase in  
13 rates, Burlington Hydro also experiences an increase in number of customers from year to year.

14 **2006 Cost Driver: Employee Training**

15 *2006 Expenditure: \$2,779*

16 Burlington Hydro maintains a training regimen for all of its employees. In 2006, Burlington  
17 Hydro was actively putting approximately 1/3 of its workforce through a program called the  
18 Joint Health and Safety Certification Program Level 1 and 2.

19 Burlington Hydro is committed to the Electrical and Utilities Safety Association (E&USA)  
20 Program called Zero-Quest. In late 2005, Burlington Hydro received its Bronze award  
21 recognizing the Commitment level of the program. Throughout 2006, Burlington Hydro worked  
22 toward the "Effort or Silver" level which entailed an internal safety audit by E&USA and  
23 implementation of their safety program refinement recommendations.

24 **2006 Cost Driver: Other**

25 *2006 Expenditure: \$123,406*

26 "Other" is the total of all other changes in costs included in Burlington Hydro OM&A costs.

27

1 **2007 Cost Drivers**

2 **2007 Cost Driver: OEB Reclassification**

3 *2007 Expenditure: \$122,612*

4 Starting in May of 2006 the OMERS premiums were expensed to the O M & A costs. This  
5 variance is due to the OMERS premiums for the months of January to April 2007 that were  
6 recorded in expenses. The OMERS premiums for January to April 2006 were recorded in  
7 Account 1508. Comparing 2007 to 2006 will result in a net increase in expenses of \$122,612.

8 **2007 Cost Driver: Employee Costs**

9 *2007 Expenditure: \$162,133*

10 There was an average pay increase of 3.25% and adjustment to wages due to employee  
11 progressions. There was an end of the overlap of the Safety Officer. More information on  
12 employee compensation is included in Exhibit 4, Tab 2.

13 **2007 Cost Driver: Regulatory Expenses**

14 *2007 Expenditure: \$36,327*

15 The OEB assessment costs included in 2006 reflected only a partial year. The costs in 2007  
16 reflect a full year of cost assessments.

17 **2007 Cost Driver: Conservation and Demand Management**

18 *2007 Expenditure: \$100,863*

19 These costs are related to expenditures on conservation and demand management initiatives, as  
20 approved under the Burlington Hydro Conservation and Demand Management Plan (RP-2004-  
21 0203/EB-2004-0525).

22 **2007 Cost Driver: PCB Cleaning and Disposal**

23 *2007 Expenditure: \$ 1,899*

24 The Federal Government's Environmental Protection Act (Subsection 93(1)) directs utilities to  
25 identify all PCB (over 50 ppm) on the systems prior to the end of 2009.

1 The Act identifies a graduated system of removal and replacement to comply with these same  
2 regulations. In 2007, Burlington Hydro was actively sampling all of its pre-1980 vintage  
3 transformers. The PCB disposal contract implemented in 2006 saw a minor increase for the year  
4 of \$1,899.

5 **2007 Cost Driver: Locates**  
6 *2007 Expenditure: \$220,238*

7 In order to meet Burlington Hydro's obligations within the Distribution System Code and ESA  
8 Regulation 22/04, Burlington Hydro made the decision to tender the majority of its locates to a  
9 professional firm largely moving away from doing them in-house with Burlington Hydro staff.  
10 In March of 2007, Burlington Hydro awarded the locate contract to a professional locate firm  
11 who had extensive experience in the provision of Hydro Locates within the OEB directed  
12 timeframes. The contract called for a set cost schedule per locate request which resulted in an  
13 increase in operating costs of \$220,238 based on 7,988 locate requests for 2007.

14 **2007 Cost Driver: Tree Trimming**  
15 *2007 Expenditure: \$8,365*

16 Tree trimming is a fundamental component of Burlington Hydro's preventative maintenance  
17 program. Burlington Hydro manages its tree trimming on a three year cycle breaking the City of  
18 Burlington up into 3 distinct areas consisting of areas: west end / north; central; and east end.  
19 Burlington Hydro also maintains a standby contract to trim and clean up vegetation related to  
20 "emergency" work.

21 In advance of all commencing with tree trimming, Burlington Hydro runs an RFP process to  
22 select qualified contractors who bid specifically on each of the three areas as well as the  
23 emergency / standby contract. For 2007, the tree trimming contract called for the West / North  
24 area of Burlington to be trimmed which includes a combination of rural and urban areas. There  
25 was an \$8,365 increase in costs over 2006.

26



1 **2007 Cost Driver: Contracted Labour**

2 *2007 Expenditure: \$(60,303)*

3 The OEB's distribution system code and ESA Regulation 22/04 both require regular inspection  
4 of all Burlington Hydro facilities.

5 Weather related disturbances were down significantly in 2007 resulting in a reduction in the need  
6 for contract labour during emergency repairs. This resulted in a decrease of \$60,303.

7 **2007 Cost Driver: Bad Debts**

8 *2007 Expenditure: \$79,052*

9 In 2007, Burlington Hydro experienced an increase in its write-off of residential accounts as  
10 compared to 2006.

11 In recognizing known doubtful accounts that would require write-off in 2008, a further increase  
12 was made to the allowance for doubtful accounts. This increase impacted bad debt expense.

13 The set up of a higher allowance recognized the beginning of the economic slowdown and the  
14 negative impact on receivables.

15 **2007 Cost Driver: Software Amortization**

16 *2007 Expenditure: \$8,062*

17 The amortization expense is affected by the additions of software in the year. An increase in the  
18 expense occurs when the amortization for the additions is greater than the amortization on those  
19 assets that have become fully depreciated in the year. A decrease occurs when the amortization  
20 on the additions is less than the amortization on assets that have become fully depreciated in the  
21 year.

22 **2007 Cost Driver: Bank Fees**

23 *2007 Expenditure: \$(3,661)*

24 Bank fees were comparable to 2006. No material changes were negotiated in regards to the  
25 company credit facilities.

26

1 **2007 Cost Driver: Meter Reading Contractor**

2 *2007 Expenditure: \$(31,473)*

3 In 2007 the Billing department redesigned the reading routes to balance and realign for  
4 efficiency. Additionally electric heating customers who were read and billed monthly, were  
5 moved to a normal bi-monthly schedule which resulted the reading expense reduction.

6 **2007 Cost Driver: Postage**

7 *2007 Expenditure: \$(5,584)*

8 Postage costs were reduced in 2007 due to the electric heating customers who were read and  
9 billed monthly, were moved to a normal bi-monthly schedule which resulted in a reduction in the  
10 number of bills sent out.

11 **2007 Cost Driver: Employee Training**

12 *2007 Expenditure: \$(1,998)*

13 Burlington Hydro maintains a training regimen for all of its employees. In 2007, Burlington  
14 Hydro continued to put the final tranche of its workforce through the Joint Health and Safety  
15 Certification Program Level 1 and 2.

16 Burlington Hydro is committed to the Electrical and Utilities Safety Association (E&USA)  
17 Program called Zero-Quest. In 2007, Burlington Hydro prepared for and was granted the “Effort  
18 or Silver” level award by E&USA. There were a few minor savings this year as there were fewer  
19 individuals put through the H&S certification program resulting in a decrease of \$1,998.15 in  
20 expenses when compared to 2006.

21 **2007 Cost Driver: Other**

22 *2007 Expenditure: \$ (34,410)*

23 “Other” is the total of all other changes in costs included in Burlington Hydro OM&A costs.

24

25

1 **2008 Cost Drivers**

2 **2008 Cost Driver: Employee Costs**

3 *2008 Expenditure: \$218,383*

4 In 2008 three new apprentices and a Regulatory and Conservation Analyst were hired. The  
5 Billing Supervisor position was vacant for seven months and the Contractor Supervisor position  
6 was vacant for six months. There was an average pay increase of 3%. More information on  
7 employee compensation is included in Exhibit 4, Tab 2.

8 **2008 Cost Driver: Regulatory Expenses**

9 *2008 Expenditure: \$8,062*

10 There was a slight increase in OEB assessment costs for 2008 as compared to 2007.

11 **2008 Cost Driver: Conservation and Demand Management**

12 *2008 Expenditure: \$(524,586)*

13 Burlington Hydro completed expenditures on conservation and demand management initiatives,  
14 as approved under the Burlington Hydro Conservation and Demand Management Plan (RP-  
15 2004-0203/EB-2004-0525) in 2007, and there were no costs included in this account related to  
16 conservation initiatives.

17 **2008 Cost Driver: PCB Cleaning and Disposal**

18 *2008 Expenditure: \$257,609*

19 The Federal Government's Environmental Protection Act (Subsection 93(1)) directs utilities to  
20 identify all PCB (over 50 ppm) on the systems prior to the end of 2009.

21 The Act identifies a graduated system of removal and replacement to comply with these same  
22 regulations. In 2008, Burlington Hydro completed all of its transformer testing and identification  
23 of future change-outs as well as completing a schedule for same. Burlington Hydro auditors  
24 indicated that given the knowledge of this future liability (for PCB laden transformer change-  
25 outs), that the expense would need to be booked on the P&L for 2008. The booked cost was  
26 \$159,040.

1 The higher volumes of transformers (as Burlington Hydro pays by volume) going through the  
2 PCB disposal contract (as well as inflationary adjustments to the contract price) lead to a year  
3 over year variance increase of \$98,569.

4 **2008 Cost Driver: Locates**  
5 *2008 Expenditure: \$195,155*

6 In order to meet Burlington Hydro's obligations within the Distribution System Code and ESA  
7 Regulation 22/04, Burlington Hydro continued throughout 2008 to outsource the majority of its  
8 locates to a professional firm under contract coupled with scheduling through Ontario One Call.  
9 Note: locates for the core area (downtown) of Burlington which is considered less  
10 straightforward (ie. complicated in nature) was completed by a single Burlington Hydro locate  
11 staff member.

12 In 2008, the volume of locate requests increased by 15 percent to 9,203. The third party  
13 contractor completed locates for Burlington Hydro for the entire 12 months versus the previous 9  
14 month timeframe from 2007. In addition, the scope of variety of locate requests were complex  
15 given a very high level of municipal / development type construction. Completing these requests  
16 in the allowable regulated timeframe resulted in an increase in costs of \$195,155.

17 **2008 Cost Driver: Tree Trimming**  
18 *2008 Expenditure: \$36,023*

19 Tree trimming is a fundamental component of Burlington Hydro's preventative maintenance  
20 program. Burlington Hydro manages its tree trimming on a three year cycle breaking the City of  
21 Burlington up into 3 distinct areas consisting of areas: west end / north; central; and east end.  
22 Burlington Hydro also maintains a standby contract to trim and clean up vegetation related to  
23 "emergency" work.

24 In advance of all commencing with tree trimming, Burlington Hydro runs an RFP process to  
25 select qualified contractors who bid specifically on each of the three areas as well as the  
26 emergency / standby contract.

1 For 2008, the tree trimming contract called for the East area of Burlington to be trimmed which  
2 is primarily urban. Also unique to 2008, Burlington Hydro implemented a new standard of tree  
3 clearances from overhead lines to be consistent with the direction the industry was moving in, to  
4 harmonize with the City of Burlington tree trimming standards and to reflect updates to the  
5 E&USA rule book. The 2008 costs resulted in an increase of \$36,023 over 2007 costs.

6 **2008 Cost Driver: Contracted Labour**

7 *2008 Expenditure: \$13,370*

8 The OEB's distribution system code and ESA Regulation 22/04 both require regular inspection  
9 of all Burlington Hydro facilities.

10 2008 weather related disturbances were up significantly when compared to 2007. In addition,  
11 there was an increase to contract rates to account for cost of living increases and a contractor  
12 surcharge tied to increases in fuel costs. When coupled together, there was an overall increase of  
13 \$13,370 for contract labour associated with emergency repairs / maintenance.

14 **2008 Cost Driver: Bad Debts**

15 *2008 Expenditure: \$248,667*

16 In 2008, four large commercial accounts were recognized for write-off due to bankruptcy.

17 The increase in commercial write-off experience was reflective of the start of the economic  
18 recession in North America.

19 **2008 Cost Driver: Software Amortization**

20 *2008 Expenditure: \$(926)*

21 The amortization expense is affected by the additions of software in the year. An increase in the  
22 expense occurs when the amortization for the additions is greater than the amortization on those  
23 assets that have become fully depreciated in the year. A decrease occurs when the amortization  
24 on the additions is less than the amortization on assets that have become fully depreciated in the  
25 year.

26

1 **2008 Cost Driver: Bank Fees**

2 *2008 Expenditure: \$546*

3 Bank fees were comparable to 2007. No material changes were negotiated in regards to the  
4 company credit facilities.

5 **2008 Cost Driver: Meter Reading Contractor**

6 *2008 Expenditure: \$11,823*

7 The increase in meter reading costs is a typical increase resulting from customer growth of  
8 approximately 1,500 new services a year.

9 **2008 Cost Driver: Postage**

10 *2008 Expenditure: \$4,116*

11 The increase in meter reading costs is a typical increase resulting from customer growth of  
12 approximately 1,500 new services a year.

13 **2008 Cost Driver: Employee Training**

14 *2008 Expenditure: \$62,261*

15 Burlington Hydro maintains a training regimen for all of its employees. In 2008, Burlington  
16 Hydro implemented a SHEQ (Safety Health Environment and Quality Management) training  
17 program for management in order to meet its commitment to the Electrical and Utilities Safety  
18 Association (E&USA) Program called Zero-Quest. In 2008, Burlington Hydro prepared for the  
19 “Outcomes or Gold” level award by E&USA which required a \$10,000 application / processing  
20 fee.

21 Acknowledging that there is a skill shortage in the trades area, Burlington Hydro designed and  
22 implemented a trades apprenticeship program in 2008. This coupled with the Safety training lead  
23 to a positive variance of \$52,261 in expenses when compared to 2007.

24 **2008 Cost Driver: Other**

25 *Expenditure: \$(177,629)*

26 “Other” is the total of all other changes in costs included in Burlington Hydro OM&A costs.

1

2 **2009 Cost Drivers**

3 **2009 Cost Driver: Employee Costs**

4 *2009 Expenditure: \$701,022*

5 In 2009 there is a budgeted addition of 3 apprentices, a Regulatory Accountant, and a  
6 Construction Supervisor. In addition, the two supervisory positions that were partially vacant in  
7 2008 were filled. There was a budgeted pay increase of 3.50% . More information on employee  
8 compensation is included in Exhibit 4, Tab 2.

9 **2009 Cost Driver: Regulatory Expenses**

10 *2009 Expenditure: \$304,744*

11 The regulatory costs for 2009 reflect costs associated with the preparation of the rate rebasing  
12 application. Details on these costs are included at Tab 2, Schedule 5 of this exhibit.

13 **2009 Cost Driver: PCB Cleaning and Disposal**

14 *2009 Expenditure: \$(219,670)*

15 The Federal Government's Environmental Protection Act (Subsection 93(1)) directs utilities to  
16 identify all PCB (over 50 ppm) on the systems prior to the end of 2009.

17 The Act identifies a graduated system of removal and replacement to comply with these same  
18 regulations. In 2009, Burlington Hydro budgeted to complete all pad and vault transformers  
19 change-outs. The costs of the removals were booked as a prepaid expense in 2008 leading to a  
20 decrease in 2009 expenses of \$219,670.

21 **2009 Cost Driver: Locates**

22 *2009 Expenditure: \$(232,175)*

23 In order to meet Burlington Hydro's obligations within the Distribution System Code and ESA  
24 Regulation 22/04, Burlington Hydro has continued throughout 2009 to outsource the majority of  
25 its locates to a professional firm under contract. The budgeted number for 2009, was decreased  
26 in recognition of the slowdown in the economy in late 2008 and into 2009. To the end of July

1 2009, 5,383 locates have been completed resulting in a negative variance of \$232,175 when  
2 compared to 2008. This particular expense is driven largely by economic and construction  
3 activity.

4 **2009 Cost Driver: Tree Trimming**  
5 *2009 Expenditure: \$(94,894)*

6 Tree trimming is a fundamental component of Burlington Hydro's preventative maintenance  
7 program. Burlington Hydro manages its tree trimming on a three year cycle breaking the City of  
8 Burlington up into 3 distinct areas consisting of areas: west end / north; central; and east end.  
9 Burlington Hydro also maintains a standby contract to trim and clean up vegetation related to  
10 "emergency" work.

11 In advance of all commencing with tree trimming, Burlington Hydro runs an RFP process to  
12 select qualified contractors who bid specifically on each of the three areas as well as the  
13 emergency / standby contract. For 2009, the tree trimming contract called for the Central area of  
14 Burlington to be trimmed which is primarily urban. The net result for 2009 tree trimming is a  
15 decrease of \$94,894.

16 **2009 Cost Driver: Contracted Labour**  
17 *2009 Expenditure: \$41,425*

18 The OEB's Distribution System Code and ESA Regulation 22/04 both require regular inspection  
19 of all Burlington Hydro facilities. In 2009, a complete asset management inventory of all  
20 distribution assets was undertaken. Additional funds were budgeted in contract labour to address  
21 the short term preventative maintenance work expected.

22 **2009 Cost Driver: Bad Debts**  
23 *2009 Expenditure: \$13,484*

24 In 2009, the bad debt experience was budgeted to be comparable to 2008 as the economy  
25 remains in recession and collection experience is reflecting continued slow customer payments.

26 **2009 Cost Driver: Software Amortization**  
27 *2009 Expenditure: \$55,633*



1 The amortization expense is affected by the additions of software in the year. An increase in the  
2 expense occurs when the amortization for the additions is greater than the amortization on those  
3 assets that have become fully depreciated in the year. A decrease occurs when the amortization  
4 on the additions is less than the amortization on assets that have become fully depreciated in the  
5 year.

6 **2009 Cost Driver: Administration Expenses from Non Regulated**

7 *2009 Expenditure: \$117,614*

8 In June 2008, Burlington Hydro's affiliated company, Burlington Electricity Services Inc., sold  
9 its interest in FibreWired services. As a result of this sale there was a significant reduction in the  
10 quantity of services provided by Burlington Hydro to the affiliate. These service costs have been  
11 expensed to the following accounts 5315, 5340, 5615 and 5670.

12 **2009 Cost Driver: Accounts Receivable Insurance**

13 *2009 Expenditure: \$88,900*

14 In response to the deteriorating economy and 2008 write-off experience, Burlington Hydro  
15 sought out credit insurance for protection of its commercial receivables portfolio against the risk  
16 of credit default. This product is intended to protect the utility against a catastrophic loss from  
17 the bankruptcy of a large customer. In selecting the insurance product, quotations were obtained  
18 from four insurers.

19 **2009 Cost Driver: Bank Fees**

20 *2009 Expenditure: \$48,377*

21 Bank fees increases in 2009 were associated with smart meter funding. Bank loan facilities are  
22 negotiated May 1 of each year. The increased fee represents eight months at the new fee  
23 structure.

24 **2009 Cost Driver: Meter Reading Contractor**

25 *2009 Expenditure: \$10,152*

26 The increase in meter reading costs is a typical increase resulting from customer growth of  
27 approximately 1,500 new services a year.

1 **2009 Cost Driver: Postage**

2 *2009 Expenditure: \$14,849*

3 As of January 12, 2009, Canada Post increased postage rates. Regular postage increased from  
4 \$0.52 to \$0.54 (3.85%) and the presort postage rates increased from \$0.48 to \$0.51 (6.25%).  
5 Approximately 75% of customer invoices sent at presort rate resulting in 5.65% weighted  
6 average change in postal fees. In addition to the increase in rates, Burlington Hydro also  
7 experiences an increase in number of customers from year to year.

8 **2009 Cost Driver: Employee Training**

9 *2009 Expenditure: \$10,625*

10 Burlington Hydro maintains a training regimen for all of its employees. In 2009, Burlington  
11 Hydro continued with its implementation of SHEQ (Safety Health Environment and Quality  
12 Management) training for management in order to meet its commitment to the Electrical and  
13 Utilities Safety Association (E&USA) Program called Zero-Quest. In 2009, Burlington Hydro  
14 continued to prepare its application for the “Outcomes or Gold” level award by E&USA.

15 Continuing with its Apprenticeship program largely launched in 2008, Burlington Hydro  
16 continued to hire apprentices as per its HR succession strategy. This coupled with the Safety  
17 training lead to a positive variance of \$10,625 in expenses when compared to 2008.

18 **2009 Cost Driver: Communications**

19 *2009 Expenditure: \$30,868*

20 In 2008, Burlington Hydro established a communications budget to ensure there is a proper  
21 strategy in place, to coordinate communications both internal and external to the company, and  
22 to be proactive in reacting to important communication items. Costs have been budgeted for the  
23 preparation of a community update annual report, press releases and employee newsletters.

24 **2009 Cost Driver: Other**

25 *2009 Expenditure: \$100,515*

26 “Other” is the total of all other changes in costs included in Burlington Hydro OM&A costs.

27

1 **2010 Cost Drivers**

2 **2010 Cost Driver: Employee Costs**

3 *2010 Expenditure: \$580,491*

4 In 2010 there is a budgeted addition of 3 apprentices. There is a budgeted pay increase of 3%.

5 More information on employee compensation is included in Exhibit 4, Tab 2.

6 **2010 Cost Driver: Regulatory Expenses**

7 *2010 Expenditure: \$(166,883)*

8 Regulatory costs for 2010 reflect ongoing regulatory costs, in addition to one quarter of the costs  
9 associated with the rate rebasing application. Details on these costs are included at Tab 2,  
10 Schedule 5 of this exhibit.

11 **2010 Cost Driver: PCB Cleaning and Disposal**

12 *2010 Expenditure: \$20,924*

13 The Federal Government's Environmental Protection Act (Subsection 93(1)) directs utilities to  
14 manage the removal of all non sensitive PCB (over 50 ppm but under 500 ppm) transformers  
15 prior to the end of fiscal 2014.

16 The Act identifies a graduated system of removal and replacement to comply with these same  
17 regulations. Burlington Hydro has until 2014 to remove 97 PCB transformers. The costs of the  
18 removals to meet this deadline are projected as a \$20,924 positive variance for 2010.

19 **2010 Cost Driver: Tree Trimming**

20 *2010 Expenditure: \$124,843*

21 Tree trimming is a fundamental component of Burlington Hydro's preventative maintenance  
22 program. Burlington Hydro manages its tree trimming on a three year cycle breaking the City of  
23 Burlington up into 3 distinct areas consisting of areas: west end / north; central; and east end.  
24 Burlington Hydro also maintains a standby contract to trim and clean up vegetation related to  
25 "emergency" work.

1 In advance of all commencing with tree trimming, Burlington Hydro runs an RFP process to  
2 select qualified contractors who bid specifically on each of the three areas as well as the  
3 emergency / standby contract.

4 For 2010, the tree trimming contract calls for the West area of Burlington to be trimmed which is  
5 combination of urban and rural. For 2010, based on historical numbers tree trimming has been  
6 budgeted for a year over year increase of \$124,843

7 **2010 Cost Driver: Contracted Labour**

8 *2010 Expenditure: \$122,191*

9 The OEB's distribution system code and ESA Regulation 22/04 both require regular inspection  
10 of all Burlington Hydro facilities.

11 In 2009, a complete asset management inventory of all distribution assets was undertaken.  
12 Additional funds were budgeted in contract labour to address short term preventative  
13 maintenance work. The variance is expected to be a positive \$122,191.00 when compared to  
14 2009.

15 **2010 Cost Driver: Software Amortization**

16 *2010 Expenditure: \$35,007*

17 The amortization expense is affected by the additions of software in the year. An increase in the  
18 expense occurs when the amortization for the additions is greater than the amortization on those  
19 assets that have become fully depreciated in the year. A decrease occurs when the amortization  
20 on the additions is less than the amortization on assets that have become fully depreciated in the  
21 year.

22 **2010 Cost Driver: Accounts Receivable Insurance**

23 *2010 Expenditure: \$19,440*

24 As the recession continues and the negative impact on both business and residential customers  
25 remains high, Burlington Hydro plans on continuing to subscribe to Accounts Receivable  
26 insurance in 2010 to assist in mitigating commercial credit default risk.

1 Given the loss history being experienced by insurers in 2009 with respect to this product,  
2 indications are that premiums will increase to reflect experience. The increase in premiums for  
3 this product has been reflected in the 2010 costs.

4 **2010 Cost Driver: Bank Fees**  
5 *2010 Expenditure: \$24,628*

6 Bank fees represent twelve months under the new fee structure negotiated in 2009 which takes  
7 into account the additional credit facility for funding the smart meter rollout.

8 **2010 Cost Driver: Meter Reading Contractor**  
9 *2010 Expenditure: \$19,377*

10 In addition to an increase in meter reading costs resulting from customer growth, in February of  
11 2010, the current meter reading contract will expire. Since Burlington Hydro has enjoyed the  
12 same reading rates for five years, the new contract rate is certain to increase.

13 **2010 Cost Driver: Postage**  
14 *2010 Expenditure: \$14,169*

15 In 2010, Canada Post will again increase postage rates. Regular postage will increase from \$0.54  
16 to \$0.56 (3.7%) and the presort postage rates increased from \$0.51 to \$0.53 (3.92%).  
17 Approximately 75% of customer invoices sent at presort rate resulting in 3.87% weighted  
18 average change in postal fees. In addition to the increase in rates, Burlington Hydro also  
19 experiences an increase in number of customers from year to year.

20 **2010 Cost Driver: Low Income Energy Assistance Program**  
21 *2010 Expenditure: \$39,000*

22 On March 10, 2009, the OEB issued the “Report of the Board: Low-Income Energy Assistance  
23 Program” (EB-2008-0150). In this report the Board stated that the greater of 0.12% of a  
24 distributor’s Board Approved distribution revenue requirement, or \$2,000 is a reasonable  
25 commitment to LEAP. Burlington Hydro has calculated an amount of \$39,000 towards this  
26 program. More information on the LEAP program is included at Exhibit 4, Tab 2, Schedule 8.

27 **2010 Cost Driver: Employee Training**

1    2010 Expenditure: \$14,898

2    Burlington Hydro maintains a training regimen for all of its employees. In 2010, Burlington  
3    Hydro plans to continue with its implementation of SHEQ (Safety Health Environment and  
4    Quality Management) training for management in order to meet its commitment to the Electrical  
5    and Utilities Safety Association (E&USA) Program called Zero-Quest. In 2010, Burlington  
6    Hydro will be receiving its “Outcomes or Gold” level award from E&USA and will begin  
7    preparations for the “Sustainability or Platinum” level award.

8    Continuing with its Apprenticeship program largely launched in 2008, Burlington Hydro  
9    continued to hire apprentices as per its HR succession strategy. This coupled with the Safety  
10   training will lead to a positive variance of \$14,898 in expenses when compared to 2009.

11   **2010 Cost Driver: Other**

12   2010 Expenditure: \$(83,659)

13   “Other” is the total of all other changes in costs included in Burlington Hydro OM&A costs.

1 **REGULATORY EXPENSES**

2 Regulatory Expenses include those expenses incurred in connection with Decisions and Orders  
 3 on Cost Awards for hearings, proceedings, technical sessions, and other matters before the OEB  
 4 or other regulatory bodies, including annual assessment fees paid to a regulatory body. Annual  
 5 fees assessed by the OEB are included in this expenditure category. These costs are included in  
 6 OEB Account 5655.

7 Burlington Hydro has identified in the table below costs that are associated with the completion  
 8 of a full cost of service review, and identified these as “one-time” costs. These costs are  
 9 included in the test year forecast as ¼ of the total cost, as Burlington Hydro is anticipating four  
 10 years under the IRM term prior to rebasing again.

Regulatory Cost Category	USofA Account	USofA Account Balance (2010)	Ongoing or One-time Cost?	Last Rebasing Year (2006)	Last Year of Actuals (2008)	Bridge Year (2009)	% Change in Bridge Year vs Last Year of Actuals	Test Year Forecast (2010)	% Change in Test Year vs Bridge Year
1 OEB Annual Assessment	5655	212,000	ongoing	45,879	182,036	200,000	9.87%	212,000	6.00%
2 OEB Hearing Assessments (applicant initiated)	5655	11,250	one-time	-	-	-	-	45,000	-
3 OEB Section 30 Costs (OEB initiated)	5655	34,883	ongoing	-	12,257	32,724	166.98%	34,883	6.60%
4 Expert Witness cost for regulatory matters	-	-	-	-	-	-	-	-	-
5 Legal costs for regulatory matters	5655	25,250	one-time	-	-	85,750	-	15,250	-82.22%
6 Consultants costs for regulatory matters (1)	5655	10,000	ongoing	6,250	20,155	10,133	-49.72%	10,000	-1.31%
6 Consultants costs for regulatory matters	5655	11,737	one-time	-	7,197	29,750	313.37%	10,000	-66.39%
7 Operating expenses associated with staff resources allocated to regulatory matters (2)	5655	38,400	one-time	-	40,631	112,968	178.03%	-	-100.00%
8 Operating expenses associated with other resources allocated to regulatory matters (identify)	-	-	-	-	-	-	-	-	-
9 Other regulatory agency fees or assessments	-	-	-	-	-	-	-	-	-
10 Any other costs for regulatory matters (define)	-	-	-	-	-	-	-	-	-
11 Intervenor Costs	5655	8,750	one-time	-	-	-	-	35,000	-
<b>Total</b>	<b>5655</b>	<b>352,270</b>							
Notes:									
(1) Consulting costs for 2006 were included in Account 5630. Other years regulatory consulting are included in 5655.									
(2) Staff resource costs are related to incremental temporary staff costs to assist Accounting and Regulatory areas.									

11

12

1 **OM&A COST PER CUSTOMER AND PER FULL TIME EQUIVALENT**  
 2 **(Filing Requirements Appendix 2-J)**

3 The following table provides the detail of average cost per customer and full time equivalent.

	2006 Actuals	2007 Actuals	2008 Actuals	2009	2010
Number of Customers (1)	60,757	61,663	62,740	63,398	64,701
Total OMA	12,090,103	12,692,225	13,045,099	14,036,568	14,800,994
<b>OMA Cost per Customer</b>	<b>\$ 198.99</b>	<b>\$ 205.83</b>	<b>\$ 207.92</b>	<b>\$ 221.40</b>	<b>\$ 228.76</b>
Number of FTEEs	90	88	93	98	101
FTEEs/Customer	0.00148	0.00143	0.00148	0.00155	0.00156
<b>OMA cost per FTEE</b>	<b>\$ 134,334</b>	<b>\$ 144,230</b>	<b>\$ 140,270</b>	<b>\$ 143,230</b>	<b>\$ 146,544</b>

4 (1) Number of customers includes Residential, General Service < 50kW and General Service > 50 kW

5



1 **ONE TIME COSTS**

- 2 Burlington Hydro does not have any significant one time costs included in 2010 Test Year of this  
3 rate application.

1 **LOW-INCOME ENERGY CONSUMER PROGRAMS**

2 On March 10, 2009, the Board issued the “Report of the Board: Low-Income Energy Assistance  
3 Program” (EB-2008-0150). In this Report, the Board stated that it had determined that the  
4 greater of 0.12% of a distributor’s Board-approved distribution revenue requirement, or \$2,000,  
5 is a reasonable commitment of distributors to LEAP. The Board also stated that it would allow  
6 distributors to incorporate such amounts in their OM&A expenses at the time of rebasing.

7 Burlington Hydro has a proposed distribution revenue requirement for the 2010 Test Year of  
8 \$31,317,814. Based on this revenue requirement, Burlington Hydro has calculated a LEAP  
9 contribution of \$39,000. For purposes of this rate application, this amount has been included in  
10 the Community Relations Account 5410, to ensure that it is captured appropriately in the revenue  
11 requirement model and separate from other charitable donations that are not eligible to be  
12 included in the distribution revenue requirement. On an actual basis Burlington Hydro will track  
13 these expenses through Account 6205, Charitable Donations.

1 **GREEN ENERGY AND GREEN ECONOMY ACT**

2 On June 16, 2009, the Board issued the “Guidelines: Deemed Conditions of Licence:  
3 Distribution System Planning” (G-2009-0087). In this Guideline, the Board sets out a regulatory  
4 framework which covers accounting, funding, and planning for electric distribution system  
5 investments to accommodate the connection of renewable energy generation facilities and/or  
6 development of a smart grid, as related to the *Green Energy and Green Economy Act, 2009*  
7 (“GEGEA”).

8 At this time Burlington Hydro is reviewing any needs for system investments and other  
9 expenditures to both accommodate the addition of renewable generation to its distribution, as  
10 well as administrative support required to assist customers with participation in the OPA’s FIT  
11 and microFIT programs. Burlington Hydro is also reviewing projects that will ultimately be  
12 included into its smart grid development plan, but will not complete these plans until the  
13 legislative and regulatory framework related to the GEGEA has been defined.

14 Burlington Hydro is not including any costs related to the GEGEA in this application.  
15 Burlington Hydro will continue to review and monitor activities related to the GEGEA, and  
16 anticipates that once further direction has been provided it will complete a Distribution System  
17 Plan related to GEGEA and request a specific funding adder at that time.

18

1 **CHARITABLE DONATIONS**

2 Burlington Hydro strives to be a community partner and strong corporate citizens, and  
 3 encourages this as a Corporate Value that is promoted throughout the organization. Burlington  
 4 Hydro has, and continues to be, a strong partner to charitable organizations such as the United  
 5 Way, Canadian Cancer Society, Canadian Blood Services and the Heart and Stroke Foundation.  
 6 Details of charitable donations are provided in the table below.

7 Beginning in 2007, Burlington Hydro has been contributing to programs that provide assistance  
 8 to customers in paying their electricity bills. In 2008, Burlington Hydro joined a number of other  
 9 Ontario LDCs in supporting the “Winter Warmth” program. This program provides grants to  
 10 low-income residents who have utility accounts in arrears or are faced with the threat of  
 11 disconnection because of special circumstances that have lead to their arrears. This program is  
 12 coordinated by a network of more than 40 community agencies through the United Way and  
 13 funded by participating utility companies.

14 For purposes of this application, the 2010 donation to the Winter Warmth program of \$25,000  
 15 has been included in the Community Relations Account 5410, to ensure that it is captured  
 16 appropriately in the revenue requirement model. On an actual basis Burlington Hydro will track  
 17 these expenses through Account 6205, Charitable Donations. All other charitable donations have  
 18 been included in Account 6205 for purposes of this filing.

19

Charitable Donations					
	2006	2007	2008	2009	2010
Donations providing Assistance to Customers Paying Bills	-	8,400.00	24,863.01	25,000.00	25,000.00
Other Charitable Donations	30,432.50	51,934.00	46,993.34	41,617.00	40,600.00
<b>Total Charitable Donations</b>	<b>30,432.50</b>	<b>60,334.00</b>	<b>71,856.35</b>	<b>66,617.00</b>	<b>65,600.00</b>

20

21

1 VARIANCE ANALYSIS ON OM&A COSTS  
 2 (Filing Requirements Appendix 2-K)

OEB Category	USoA	2010	2006 Actuals	\$ Variance	% Change
Operation	5005	-	-	-	-
	5010	1,090,861	915,110	175,751	19%
	5012	93,941	188,893	(94,952)	-50%
	5014	-	-	-	-
	5015	-	-	-	-
	5016	599,364	427,348	172,016	40%
	5017	320,072	268,518	51,554	19%
	5020	361,128	304,188	56,940	19%
	5025	464,702	248,498	216,204	87%
	5030	-	-	-	-
	5035	184,304	83,744	100,560	120%
	5040	154,360	188,376	(34,016)	-18%
	5045	556,455	358,768	197,687	55%
	5050	-	-	-	-
	5055	69,925	57,128	12,797	22%
	5060	-	-	-	-
	5065	249,521	180,501	69,020	38%
	5070	152,157	93,933	58,224	62%
	5075	31,587	20,635	10,952	53%
	5085	-	-	-	-
	5090	71	-	71	-
	5095	184,906	166,309	18,597	11%
	5096	-	-	-	-
<b>Subtotal Operation:</b>		<b>4,513,354</b>	<b>3,501,950</b>	<b>1,011,404</b>	<b>29%</b>
Maintenance	5105	-	-	-	-
	5110	129,620	62,286	67,334	108%
	5112	-	-	-	-
	5114	108,119	76,253	31,866	42%
	5120	137,219	204,601	(67,382)	-33%
	5125	555,809	524,594	31,215	6%
	5130	248,776	237,539	11,237	5%
	5135	582,162	499,563	82,599	17%
	5145	44,107	61,148	(17,041)	-28%
	5150	406,883	394,628	12,255	3%
	5155	254,176	300,636	(46,460)	-15%
	5160	194,322	189,950	4,372	2%
	5165	-	-	-	-
	5170	-	-	-	-
	5172	-	-	-	-
	5175	233,752	101,138	132,614	131%
	5178	-	-	-	-
	5195	-	-	-	-
<b>Subtotal Maint.:</b>		<b>2,894,945</b>	<b>2,652,339</b>	<b>242,606</b>	<b>9%</b>
Billing and Collecting	5305	-	-	-	-
	5310	376,389	406,087	(29,698)	-7%
	5315	726,649	728,153	(1,504)	0%
	5320	198,375	244,732	(46,357)	-19%
	5325	100	200	(100)	-50%
	5330	13,997	12,116	1,881	16%
	5335	400,000	77,364	322,636	417%
	5340	633,398	528,740	104,658	20%
<b>Subtotal Bill &amp; Coll.:</b>		<b>2,348,908</b>	<b>1,997,392</b>	<b>351,516</b>	<b>18%</b>
Community Relations	5405	-	-	-	-
	5410	64,000	-	64,000	-
	5415	3,087	425,292	(422,205)	-99%
	5420	13,600	11,359	2,241	20%
	5425	-	-	-	-
	5505	-	-	-	-
	5510	-	-	-	-
	5515	-	-	-	-
	5520	-	-	-	-
<b>Subtotal Com. Rel.:</b>		<b>80,687</b>	<b>436,651</b>	<b>(355,964)</b>	<b>-82%</b>
Administrative and G	5605	788,318	740,994	47,324	6%
	5610	497,055	344,831	152,224	44%
	5615	1,428,668	888,373	540,295	61%
	5620	425,015	210,307	214,708	102%
	5625	(259,430)	(134,159)	(125,271)	93%
	5630	351,659	241,354	110,305	46%
	5635	144,495	26,699	117,796	441%
	5640	131,580	113,568	18,012	16%
	5645	346,814	312,007	34,807	11%
	5650	-	-	-	-
	5655	352,270	170,019	182,251	107%
	5660	10,200	-	10,200	-
	5665	423,645	360,537	63,108	18%
	5670	120,000	83,033	36,967	45%
	5675	202,811	144,208	58,603	41%
	5680	-	-	-	-
	5685	-	-	-	-
	5695	-	-	-	-
<b>Subtotal Admin:</b>		<b>4,963,100</b>	<b>3,501,772</b>	<b>1,461,328</b>	<b>29%</b>

OEB Category	USoA	2010	2008 Actuals	\$ Variance	% Change
Operation	5005	-	-	-	-
	5010	1,090,861	1,001,159	89,702	9%
	5012	93,941	102,061	(8,120)	-8%
	5014	-	-	-	-
	5015	-	-	-	-
	5016	599,364	476,695	122,669	26%
	5017	320,072	287,772	32,300	11%
	5020	361,128	332,024	29,104	9%
	5025	464,702	314,874	149,828	48%
	5030	-	-	-	-
	5035	184,304	361,107	(176,803)	-49%
	5040	154,360	46,303	108,057	233%
	5045	556,455	765,474	(209,019)	-27%
	5050	-	-	-	-
	5055	69,925	104,183	(34,258)	-33%
	5060	-	-	-	-
	5065	249,521	231,202	18,319	8%
	5070	152,157	163,885	(11,728)	-7%
	5075	31,587	33,283	(1,696)	-5%
	5085	-	-	-	-
	5090	71	-	71	-
	5095	184,906	163,006	21,900	13%
	5096	-	-	-	-
<b>Subtotal Operation:</b>		<b>4,513,354</b>	<b>4,383,027</b>	<b>130,327</b>	<b>3%</b>
Maintenance	5105	-	-	-	-
	5110	129,620	70,507	59,113	84%
	5112	-	-	-	-
	5114	108,119	59,336	48,783	82%
	5120	137,219	69,216	68,003	98%
	5125	555,809	625,028	(69,219)	-11%
	5130	248,776	256,636	(7,860)	-3%
	5135	582,162	548,329	33,833	6%
	5145	44,107	16,386	27,721	169%
	5150	406,883	245,924	160,959	65%
	5155	254,176	238,498	15,678	7%
	5160	194,322	108,698	85,624	79%
	5165	-	-	-	-
	5170	-	-	-	-
	5172	-	-	-	-
	5175	233,752	173,355	60,397	35%
	5178	-	-	-	-
	5195	-	-	-	-
<b>Subtotal Maint.:</b>		<b>2,894,945</b>	<b>2,411,913</b>	<b>483,032</b>	<b>20%</b>
Billing and Collecting	5305	-	-	-	-
	5310	376,389	381,905	(5,516)	-1%
	5315	726,649	708,553	18,096	3%
	5320	198,375	212,604	(14,230)	-7%
	5325	100	320	(220)	-69%
	5330	13,997	11,552	2,445	21%
	5335	400,000	405,047	(5,047)	-1%
	5340	633,398	578,507	54,892	9%
<b>Subtotal Bill &amp; Coll.:</b>		<b>2,348,908</b>	<b>2,298,488</b>	<b>50,419</b>	<b>2%</b>
Community Relations	5405	-	-	-	-
	5410	64,000	24,863	39,137	157%
	5415	3,087	1,569	1,518	97%
	5420	13,600	14,885	(1,285)	-9%
	5425	-	-	-	-
	5505	-	-	-	-
	5510	-	-	-	-
	5515	-	-	-	-
	5520	-	-	-	-
<b>Subtotal Com. Rel.:</b>		<b>80,687</b>	<b>41,317</b>	<b>39,370</b>	<b>95%</b>
Administrative and Gene	5605	788,318	774,991	13,327	2%
	5610	497,055	464,159	32,897	7%
	5615	1,428,668	1,174,978	253,689	22%
	5620	425,015	295,758	129,257	44%
	5625	(259,430)	(353,146)	93,716	-27%
	5630	351,659	253,090	98,569	39%
	5635	144,495	35,335	109,160	309%
	5640	131,580	144,098	(12,518)	-9%
	5645	346,814	290,454	56,360	19%
	5650	-	-	-	-
	5655	352,270	214,409	137,861	64%
	5660	10,200	5,100	5,100	-
	5665	423,645	337,411	86,234	26%
	5670	120,000	93,586	26,414	28%
	5675	202,811	180,131	22,680	13%
	5680	-	-	-	-
	5685	-	-	-	-
	5695	-	-	-	-
<b>Subtotal Admin:</b>		<b>4,963,100</b>	<b>3,910,354</b>	<b>1,052,746</b>	<b>21%</b>

1 Burlington Hydro has provided a detailed OM&A cost table showing the variances between the  
2 following periods:

- 3 • 2006 Board Approved vs. 2010 Test Year,
- 4 • 2008 Actual vs. 2010 Test Year.

5 Details, both qualitative and quantitative in nature are included below. Written descriptions are  
6 provided for variances that are beyond the trigger amount of \$156,589. Accounts that are shaded  
7 have exceeded this trigger and are described in more detail below.

8

9 **Descriptions of Variances in Excess of the Materiality Threshold 2006 vs. 2010**

10 **Account 5010 – Load Dispatching**

11	2010	\$ 1,090,861
12	2006	<u>\$ 915,110</u>
13	Variance	\$ 175,751

14 In 2006, Burlington Hydro had a staffing level of six people in this department. The staffing  
15 level in 2009 is seven, and the forecasted level of staff in 2010 is eight. This increase in staffing  
16 had consequently increased labour and associated benefits costs. Further information on  
17 Burlington Hydro staffing requirements is included at Exhibit 4, Tab 4.

18 **Account 5016 – Distribution Station Equipment – Operation Labour**

19	2010	\$ 599,364
20	2006	<u>\$ 427,348</u>
21	Variance	\$ 172,016

22 In 2006, the Station Maintenance department had a staffing level of seven people. In 2008, two  
23 apprentices were hired as part of Burlington Hydro's succession planning, as described in Tab 4  
24 of this Exhibit. In 2010, the Station Maintenance department will have a staff level of eleven,

1 again driven by succession planning. The increase in staffing has consequently increased labour  
2 and associated benefits costs.

3 **Account 5025 – Overhead Distribution Lines and Feeders – Operation Supplies and**  
4 **Expenses**

5	2010	\$ 464,702
6	2006	<u>\$ 284,498</u>
7	Variance	\$ 216,204

8 In 2006, the Line department, which provides the labour component of Overhead Distribution  
9 Lines and Feeders, had a staffing level of 22. The staffing level has increased to 25 people in  
10 2010. This increase in staffing level is due to succession planning and is described in more detail  
11 in Exhibit 4, Tab 4.

12 The contracted labour component of this account increased in 2008 by \$58,747 as Burlington  
13 Hydro used contractors to assist in patrolling overhead lines, vacuum excavation and flagging.

14 Overall the increase in departmental staffing has increased the labour costs and associated  
15 benefits costs.

16 **Account 5045 – Underground Distribution Lines and Feeders – Operation Supplies and**  
17 **Expenses**

18	2010	\$ 556,455
19	2006	<u>\$ 358,768</u>
20	Variance	\$ 197,687

21 In 2006, Burlington Hydro engaged the services of a professional locate firm to augment internal  
22 staffing during peak volume periods, as well as signing with Ontario One Call to handle all  
23 locate scheduling. Prior to 2006, Burlington Hydro used internal staff with additional contracted  
24 labour from a non-specialized locate firm.

1 In 2007, Burlington Hydro awarded the locate contract to a third party who specialized in the  
2 provision of hydro locates within the OEB directed timeframes.

3 In 2008, locate volume increased by 15%. From 2009, the locate activity has decreased in  
4 recognition of the slowdown in the economy in late 2008 into 2009. The forecasted level of  
5 locate activity is at the same level as 2009.

6 Overall, the number of locates has increased between 2006 and 2010, coupled with Burlington  
7 Hydro's decision to contract out locate scheduling and field locating, resulting in increased costs  
8 in Account 5045.

9 **Account 5335 – Bad Debt Expense**

10	2010	\$ 400,000
11	2006	<u>\$ 77,364</u>
12	Variance	\$ 322,636

13 In 2007 Burlington Hydro experienced an increase in its write-off of residential accounts.  
14 Recognizing known doubtful accounts that would require write-off in 2008 a further increase  
15 was made to the allowance for doubtful accounts. The set up of a higher allowance recognized  
16 the beginning of the economic slowdown and the negative impact on receivables. The increase  
17 in the allowance and write offs increased the Bad Debts expense by \$79,052.

18 In 2008, four large commercial accounts were recognized for write off due to bankruptcy. The  
19 increase in commercial write-off was reflective of the start of the economic recession in North  
20 America. Bad debt expense increased by \$248,667.

21 In 2009, the bad debt experience was budgeted to be comparable to 2008 as the economy  
22 remains in recession and collection experience is reflecting continued slow customer payments.

23 In 2010 Bad Debts are forecasted at the same level as 2009.

24



1 **Account 5415 – Conservation and Demand Management**

2	2010	\$ 3,087
3	2006	<u>\$ 425,292</u>
4	Variance	\$(422,205)

5 In 2006 Burlington Hydro had initiated the spending related to the execution of the Burlington  
6 Hydro Conservation and Demand Management Plan, as approved in RP-2004/0203/EB-2004-  
7 0525. Since 2008, Burlington Hydro has been participating in the conservation programs as  
8 funded by the Ontario Power Authority.

9 **Account 5615 – General Administrative Salaries and Expenses**

10	2010	\$ 1,428,668
11	2006	<u>\$ 888,373</u>
12	Variance	\$ 540,295

13 The salary variance is due to the following average wage increases of 3.25% in 2006, 3.25% in  
14 2007 and 3.00% each year for 2008 through to 2010.

15 In 2008 a full time Regulatory and Conservation Analyst was hired at a cost of \$50,000. In  
16 addition, a Regulatory Accountant has been budgeted at cost of \$67,500 for 2010.

17 In May of 2006 the OMERS premiums were added to the benefits cost which had been recorded  
18 in Account 1508 in 2005. The benefits have also been impacted by the addition of two  
19 employees.

20 The credits for the salaries and benefits of employees who previously provided a service to an  
21 affiliate have been re-allocated to Account 5625.

22 More information on employee compensation and succession planning are included in Exhibit 4,  
23 Tab 4.

24

1 **Account 5620 – Office Supplies and Expenses**

2	2010	\$ 425,015
3	2006	<u>\$ 210,307</u>
4	Variance	\$ 214,708

5 In 2008, BHI implemented a SHEQ (Safety Health Environment and Quality Management)  
6 training program for management in order to meet its commitment to the Electrical and Utilities  
7 Safety Association (EUSA) Program called Zero-Quest. In 2008, BHI prepared for the  
8 "Outcomes or Gold" level award by EUSA which required a \$10,000 application / processing  
9 fee.

10 In 2008 Burlington Hydro designed and implemented a trades apprenticeship program to  
11 enhance the skill shortage in the trades area.

12 In 2009 Burlington Hydro continues with its SHEQ training for management in order to meet its  
13 commitment to the EUSA program called Zero-Quest. BHI continued to prepare its application  
14 for the "Outcomes or Gold" level awarded by EUSA. Ongoing costs were incurred in training  
15 the new apprentices.

16 In 2010 Burlington Hydro will continue with its SHEQ training program. In 2010 Burlington  
17 Hydro will be receiving its "Outcomes or Gold" level award from EUSA and will begin  
18 preparations for the "Sustainability or Platinum" level award. Burlington Hydro will continue  
19 with its Apprenticeship Program.

20 Bank Fees are forecasted to increase due to new requirements associated with smart meter  
21 funding.

22 Computer Consumables normally average \$2,000 per month, so \$24,000 annually is typical. The  
23 2006 total of \$19,200 was uncharacteristically low. 2010's budget of \$25,740 reflects the typical  
24 cost average plus an inflationary factor. Computer Software costs have risen simply because of  
25 the annual maintenance fees of systems that have been added since 2006. New systems include  
26 (1) a web browser filter to monitor and police BHI employees web surfing. (2) Oracle database

1 maintenance for our Outage Call Management system, and (3) Fieldworker field management  
2 software to automate the high volume of meter change outs for smart meters. Our Internet  
3 expenses have risen for two reasons. One was an intentional increase in website content and  
4 frequency of updates. The second was the move of our web server from a shared server to a  
5 dedicated server for privacy and security concerns.

6 **Account 5655 – Regulatory Expenses**

7	2010	\$ 352,270
8	2006	<u>\$ 170,019</u>
9	Variance	\$ 182,251

10 Costs associated with Regulatory expenses include both ongoing regulatory costs, such as OEB  
11 Annual Assessments, as well as one time costs related to the completion of a large rate rebasing  
12 application. The costs in 2007 primarily reflect only ongoing costs. Costs for 2010 include  
13 ongoing costs, plus one quarter of the total estimated cost of rebasing. More information on the  
14 determination of the 2010 regulatory costs is included in Exhibit 4, Tab 5.

15

16 **Descriptions of Variances in Excess of the Materiality Threshold 2008 vs. 2010**

17 **Account 5035 – Overhead Distribution Transformers - Operation**

18	2010	\$ 184,304
19	2008	<u>\$ 361,107</u>
20	Variance	\$(176,803)

21 The Federal Government's Environmental Protection Act (Subsection 93(1)) directs utilities to  
22 identify all PCB (over 50ppm) on the system prior to the end of 2009.

23 In 2008, Burlington Hydro completed all of its transformer testing and identification of future  
24 change-outs. Also in 2008, Burlington Hydro began a PCB removal program of identified  
25 transformers with PCB levels greater than 500 ppm and as well as those between 50-500 ppm in

1 defined sensitive areas. These transformers will be removed from the field in 2008 and 2009, in  
2 accordance with Federal Regulations.

3 The variance decrease in Account 5035 from 2008 to 2010 can be primarily attributed to costs  
4 associated with PCB oil/carcass disposal. A large volume of PCB oil will be removed from  
5 Burlington Hydro's distribution system in 2008 and 2009. The PCB disposal costs will drop  
6 dramatically in 2010 as Burlington Hydro completes removal of PCB transformers (50 ppm to  
7 500 ppm) by the 2014 Federal deadline.

8 **Account 5045 – Underground Distribution Lines and Feeders – Operation Supplies and**  
9 **Expenses**

10	2010	\$ 556,455
11	2008	<u>\$ 765,474</u>
12	Variance	\$(209,019)

13 In 2008, in order to meet Burlington Hydro's obligations within the Distribution System Code  
14 and ESA Regulation 22/04, Burlington Hydro continued to outsource the majority of its locates  
15 to a professional firm under contract coupled with scheduling through Ontario One Call.

16 In 2008 the volume of locates increased by 15% to 9,203 (compared to 2007). In 2009, the  
17 budgeted number for locates was decreased in recognition of the slowdown in the economy in  
18 late 2008 and into 2009. This particular expense is driven largely by economic/construction  
19 activity.

20 The budgeted locate number for 2010 is the same as 2009, reflecting a slow recovery in the  
21 economy and hence construction activity. From 2009, the located activity has decreased in  
22 recognition of the slowdown in the economy in late 2008 into 2009. The forecasted level of  
23 locate activity is at the same level as 2009.

24 Overall, the number of locates has increased between 2008 and 2010 resulting in a decrease to  
25 Account 5045.

1 **Account 5150 – Maintenance of Underground Conductors and Devices**

2	2010	\$ 406,883
3	2008	<u>\$ 245,924</u>
4	Variance	\$ 160,959

5 The expenditure for this account increased between 2008 and 2009 as a result of an increase in  
6 primary underground faults. Fault repairs increased labour rates (including overtime), associated  
7 overhead costs and contracted labour. It is anticipated that Burlington Hydro will continue to  
8 experience this higher level of faults throughout 2010, and that in subsequent years this will level  
9 off and begin to decrease a planned underground cable rebuilds are completed.

10 **Account 5615 – General Administrative Salaries and Expenses**

11	2010	\$ 1,428,668
12	2008	<u>\$ 1,174,978</u>
13	Variance	\$ 253,689

14 A description of the drivers in the variance from 2008 to 2010 related to costs in Account 5615,  
15 is included in the section above describing the 2006 to 2010 variances. Further information on  
16 employee costs is included in Exhibit 4, Tab 4.

1 **EMPLOYEE COMPENSATION**

2 **Overview:**

3 Burlington Hydro is committed to making the Company increasingly safe, secure and efficient.  
4 To succeed in an environment of increased customer growth, budget constraints, technological  
5 advances and regulatory change it is necessary to have exceptional people in the right places, at  
6 the right time, with the right skills. In order to meet this challenge, Burlington Hydro needs  
7 human resources who are skilled, creative and committed in accomplishing the company's  
8 mission.

9 In an industry faced with an aging workforce and the challenges of a competitive labour market,  
10 Burlington Hydro is faced with a potential turnover approaching 41 percent of its workforce  
11 within the next ten years. To manage this level of change in its workforce, Burlington Hydro  
12 must position itself to attract, motivate and retain the talent that is critical to maintaining and  
13 renewing its distribution system. Therefore, Burlington Hydro's total compensation package and  
14 ability to offer a rewarding work experience must enable it to compete successfully for  
15 employees with the requisite skill sets.

16 Burlington hydro's workforce is comprised of unionized and non-unionized employees.

17 **a) Unionized Employees**

18 IBEW Local 636 is the sole bargaining agent for over 70 percent of Burlington Hydro's  
19 employees.

20 Compensation for unionized employees is negotiated through the collective bargaining process.  
21 When negotiating wage levels, consideration is given to the skill sets required to work within our  
22 distribution system, as well as the competitive wage levels of its geographic market.

23 Burlington Hydro has two Collective Agreements with IBEW Local 636 representing both  
24 Office and Trades workers. Burlington Hydro recently negotiated a new 3 year collective  
25 agreement with both unions which took effect April 1, 2009. Wage increases were negotiated at

1 3 percent each contract year which is consistent with other negotiated settlements with LDC's in  
2 its geographic area.

3 The previous negotiated wages increases were:

4 2005 – 3.0%  
5 2006 – 3.25%  
6 2007 – 3.25%  
7 2008 – 3.0%

8 **b) Management and Non Union Employees**

9 Burlington Hydro provides its non-unionized employees (Executive, Managers and Non union)  
10 with a total cash compensation package comprised of two elements: base salary and incentive  
11 pay. Burlington Hydro's performance-based philosophy ensures that rewards are appropriately  
12 aligned with the strategic direction of the company.

13 Burlington Hydro has a formal and disciplined approach in awarding merit increases to  
14 employees. Merit pay is intended to provide a system to reward employee behaviours and values  
15 through increases to base pay. A merit increase is the amount of additional compensation added  
16 to current base salaries following a review of employee performance. Each Director reviews the  
17 performance of each non-union employee in their department, taking into consideration the  
18 remarks and comments from the employee's direct supervisor who conducted the review.

19 **c) Incentive Pay:**

20 Burlington Hydro has one Incentive Compensation Plan for its non unionized employees. The  
21 previous unionized incentive plan for the office union expired in 2006.

22 **Incentive Compensation Plan – Management Employees**

23 All Management employees are eligible for an annual incentive pay. This plan is intended to be  
24 variable and as such, provides for significant variability in incentive payouts to employees from  
25 year to year, reflecting differences in corporate and/or their individual performance.

1 The Incentive Compensation Plan is reviewed annually to ensure continued alignment with  
2 corporate direction. Performance in Burlington Hydro is measured against a balanced scorecard  
3 of key performance indicators in each of four categories:

- 4 1) Financial
- 5 2) Internal Processes
- 6 3) Learning and Growth
- 7 4) Customer/Stakeholder

8 The plan is activated by achieving corporate financial objectives which are established at the  
9 beginning of each fiscal year. Once activated the compensation paid under the plan is  
10 determined by two components: Corporate performance measures and Individual performance  
11 measures, in which, weightings are assigned for each.

12 Weightings for the corporate and individual performance measures differ by position and may  
13 change from year to year. Weightings refer to the percentage of the total direct incentive pay  
14 that will be paid based on achievement against the goals. Incentive pay is then calculated based  
15 on a combination of Burlington Hydro Corporate balanced scorecard results and the employee's  
16 individual performance balanced scorecard results.

#### 17 **d) Compensation Review**

18 In addition to annual adjustments to pay scales, a periodic market survey of the overall set of  
19 salary ranges will be carried out to ensure they are still in line with the targeted market that  
20 Burlington Hydro competes for talent. This type of full audit should occur every three to five  
21 years. The last audit was conducted in 2006/2007 using Hay Group Consultants. The Electrical  
22 Distributors Association – MEARIE salary survey is another tool used to set salary ranges. In  
23 keeping with our Compensation Guidelines, another review will be conducted in the fall of 2009.

#### 24 **Performance Management program:**

##### 25 **a) Non Unionized Employees:**



1 Performance management is a shared communication process that includes input from the  
2 employee and the supervisor. It is the collaborative process that facilitates the link between the  
3 employee's job duties and expectations and the organization's mission, vision, values and  
4 corporate strategic objectives.

5 The performance management system assists employees in identifying where to concentrate self-  
6 development efforts and in learning about possible career paths that may be available to them in  
7 the organization. This feedback loop also improves productivity, quality of service to customers  
8 and enhances employee motivation and commitment.

9 The Performance Management Program is aligned with other Burlington Hydro Human  
10 Resource practices such as Merit Pay, Incentive Pay, Training and Development and Succession  
11 Planning.

## 12 **b) Unionized Employees**

13 All unionized employees have a formal performance review on an annual basis to discuss their  
14 performance with their supervisors. Goals and objectives are agreed to for the next review  
15 period in areas that require improvement to meet job or performance targets.

16

## 17 **OMERS Pension Plan:**

18 All LDC's are required to participate in the OMERS retirement plan. Therefore, the pension  
19 benefits provided to the employees of Burlington Hydro are consistent with the pension benefits  
20 provided to employees of other LDC's.

21 The plan is a contributory plan with employees contributing 50 percent of the premiums and  
22 Burlington Hydro contributing 50 percent.

23 The OMERS pension premium information for the 2008 Actual, 2009 Bridge Year and the 2010  
24 Test Year is detailed in the table below:

1    **Pension Premium Information**

<b>Pension</b>	<b>2008 Actual</b>	<b>2009 Bridge Year</b>	<b>2010 Test Year</b>
<b>Premium</b>	\$510,720	\$521,003	\$556,961

2

3    **Employee Benefit plan:**

4    A comprehensive and competitive benefits package exists which includes health and dental  
5    insurance, life insurance, vacation and leave policies. The plans are designed to address the  
6    health and welfare needs of the employee population.

7    All benefit plans for each employee group are essentially the same. The Unionized benefit plans,  
8    negotiated through collective bargaining, play a significant role in driving the plan design for the  
9    non unionized employees, with many plan provisions being common across all employee groups.

10   In addition to a pension benefit from OMERS, employees also receive post-retirement health,  
11   dental and life insurance benefits up to age 65. Post 65 benefits only include Life insurance in  
12   which Burlington Hydro pays 100% of the premium.

13

14   **Staff Planning:**

15   **a) Environment**

16   There are an abundance of studies that exist that suggest that a serious skills shortage will occur  
17   in the next 5 to 10 years due to the boomer generation. Of course, boomer retirements are not  
18   affecting the utility industry exclusively. But according to several studies this demographic is  
19   expected to be more serious for utilities than any other industry. The reasons are many, and  
20   some of them have nothing to do with demographics. In a sense we are victims of our own

1 success and productivity because since deregulation all utilities have been focused on reducing  
2 their operating costs in an effort to become more efficient and competitive.

3 Therefore, utilities have already downsized their workforce. This is compounded with the fact  
4 that electricity demand and customer base is continuing to grow.

5 Up to present, Burlington Hydro Inc. has been very successful in eliminating costs and  
6 downsizing its Human Resources primarily through attrition. However, according to longer term  
7 staffing analysis, staffing levels in certain departments has reached or are approaching its  
8 minimum staff levels (breaking point) for acceptable operational output. The following is a  
9 summary of expected retirements over the next 5 to 10 years:

<b># of Retirements</b>	<b>Trades</b>	<b>Management</b>	<b>Engineering/IT</b>	<b>Clerical</b>	<b>Total</b>
<b>2007</b>	1	4	1	-	6
<b>2008-2012</b>	5	1	2	7	15
<b>2012-2015</b>	8	4	-	3	15
<b>Total</b>	14	9	3	10	36

10

11 **b) Succession Planning:**

12 In order to deal with the possible skills shortage and due to the fact that the average age of our  
13 workforce is 46.6, Burlington Hydro has developed a succession plan that puts more focus on  
14 training our own apprentices. The succession plan involves hiring of apprentices at least 5 years  
15 ahead to ensure proper knowledge retention. The reason is it takes approximately 5 years for a  
16 skilled worker to achieve “journeyman” status. Further, most experts would argue that it takes  
17 about 7 years for a skilled trades worker to be considered “competent”. It is not reasonable to  
18 replace our retiring skilled workforce with qualified candidates either, as recent recruitment  
19 experience has indicated there will be a limited amount to choose from.

20 Therefore, in projecting future retirements 5 to 10 years out, Burlington Hydro Inc. has planned  
21 the following hiring of apprentices:

1 2007 1 lineperson, 1 Meter Technician, 1 control room operator  
2 2008 1 lineperson and 1 Station Maintenance Electrician  
3 2009 1 Meter Technician, 1 Station Maintenance Electrician  
4 2010 1 lineperson, 1 Station Maintenance and 1 control room operator

5 Projection of future retirements is based on the following factors:

- 6 ○ Age of employee
- 7 ○ Number of years of service in OMERS pension plan
- 8 ○ Experience of past retirements with those that reach the 90 factor or 35 years of
- 9 service
- 10 ○ Statistics Canada – average age of retirement

11 It should also be noted that OMERS does not have statistics to draw from in determining future  
12 retirements.

13 **Change in Workforce Year over Year:**

14 The following table illustrates employee workforce changes.

<b>Employees</b>	<b>2008 Actual</b>	<b>2009 Bridge year</b>	<b>2010 Test year</b>
<b>Number</b>	93	98	101
<b>Variance</b>		5.3%	3.0%

15

16 Burlington has increased its workforce by 8.6% over three years, from 93 employee positions in  
17 2008 to a budgeted, 101 employee positions for 2010, an increase of 8 new employees spread  
18 across the organization.

19 The change in headcount has been primarily the result of Burlington Hydro responding  
20 proactively to the impending shortage of professional engineering staff, and hiring skilled trades  
21 in apprenticeship positions, as described earlier in this evidence.

22 In addition, as a result of participating in and delivering on the Province's mandate of driving a  
23 conservation culture in Ontario, Burlington established a Conservation and Regulatory Analyst  
24 position to develop and deliver CDM programs.

1 Due to the increased maintenance issues with an aged facilities and the expected retirement of  
2 supervisory staff it has become necessary to hire a trades supervisor in 2009 as well.

3 In order to deal with the increasing demands and complexity of regulatory activities by the OEB  
4 it will also be necessary to hire a Regulatory Accountant to assist with the increased workload.

5 Effective workforce planning will be a significant initiative going forward. At the executive,  
6 director and manager level, a formalized succession management plan is in place and reviewed  
7 annually as well. In addition to proper succession planning and to ensure we are an employer of  
8 choice to work, so we can retain our skilled staff, we will also:

- 9 • Continue to make Burlington Hydro a place where employees want to work such as  
10 building a positive working environment.
- 11 • Continually enhance our Health, Safety and Wellness program. We will strive to be a  
12 leader in safety and zero lost time injuries.
- 13 • Ensure that we have identified our key employees and positions and manage the talent  
14 pool.
- 15 • In order to stay competitive, we will conduct periodic compensation reviews.

16

17 In conclusion, we need effective succession planning, recruitment and retention strategies in  
18 place as we face the challenge of staff reaching retirement, and increased competition from other  
19 utilities and the private sector.

1 **EMPLOYEE COSTS**  
 2 (Appendix 2-L from Filing Requirements)

	Historical Year - 2006	Historical Year - 2007	Historical Year - 2008	Bridge Year 2009	Test Year 2010
<b>Number of Employees (FTEs including Part-Time)</b>					
Executive	7	6	7	7	7
Management	14	14	14	16	16
Non-Union	5	4	4	5	5
Union	64	64	68	70	73
Total	90	88	93	98	101
<b>Number of Part-Time Employees</b>					
Executive	-	-	-	-	-
Management	-	-	-	-	-
Non-Union	-	-	-	-	-
Union	-	-	-	-	-
Total	-	-	-	-	-
<b>Total Salary and Wages</b>					
Executive	811,435	758,947	889,517	914,038	938,497
Management	949,384	1,191,071	1,215,725	1,363,460	1,417,255
Non-Union	194,860	179,410	235,948	276,275	330,130
Union	3,813,132	3,958,750	4,134,914	4,615,621	5,076,510
Total	5,768,811	6,088,179	6,476,105	7,169,393	7,762,392
<b>Total Benefits</b>					
Executive	201,160	190,461	215,873	210,862	229,489
Management	247,464	306,315	323,428	354,940	379,386
Non-Union	64,031	47,166	55,824	74,494	85,777
Union	1,202,477	1,199,311	1,210,066	1,276,215	1,418,213
Total	1,715,133	1,743,254	1,805,191	1,916,510	2,112,865
<b>Total Compensation (Salary, Wages, &amp; Benefits)</b>					
Executive	1,012,595	949,409	1,105,389	1,124,900	1,167,986
Management	1,196,848	1,497,386	1,539,153	1,718,399	1,796,641
Non-Union	258,891	226,577	291,772	350,769	415,907
Union	5,015,609	5,158,062	5,344,981	5,891,835	6,494,723
Total	7,483,944	7,831,433	8,281,295	9,085,903	9,875,258
<b>Compensation - Average Yearly Base Wages</b>					
Executive	115,919	126,491	127,074	130,577	134,071
Management	67,813	85,076	75,983	85,216	88,578
Non-Union	38,372	44,853	47,190	55,255	66,026
Union	59,580	61,855	60,808	65,937	69,541
Total					
<b>Compensation - Average Yearly Overtime</b>					
Executive	-	-	-	-	-
Management	2,229	2,290	2,223	6,058	2,247
Non-Union	-	-	-	-	-
Union	9,537	10,461	11,693	13,003	11,719
Total					
<b>Compensation - Average Yearly Incentive Pay</b>					
Executive	16,486	17,833	16,979	-	17,099
Management	5,115	4,627	4,803	-	4,848
Non-Union	1,980	2,150	3,763	-	2,631
Union	106	-	-	-	-
Total					
<b>Compensation - Average Yearly Benefits</b>					
Executive	28,737	31,744	30,839	30,123	32,784
Management	17,676	21,880	20,214	22,184	23,712
Non-Union	12,806	11,792	11,165	14,899	17,155
Union	18,789	19,289	17,795	18,232	19,428
Total					
<b>Total Compensation</b>	7,483,944	7,831,433	8,281,295	9,085,903	9,875,258
<b>Total Compensation Charged to OM&amp;A</b>	5,600,235	5,762,368	5,980,752	6,681,773	7,262,264
<b>Total Compensation Capitalized</b>	1,393,510	1,470,743	1,684,415	1,784,244	1,939,501
<b>Total Compensation Charged to Billings</b>	490,198	598,321	616,128	619,886	673,493

3 Note: Benefits include: Health, OMERS, Taxable benefits, Statutory pay

1    **CHARGES TO AFFILIATES FOR SERVICES PROVIDED:**

2    A summary of charges to affiliates for services provided in 2006 Actual, 2007 Actual, 2008  
3    Actual together with the projections for the 2009 Bridge Year and 2010 Test Year, are  
4    shown in the following Tables.

5    Burlington Electricity Services Inc. (“BESI”) currently performs billing services for The  
6    Region of Halton. Burlington Hydro provides certain services to Burlington Electricity  
7    Services Inc. in respect of these activities. Actual cost including labour, labour burden,  
8    stores material and burden are charged to Burlington Electricity Services Inc.. Note that  
9    the number of services in 2009 and 2010 has reduced from earlier years due to the sale of  
10   the fiber optics division from BESI in 2008.

11   There are currently no shared services with the Corporation of the City of Burlington.

**Shared Services/Corporate Cost Allocation**  
 (Appendix 2-M from Filing Requirements)

2006 Actual							
OEB Account	Name of Company		Services Offered	Pricing Methodology	Price for the Services (\$)	Cost for the Services (\$)	% Allocation
	From	To					
	BHI	BESI	Billing Services - Water	Cost + Rate of Return	338,684	266,292	100.00%
	BHI	BESI	Accounting Services	Cost	51,600	51,600	100.00%
	BHI	BESI	Human Resources Services	Cost	18,000	18,000	100.00%
	BHI	BESI	Information Services	Cost	34,800	34,800	100.00%
	BHI	BESI	Pole Rental	OEB Charge for Utility Pole Use	57,462		
	BHI	BESI	Duct rental	Services Agreement	9,930		
	BHI	BESI	Office Furniture Rent	Market Base	3,600		
	BHI	BESI	Storage Rent	Market Base	2,400		
	BHI	BESI	ROR on office rent	Rate of Return on Office Space Allocation	2,048		6.59%
	BHI	BHEI	Administration Services	Cost	2,000	2,000	100.00%
<b>4375</b>				<b>TOTAL</b>	<b>520,523</b>		
<b>4380</b>				<b>TOTAL</b>		<b>372,692</b>	
<b>5620</b>	BESI	BHI	Internet & Tel. Fibrewired	Market Base		20,114	
<b>5017</b>	BESI	BHI	LAN Service	Market Base		15,874	



**Shared Services/Corporate Cost Allocation**  
 (Appendix 2-M from Filing Requirements)

2007 Actual							
OEB Account	Name of Company		Services Offered	Pricing Methodology	Price for the Services (\$)	Cost for the Services (\$)	% Allocation
	From	To					
	BHI	BESI	Billing Services - Water	Cost + Rate of Return	338,410	272,896	100.00%
	BHI	BESI	Accounting Services	Cost	51,600	51,600	100.00%
	BHI	BESI	Human Resources Services	Cost	18,000	18,000	100.00%
	BHI	BESI	Information Services	Cost	34,800	34,800	100.00%
	BHI	BESI	Pole Rental	OEB Charge for Utility Pole Use	59,362		
	BHI	BESI	Duct rental	Services Agreement	9,930		
	BHI	BESI	Office Furniture Rent	Market Base	4,200		
	BHI	BESI	Storage Rent	Market Base	2,400		
	BHI	BESI	ROR on office rent	Rate of Return on Office Space Allocation	1,623		6.59%
	BHI	BESI	Customer Services	Cost	516	516	100.00%
	BHI	BESI	Administration Service	Cost	25,476	25,476	100.00%
	BHI	BESI	Purchasing Services	Cost	3,072	3,072	100.00%
	BHI	BESI	Billing - Fibrewired Invoices	Cost	432	432	100.00%
	BHI	BHEI	Administration Services	Cost	2,000	2,000	100.00%
<b>4375</b>					<b>551,820</b>		
<b>4380</b>						<b>408,792</b>	
<b>5415</b>	BHI	BHEI	WIFI Network	Market Base		75,600	
<b>5620</b>	BESI	BHI	Internet & Tel. Fibrewired	Market Base		23,936	
<b>1925</b>	BESI	BHI	LAN Service	Market Base		30,300	
<b>1820</b>	BESI	BHI	LAN Service	Market Base		20,844	
<b>5017</b>	BESI	BHI	LAN Service	Market Base		24,888	

**Shared Services/Corporate Cost Allocation**  
 (Appendix 2-M from Filing Requirements)

2008 Actual							
OEB Account	Name of Company		Services Offered	Pricing Methodology	Price for the Services (\$)	Cost for the Services (\$)	% Allocation
	From	To					
	BHI	BESI	Billing Services - Water	Cost + Rate of Return	357,688	282,890	100.00%
	BHI	BESI	Accounting Services	Cost	38,700	38,700	100.00%
	BHI	BESI	Human Resources Services	Cost	13,500	13,500	100.00%
	BHI	BESI	Information Services	Cost	26,100	26,100	100.00%
	BHI	BESI	Pole Rental	OEB Charge for Utility Pole Use	30,016		
	BHI	BESI	Duct rental	Services Agreement	4,965		
	BHI	BESI	Office Furniture Rent	Market Base	3,150		
	BHI	BESI	Storage Rent	Market Base	1,800		
	BHI	BESI	ROR on office rent	Rate of Return on Office Space Allocation	1,285		6.59%
	BHI	BESI	Customer Services	Cost	450	450	100.00%
	BHI	BESI	Administration Service	Cost	20,700	20,700	100.00%
	BHI	BESI	Purchasing Services	Cost	3,159	3,159	100.00%
	BHI	BESI	Billing - Fibrewired Invoices	Cost	333	333	100.00%
	BHI	BHEI	Administration Services	Cost	2,000	2,000	100.00%
<b>4375</b>				<b>TOTAL</b>	<b>503,846</b>		
<b>4380</b>				<b>TOTAL</b>		<b>387,832</b>	
<b>5620</b>	BESI	BHI	Internet & Tel. Fibrewired	Market Base		44,195	
<b>5017</b>	BESI	BHI	LAN Service	Market Base		24,460	

**Shared Services/Corporate Cost Allocation**  
 (Appendix 2-M from Filing Requirements)

2009 Test Year							
OEB Account	Name of Company		Services Offered	Pricing Methodology	Price for the Services (\$)	Cost for the Services (\$)	% Allocation
	From	To					
	BHI	BESI	Billing Services - Water	Cost + Rate of Return	362,051	289,274	100.00%
	BHI	BESI	Accounting Services	Cost	2,434	2,434	100.00%
	BHI	BESI	Administration Service	Cost	9,336	9,336	100.00%
	BHI	BHEI	Administration Services	Cost	2,000	2,000	100.00%
4375				<b>TOTAL</b>	<b>375,821</b>		
4380				<b>TOTAL</b>		<b>303,044</b>	

2010 Test Year							
OEB Account	Name of Company		Services Offered	Pricing Methodology	Price for the Services (\$)	Cost for the Services (\$)	% Allocation
	From	To					
	BHI	BESI	Billing Services - Water	Cost + Rate of Return	373,635	301,144	100.00%
	BHI	BESI	Accounting Services	Cost	2,505	2,506	100.00%
	BHI	BESI	Administration Service	Cost	9,615	9,615	100.00%
	BHI	BHEI	Administration Services	Cost	2,000	2,000	100.00%
4375				<b>TOTAL</b>	<b>387,755</b>		
4380				<b>TOTAL</b>		<b>315,265</b>	

1 **PURCHASE OF SERVICES**

2 Like other distributors, Burlington Hydro purchases many services and products from third  
 3 parties. The five tables below illustrate Burlington Hydro's expenditures on purchased products  
 4 and services from 2006 to 2010. The tables disclose expenditures for suppliers where total  
 5 purchases were greater than \$150,000. The table also identifies the method of selecting the  
 6 vendor.

7

2006 SUPPLIER LIST > \$150,000			
NAME	ACTIVITY	PROCESS/DEPT. RESPONSIBLE	2006
Nexans Canada Inc	Wire	RFQ Supplier Alliance	393,893
Abb Inc - Remit Toronto	Transformers	RFQ Purchases	258,362
B.F. Contracting	Contracted Labour	Tendered Labour	232,722
Beswick Tree Service Ltd	Tree Trimming	Tendered Labour	380,898
HD Supply Utilities	Inventory	RFQ Supplier Alliance	676,723
Guelph Utility Pole Co	Wood Poles	RFQ Supplier Alliance	230,755
Leggat Chevrolet	6 New Vehicles and Repairs	Tendered Vehicle Purchases	212,662
K-Line Maintenance and Construction Ltd	Contracted Labour	Tendered Labour	1,382,463
Moloney Electric Corporation	Transformers	RFQ Supplier Alliance	803,799
S&C Electric Ltd	Contracted Labour and SCADAMATE Switches	Tendered Labour	1,136,490
M.E.A.R.I.E.	Employee Benefits	Reciprocal Arrangement	865,886
M.E.A.R.I.E.	Liability and Property Insurance	Reciprocal Arrangement	166,663
Itron Canada Inc	Meters	RFQ Purchases	188,064
Wajax Industries Ltd	Unit #35 Digger Derrick	Tendered Vehicle Purchase	211,773
Kubra	Postage and Courier Service	Tendered Labour	350,027
NBM Engineering Inc	Contracted Labour	RFQ Purchases	600,872
Trilliant Inc	Meter Reading and Notice Delivery	Tendered Labour	428,478
Avertex Utility Solutions Inc	Contracted Labour	Tendered Labour	355,314

8

9

2007 SUPPLIER LIST > \$150,000			
NAME	ACTIVITY	PROCESS/DEPT. RESPONSIBLE	2007
IBM Canada Ltd (Toronto)	Computer Lease	RFI	155,263
Nexans Canada Inc	Wire	RFQ Supplier Alliance	782,291
Elster Metering	Meters	RFQ Purchases	501,364
B.F. Contracting	Contracted Labour	Tendered Labour	217,327
Bethlehem Trenching Ltd	Contracted Labour	Tendered Labour	245,214
Beswick Tree Service Ltd	Tree Trimming	Tendered Labour	432,488
HD Supply Utilities	Inventory	RFQ Supplier Alliance	450,206
K-Line Maintenance and Construction Ltd	Contracted Labour	Tendered Labour	1,458,962
Moloney Electric Corporation	Transformers	RFQ Supplier Alliance	768,611
S&C Electric Ltd	SCADAMATE Switches	Supplier Alliance Speciality	491,923
M.E.A.R.I.E.	Employee Benefits	Reciprocal Arrangement	889,897
M.E.A.R.I.E.	Liability and Property Insurance	Reciprocal Arrangement	198,425
AESI Acumen Engineered Solutions Inc	Contracted Labour	RFQ Purchases	218,176
Kubra	Postage and Courier Service	Tendered Labour	358,126
NBM Engineering Inc	Contracted Labour	RFQ Purchases	600,565
Trilliant Inc	Meter Reading and Notice Delivery	Tendered Labour	447,670
Avertex Utility Solutions Inc	Contracted Labour	Tendered Labour	381,481
Aladaco Consulting	Consulting - Conservation Programs	RFQ Speciality	160,315
Terra Discovery Ltd	Locates	RFQ Labour	349,662
Eaton Electrical	Elizabeth MS Switchgear	RFQ Speciality	252,442
Waycon International Truck	Cab and Chassis Truck	Tendered Purchase	158,805

10

2008 SUPPLIER LIST > \$150,000			
NAME	ACTIVITY	PROCESS/DEPT. RESPONSIBLE	2008
IBM Canada Ltd (Toronto)	Computer Lease	RFI	162,530
Bell Canada	Telephone	RFI	155,269
Nexans Canada Inc	Wire	RFQ Supplier Alliance	603,821
B.F. Contracting	Contracted Labour	Tendered Labour	398,156
Bethlehem Trenching Ltd	Contracted Labour	Tendered Labour	391,500
HD Supply Utilities	Inventory	RFQ Supplier Alliance	736,460
Guelph Utility Pole Co	Wood Poles	RFQ Supplier Alliance	406,687
K-Line Maintenance and Construction Ltd	Contracted Labour	Tendered Labour	1,739,447
Moloney Electric Corporation	Transformers	RFQ Supplier Alliance	1,284,157
S&C Electric Ltd	Switchgear Padmount Transformers	Supplier Alliance Speciality	400,351
M.E.A.R.I.E.	Employee Benefits	Reciprocal Arrangement	993,693
M.E.A.R.I.E.	Liability and Property Insurance	Reciprocal Arrangement	185,913
POSI Plus Technologies Inc	Arial Devices for Truck	Tendered Purchase	259,412
AESI Acumen Engineered Solutions Inc	Contracted Labour	RFQ Purchases	274,506
K-Line Maintenance and Construction Ltd	Contracted Labour	Tendered Labour	323,614
Kubra	Postage and Courier Service	Tendered Labour	331,336
NBM Engineering Inc	Contracted Labour	RFQ Purchases	1,103,953
Trilliant Inc	Meter Reading and Notice Delivery	Tendered Labour	424,623
Bartlett - Venton Construction Ltd	Building Repairs	RFQ Labour	358,931
Terra Discovery Ltd	Locates	RFQ Labour	578,321
Davey Tree Expert Co	Tree Trimming	RFQ Labour	206,334

1  
2

2009 SUPPLIER LIST > \$150,000			
NAME	ACTIVITY	PROCESS/DEPT. RESPONSIBLE	2009
Nexans Canada Inc	Wire	RFQ Supplier Alliance	171,563
Elster Metering	Meters	RFQ Purchases	433,615
Bethlehem Trenching Ltd	Contracted Labour	Tendered Labour	258,966
Beswick Tree Service Ltd	Tree Trimming	Tendered Labour	194,430
HD Supply Utilities	Inventory	RFQ Supplier Alliance	388,048
Guelph Utility Pole Co	Wood Poles	RFQ Supplier Alliance	257,798
K-Line Maintenance and Construction Ltd	Contracted Labour	Tendered Labour	1,587,774
Moloney Electric Corporation	Transformers	RFQ Supplier Alliance	698,810
S&C Electric Ltd	Intellirupter Pulse Closer and Vista Switchgear	RFQ Alliance Speciality	488,188
M.E.A.R.I.E.	Employee Benefits	Reciprocal Arrangement	530,790
Carillian Canada Inc	Installation of Underground Hydro	Tendered Labour	378,037
NBM Engineering Inc	Contracted Labour	RFQ Purchases	709,010
Terra Discovery Ltd	Locates	RFQ Labour	222,841
Davey Tree Expert Co	Tree Trimming	RFQ Labour	165,602

3  
4

2010 SUPPLIER LIST > \$150,000			
NAME	ACTIVITY	PROCESS/DEPT. RESPONSIBLE	2010
Nexans Canada Inc	Wire	RFQ Supplier Alliance	171,563
Elster Metering	Meters	RFQ Purchases	433,615
Bethlehem Trenching Ltd	Contracted Labour	Tendered Labour	258,966
Beswick Tree Service Ltd	Tree Trimming	Tendered Labour	194,430
HD Supply Utilities	Inventory	RFQ Supplier Alliance	388,048
Guelph Utility Pole Co	Wood Poles	RFQ Supplier Alliance	257,798
K-Line Maintenance and Construction Ltd	Contracted Labour	Tendered Labour	1,587,774
Moloney Electric Corporation	Transformers	RFQ Supplier Alliance	698,810
S&C Electric Ltd	Intellirupter Pulse Closer and Vista Switchgear	RFQ Alliance Speciality	488,188
M.E.A.R.I.E.	Employee Benefits	Reciprocal Arrangement	530,790
NBM Engineering Inc	Contracted Labour	RFQ Purchases	709,010
Terra Discovery Ltd	Locates	RFQ Labour	222,841
Davey Tree Expert Co	Tree Trimming	RFQ Labour	165,602

5

1 **DEPRECIATION, AMORTIZATION AND DEPLETION:**

2 Burlington Hydro uses the straight line method of amortization to determine the depreciation  
3 expense for all assets on a pooled basis. Amortization is calculated over the estimated remaining  
4 useful life of the asset, commencing in the month when the asset was installed and being used for  
5 its intended use. Assets may be grouped for depreciation purposes if they share the same  
6 characteristics, especially economic life. An example of grouped assets would be meters or  
7 transformers.

8 Burlington Hydro's Depreciation rates are consistent with the rates found in Appendix B of the  
9 2006 Electricity Distribution Rate Handbook. These rates are detailed in Burlington Hydro's  
10 Fixed Asset Policy, which is included at Schedule 1 of this Tab. The rates are unchanged from  
11 those filed as part of the 2006 EDR Application.

12 For the purposes of this rate application, Burlington Hydro used the half year rule for calculating  
13 depreciation expense for the 2009 Bridge Year and 2010 Test Year. Details of Burlington  
14 Hydro's depreciation by account number are provided in the attached Depreciation Schedules at  
15 Schedule 2, and at the Fixed Asset Continuity Schedules in Exhibit 2, Tab 3, Schedule 1.

16

**Burlington Hydro**  
**Fixed Asset Policy**

**BURLINGTON HYDRO INC.**

**FIXED ASSETS POLICY**



## FN 6.01

# Fixed Asset Acquisition and Records

## Property, Plant and equipment

The CICA Handbook specifically defines property, plant and equipment as identifiable tangible assets which meet all of the following criteria:

- a) are held for use in the production or supply of goods and services, for rental to others, for administrative purposes or for the development, construction, maintenance or repair of other property, plant and equipment.
- b) have been acquired, constructed or developed with the intention of being used on a continuing basis, and
- c) are not intended for sale in the ordinary course of business.

## The Need

The purpose of capitalizing expenditures is to provide for an equitable allocation of cost among existing and future customers. As assets are expected to provide future economic benefits, expenditures incurred for the acquisition, construction or development of assets should be capitalized and allocated over the estimated useful lives of the associated assets in the form of amortization expense.

## Betterment versus Repair

The cost incurred to enhance the service potential of an item of property, plant and equipment is a ***betterment***. Service potential may be enhanced when there is an increase in the previously assessed physical output or service capacity, associated operating costs are lowered, the life or useful life is extended, or the quality of output is improved. Expenditures that meet the definition of a betterment should be capitalized.

The cost incurred in the maintenance of the service potential of an item of property, plant and equipment is a ***repair***. Expenditures that meet the definition of a repair should be expensed.

## **Considerations**

Fixed asset purchases can represent a significant commitment of money and management time. It is important that good purchasing practices be followed including soliciting competing bids, and analyzing the business case. (See Appendix A.) The Request for Capital Expenditure Form must be completed for all capital expenditures greater than \$1,000.00.

GST (or HST) payable upon the acquisition of fixed assets is excluded from the business case analysis, since it is all refundable. Conversely, any provincial sales taxes that are payable (assuming that they are not refundable or subject to remission) must be included in the cost of the fixed asset.

## **Materiality**

Materiality, when applied in the context of capitalizing expenditures, focuses on the magnitude of the transaction associated with the assets. The administration costs of recording minor items of expenditure which provide future benefit may be excessive in relation to the degree of improved allocation of costs between current and future customers. Accordingly Burlington Hydro Inc has established a limit of \$1,000.00 below which expenditures are expensed.

<b>BURLINGTON HYDRO INC.</b>			
Manual:	Finance and Accounting	SPP No.	<b>FN 6.01</b>
Section:	Fixed Assets	Issued:	Dec. 2, 2004
Subject:	<b>FIXED ASSET ACQUISITION AND RECORDS</b>	Effective:	Jan. 1, 2005
Issue to:	All Manual Holders	Page:	1 of 4

## **1 POLICY**

- 1.01 Only fixed assets with a cost exceeding \$1,000.00 shall be capitalized.
- 1.02 Fixed asset purchases are planned in part with the annual budget and do not require further authorization beyond the approval of the annual budget by the Board of Directors except as noted in 1.03 and 1.04.
- 1.03 Fixed asset purchases not included in the capital budget must be authorized by the Chief Financial Officer and/or the Chief Operating Officer.
- 1.04 Fixed asset purchases greater than \$1,000.00 shall require an authorized Net Present Value and an Internal Rate of Return calculation. (See Appendix A.)
- 1.05 Fixed asset purchases shall follow all purchasing policies except where superseded by this policy.

## **2 PURPOSE**

- 2.01 This Statement of Policy and Procedure lays out the authorization levels required for purchase of fixed assets and details the costs that shall be capitalized as acquisition value.

## **3 SCOPE**

- 3.01 This Statement of Policy and Procedure applies to all employees engaged in the purchase of fixed assets.

## **4 RESPONSIBILITY**

- 4.01 The Chief Financial Officer is responsible for making provisions for the financing of fixed asset acquisitions before approving such purchases..
- 4.02 The Accounting Department is responsible for:
- maintaining fixed asset records
-

<b>BURLINGTON HYDRO INC.</b>			
Manual:	Finance and Accounting	SPP No.	<b>FN 6.01</b>
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## **5 DEFINITIONS**

- 5.01 **“Fixed Asset Acquisition”** means the acquisition by the company of equipment, building or other item of physical plant, or an intangible item such as a patent or trademark, which will be used by the company over more than one fiscal period and thus will be established as an asset to be amortized.
- 5.02 **“Capitalize”** means recording the cost of a major piece of equipment, building or other item of physical plant, or an intangible item such as a patent or trademark, as an asset in order that its cost may be spread over more than one fiscal period.
- 5.03 **“Capital Budget”** means a financial planning document that outlines the expected fixed asset purchases over a specified period.
- 5.04 **“Distribution Asset”** means any system, structure, equipment or other things used to distribute electricity. *(Article 410)*
- 5.05 **“Grouped Asset”** means those assets that by their nature make identification of individual components impractical. Examples include transmission lines, distribution lines, low voltage transformers and low value meters. *(Article 410)*
- 5.06 **“Readily Identifiable Fixed Asset”** means any capital asset that is readily identifiable in the plant records. Examples include buildings, stations and rolling stock.
- 5.07 **“Cost”** is the amount of consideration given up to acquire, construct, develop, or better an item of property, plant and equipment and includes all costs directly attributable to the acquisition, construction, development or betterment of the asset including installing it at the location and in the condition necessary for its intended used.
- 5.08 **“Cost of an item”** includes the purchase price and other acquisition costs, installation costs including architectural, design and engineering fees, legal fees, survey costs, site preparation, freight, transportation insurance, duties, testing and preparation charges.
-

<b>BURLINGTON HYDRO INC.</b>			
Manual:	Finance and Accounting	SPP No.	<b>FN 6.01</b>
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## **6 PROCEDURES**

### **6.01 Acquisition of Fixed Assets**

- (a) In addition to the normal purchasing policies, fixed asset purchases shall require the authorization of the Chief Financial Officer and/or the Chief Operating Officer, who will confirm the provision of appropriate financing for the purchase.
  - (b) Only readily identifiable fixed assets with a cost exceeding \$1,000.00 shall be capitalized. In the case of the purchase of a set or group of items, this limit applies to the entire set or group. (For example, one chair costing \$600 would not be capitalized, 10 chairs costing a total of \$6,000 would be capitalized.)
  - (c) Grouped asset purchases, whether or not included in the capital budget, shall require a business case that explains why the purchase is required and demonstrates the financial justification. Where applicable it should also review alternative solutions.
  - (d) Fixed asset purchases not included in the capital budget must be authorized by the Chief Financial Officer and /or the Chief Operating Officer.
  - (e) The acquisition value of a fixed asset purchased outright shall incorporate:
    - (i) Purchase price
    - (ii) Provincial Sales Taxes, excluding GST/HST, duties
    - (iii) Shipping and transportation insurance costs
    - (iv) Installation, retrofit or fit-up costs
    - (v) Cost of major additions or improvements to the asset
    - (vi) Architectural, design, survey and engineering fees.
-

<b>BURLINGTON HYDRO INC.</b>			
Manual:	Finance and Accounting	SPP No.	<b>FN 6.01</b>
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## 7.02 Fixed Asset Records

- (a) Fixed assets shall be assigned to one of the following categories: land, building, Sub-station buildings, Sub-station equipment, Distribution lines – overhead, Distribution lines – underground, transformers, meters, rolling stock, tools and equipment, office equipment, computer hardware, computer software. The categories listed above may be subdivided to accumulate information by department and type.
- (b) The Accounting Department is responsible for the maintenance of Fixed Asset Records.
- (c) Records shall contain the following information for each identifiable asset:
  - (i) General Ledger Account
  - (ii) Equipment Number
  - (iii) Description of the Asset
  - (iv) Serial Number
  - (v) Vendor
  - (vi) Cost
  - (vii) Purchase Date
  - (viii) Depreciation Method
  - (ix) Depreciation Amount

## 8 ATTACHMENTS

- Appendix A - Request for Capital Expenditure
  - Appendix B - Fixed Asset Record
-

**APPENDIX A**

**REQUEST FOR CAPITAL EXPENDITURE (for capital expenditures in excess of \$1,000)**

1	<b>Requested By:</b>			
		Date	Department	Name
				Signature

**Expenditure Details:**

2	Capital Expenditure Request (description as per capital budget)	
3	Capital Budget Number	
	If Unbudgeted Item, Identify Capital Budget Number Substitution	
4	Emergency Purchase (if "Yes", submit without financial analysis)	No

**Financial Analysis:**

5	Discount Rate	8.01%		
6	Purchase Price (incl. PST)			
7	Cost Savings or Revenue Earned	Year 1	Year 6	\$0
8	Cost Savings or Revenue Earned	Year 2	Year 7	\$0
9	Cost Savings or Revenue Earned	Year 3	Year 8	\$0
10	Cost Savings or Revenue Earned	Year 4	Year 9	\$0
11	Cost Savings or Revenue Earned	Year 5	Year 10	\$0
12	NPV	(enter 1 for 5 year analysis or 2 for 10 year analysis)		\$0.00
13	IRR	(enter 1 for 5 year analysis or 2 for 10 year analysis)		0.00%

**Authorization/Decline:**

14	Cap. Exp. Approved By			
		Date	Supervisors Name	Supervisors Signature

**Steps:**

- 1,2,3 Enter information as requested.
- If the requested item is unbudgeted and not an emergency purchase, identify which Capital Budget item is being substituted.
- 4 If the purchase is an emergency, enter "Yes" and go to item 15.  
If the purchase is not an emergency, enter "No" and continue with items 5-12.
- 5 Default percentage has been set at 8.01%. Any future changes to the percentage will be provided by Finance.
- 6 Enter the purchase price of the capital item including PST, delivery, duty, brokerage fees, add-ons.  
The entry in this cell needs to be entered as a negative.
- 7-11 Enter the savings or revenue expected for years 1-5 or 1-10 if a 10 year project.  
The entries in these cells need to be entered as positives.  
Attach a separate sheet demonstrating how you arrived at the numbers in cells 7-11.
- 12 NPV is self calculating. User needs to enter a "1" for a 5 year analysis or a "2" for a 10 year analysis.
- 13 IRR is self calculating. User needs to enter a "1" for a 5 year analysis or a "2" for a 10 year analysis.
- 14 If line 12 is +ve, the capital expense will show as approved.  
If line 12 is -ve, the capital expense will show as declined.  
In the event of a decline, other justification for approval will need to be demonstrated.  
To be signed and dated by the requestor's Supervisor.
- 15 Forward completed form to Purchasing Manager Officer with the signed Purchase Requisition.  
Upon approval, Purchase Requisition will be forwarded to Purchasing Department.

**APPENDIX B**

**FIXED ASSET RECORD**

General Ledger Account

Equipment Number

Description

Serial #

Vendor

Original Cost

Purchase Date

Depreciation Method

Fixed Depr Amount

A



## **FN 6.02**

# **Security of Fixed Assets**

### **The Need**

Security of fixed assets is critical to the continual activity of the business. All employees of the company must be made aware of their responsibility for safeguarding the company's property.

<b>BURLINGTON HYDRO INC.</b>			
Manual:	Finance and Accounting	SPP No.	<b>FN 6.02</b>
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**1 POLICY**

- 1.01 Fixed assets represent a significant investment on the part of the company. Employees are expected to safeguard the company's assets at all times.

**2 PURPOSE**

- 2.01 The purpose of this Statement of Policy and Procedure is to establish principles to be followed to ensure the security of fixed assets.

**3 SCOPE**

- 3.01 This Statement of Policy and Procedure applies to all employees.

**4 RESPONSIBILITY**

- 4.01 All employees are responsible for immediately reporting a missing fixed asset to their manager.
- 4.02 The Accounting Department is responsible for maintaining fixed asset records.

**5 DEFINITIONS**

None.

**6 REFERENCES AND RELATED STATEMENTS OF POLICY AND PROCEDURE**

FN 6.05 Disposal of Fixed Assets

**7 PROCEDURES**

**7.01 Security of Fixed Assets**

- (a) No fixed assets shall be removed from company premises without the

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express permission of the responsible department manager.

- (b) When a fixed asset is relocated to a new department or location, fixed asset records must be updated via a memo to the Accounting Department.
- (c) Should a fixed asset go missing, the responsible department manager and the Accounting Department must be informed immediately.
- (d) No fixed assets shall be destroyed without the express permission of the responsible Department Manager.

## **8 ATTACHMENTS**

None.

---

## **FN 6.03**

# **Amortization**

### **The Need**

An item of property, plant and equipment other than land that normally has an unlimited life, has a limited life. Its useful life is normally the shortest of its physical, technological, commercial and legal life. Amortization is the charge to income that recognizes that life is finite and that the cost less salvage value or residual value of an item of property, plant and equipment is allocated to the periods of service provided by the asset. Amortization may also be termed depreciation or depletion.

Policies are required to ensure that amortization is applied rationally and consistently.

### **Considerations**

Factors to be considered in estimating the life and useful life of an item of fixed assets include expected future usage, effects of technological or commercial obsolescence, expected wear and tear from use or the passage of time, the maintenance program, results of studies made regarding the industry, studies of similar items retired, and the condition of existing comparable items.

Different methods of amortizing an item of property, plant and equipment result in different patterns of charges to income. The objective is to provide a rational and systematic basis for allocating the amortizable amount of a item of property, plant and equipment over its estimated life and useful life.

<b>BURLINGTON HYDRO INC.</b>			
Manual:	Finance and Accounting	SPP No.	<b>FN 6.03</b>
Section:	Fixed Assets	Issued:	Dec. 2, 2004
Subject:	<b>AMORTIZATION</b>	Effective:	Jan. 1, 2005
Issue to:	All Manual Holders	Page:	1 of 3

## **1 POLICY**

- 1.01 Burlington Hydro Inc. will use the straight-line method of amortization for fixed assets.

## **2 PURPOSE**

- 2.01 This Statement of Policy and Procedure establishes principles and accountabilities for the amortization of fixed assets.

## **3 SCOPE**

- 3.01 This Statement of Policy and Procedure applies to the Accounting Department.

## **4 RESPONSIBILITY**

- 4.01 The Accounting Department is responsible for:
- calculating and applying amortization on readily identifiable assets monthly
  - calculating and applying amortization on grouped assets annually
  - maintaining all fixed asset amortization and Capital Cost Allowance records

## **5 DEFINITIONS**

- 5.01 **“Fixed Asset Group”** means a group of assets that share the same characteristics, especially estimated economic life, and may be grouped together in one asset account.
- 5.02 **“Capitalize”** means the act of classifying the acquisition value of a major piece of equipment, building or other item of physical plant as an asset in order that its cost may be spread over more than one fiscal period.
- 5.03 **“Amortization”** means the spreading of the acquisition cost of fixed assets over their useful economic lives. It is also referred to as depreciation.
-

<b>BURLINGTON HYDRO INC.</b>			
Manual:	Finance and Accounting	SPP No.	<b>FN 6.03</b>
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5.04 **“Straight-Line Method of Depreciation”** means the periodic depreciation charge is computed by dividing the service cost by the estimated number of periods of service life.

5.05 **“Service Life”** means the period over which the operating function of an asset provides benefit to the utility.

## 6 REFERENCES AND RELATED STATEMENTS OF POLICY AND PROCEDURE

None.

## 7 PROCEDURES

### 7.01 Amortization Methods

- (a) The company will apply a straight-line method of amortization to each group of fixed assets.
  - (b) Land assets must not be amortized.
  - (c) Grouped assets not completed by the end of the year must not be amortized.
  - (d) The Accounting and /or Engineering Department must determine the most appropriate economic life of the asset group.
  - (e) Amortization for readily identifiable assets shall commence in the month when the asset is installed and being used for its intended use.
  - (f) Amortization for Fixed Asset Groups, (ie) meters, transformers will be based on the net additions for the year and applied on a straight-line method.
  - (g) An estimate of amortization for Fixed Asset Groups will be recorded monthly based on the Capital Expenditure Budget and reconciled at year end.
  - (h) Amortization shall be recorded monthly.
  - (i) Periodically, the Accounting Department shall initiate a study to confirm its estimates of most appropriate economic life based on actual experience.
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<b>BURLINGTON HYDRO INC.</b>			
Manual:	Finance and Accounting	SPP No.	<b>FN 6.03</b>
Section:	Fixed Assets	Issued:	Dec. 2, 2004
Subject:	<b>AMORTIZATION</b>	Effective:	Jan. 1, 2005
Issue to:	All Manual Holders	Page:	3 of 3

**7.02 Amortization Records**

- (a) At the time of calculation, the Accounting Department shall retain a record of the assets on hand to support the amortization calculations.
- (b) A long-term record of all entries to the Accumulated Amortization Account for each asset group shall be kept.

**8 ATTACHMENTS**

Appendix A - Amortization Rates

**APPENDIX A  
AMORTIZATION RATES**

<b>ASSET TYPE</b>	<b>LIFE YEARS</b>	<b>RATE</b>
Land	Not depreciable	
Land Rights	Over term of agreement	
Buildings and Fixtures - Brick, Stone, Concrete and Steel	50	2.00%
Building and Fixtures - Other Construction	30	3.33%
Buildings - Major Repairs	25	4.00%
Buildings - Driveways etc	20	5.00%
Buildings - Equipment	10	10.00%
Generating Stations	60	1.67%
Poles, Towers and Fixtures	25	4.00%
Transformer Station Equipment (Above 50kv)	40	2.50%
Distribution Station Equipment (Below 50kv)	30	3.33%
Overhead Conductors and Devices	25	4.00%
Underground Conduit	25	4.00%
Underground Copnductors and Devices	25	4.00%
Transformers	25	4.00%
Meters	25	4.00%
Services	25	4.00%
General Office Equipment	10	10.00%
Computer Hardware	5	20.00%
Computer Software	5	20.00%
Stores Warehouse Equipment	10	10.00%
Leasehold Improvements	Over term of lease	
Automobiles	4	25.00%
Truck under three tons	5	20.00%
Trucks three tons and over	8	12.50%
Work and service Equipment	8	12.50%
Major Tools and Instruments	10	10.00%
Load Management Controls	10	10.00%
System Supervisory Equipment	15	6.67%



**FN 6.04**

## **Fixed Asset Inventory**

*Saved for future use*

## FN 6.05

### **Disposal of Fixed Assets**

#### **The Need**

Once fixed assets have outlived their usefulness, they should be disposed of and the accounting records updated.

#### **Considerations**

Where there are significant disposal costs involved at the end of the life of a fixed asset, the costs must be accrued for and treated as part of the cost of the asset. It may be appropriate to consult an accountant if this situation arises.

<b>BURLINGTON HYDRO INC.</b>			
	Finance and Accounting	SPP No.	<b>FN 6.05</b>
Section:	Fixed Assets	Issued:	Dec. 2, 2004
Subject:	<b>DISPOSAL OF FIXED ASSETS</b>	Effective:	Jan. 1, 2005
Issue to:	All Manual Holders	Page:	1 of 3

## **1 POLICY**

- 1.01 When assets have reached the end of their economic life they shall be disposed of in a manner that maximizes the benefit to the company.

## **2 PURPOSE**

- 2.01 This Statement of Policy and Procedure defines the end of the economic life of assets and provides guidance regarding the recording of the disposal.

## **3 SCOPE**

- 3.01 This Statement of Policy and Procedure applies to all employees.

## **4 RESPONSIBILITY**

- 4.01 All departments are responsible for:
- ensuring that maximum value is obtained upon disposal of a fixed asset
- 4.02 The Accounting Department is responsible for accounting for the disposal of fixed assets.

## **5 DEFINITIONS**

**“Retirement”** means other-than-temporary removal from service, including its sale, abandonment, recycling, or disposal in some other manner, but not its temporary idling.

**“Fair Value”** means the amount of the consideration that would be agreed upon in an arm’s length transaction between knowledgeable, willing parties who are under no compulsion to act.

**“Rate-regulated property, plant and equipment”** are items of property, plant and equipment held for use in operations meeting all of the following criteria:

- (a) The rates for regulated services or products provided to customers are established by or are subject to approval by a regulator or a governing body empowered by statute or contract to establish rates to be charged for services or products.
  - (b) The regulated rates are designed to recover the cost of providing the
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<b>BURLINGTON HYDRO INC.</b>			
	Finance and Accounting	SPP No.	<b>FN 6.05</b>
Section:	Fixed Assets	Issued:	Dec. 2, 2004
Subject:	<b>DISPOSAL OF FIXED ASSETS</b>	Effective:	Jan. 1, 2005
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services or products.

(c) It is reasonable to assume that rates set at levels that will recover the cost can be charged to and collected from customers in view of the demand for the services or products and the level of direct and indirect competition. This criterion requires consideration of expected changes in levels of demand or competition during the recovery period for any capitalized costs.

## **6 REFERENCES AND RELATED STATEMENTS OF POLICY AND PROCEDURE**

Purchasing and Disposal Policy

## **7 PROCEDURES**

### **7.01 End of the Economic Life of an Asset**

- (a) Assets will be considered to be at the end of their economic life when they are of no further use or potential use to the company. For greater certainty, this shall be, for example:
- (i) When production equipment or vehicles are taken permanently out of service intentionally or accidentally
  - (ii) When land or buildings are no longer required for company business
  - (iii) When software is replaced
  - (iv) When the asset becomes obsolete

### **7.02 Disposal of Assets**

- (a) When assets have reached the end of their economic life for the company, they shall be disposed of in a manner that maximizes the benefit to the company.
  - (b) When an asset is retired or disposed, the asset and related accumulated amortization shall be removed from the books.
  - (c) To the extent that the remaining un-amortized value is greater than the proceeds from disposal, the difference shall be recorded in the following account – *Net Book Value of Disposal*.
  - (d) To the extent that the proceeds exceed the recorded asset value less accumulated depreciation, the additional proceeds shall be recorded in the following account – *Proceeds Fixed Assets Disposal*.
-

<b>BURLINGTON HYDRO INC.</b>			
	Finance and Accounting	SPP No.	<b>FN 6.05</b>
Section:	Fixed Assets	Issued:	Dec. 2, 2004
Subject:	<b>DISPOSAL OF FIXED ASSETS</b>	Effective:	Jan. 1, 2005
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**8 ATTACHMENTS**

None.

## **FN 6.06**

### **Contributions in Aid of Construction**

#### **The Need**

Contributions in aid of construction may be received in the form of monies (i.e. collected as a connection charge), services or property (i.e. capital assets constructed by the developer and transferred to the incorporated electric utility).

The accounting issue centers on how to account for capital assets financed through contributed capital and the resulting impact on the asset base, depreciation expense and revenue requirements.

#### **Considerations**

Prior to 2000, utilities were able to earn a return on capital assets funded through contributions in aid of construction, these capital assets were allowed to be included in the rate base. In addition, the amortization expense associated with these capital assets were allowed to be included in the revenue requirements.

After 2000 the Ontario Energy Board ruled that capital assets funded through contribution in aid of construction and any related amortization expense was not allowed to be included in the utility's rate base and revenue requirement, respectively.

<b>STATEMENT of POLICY and PROCEDURE</b>			
Manual:	Finance and Accounting	SPP No.	<b>FN 6.06</b>
Section:	Fixed Assets	Issued:	Dec. 2, 2004
Subject:	<b>CONTRIBUTIONS IN AID OF CONSTRUCTION</b>	Effective:	Jan. 1, 2005
Issue to:	All Manual Holders	Page:	1 of 3

**1 POLICY**

1.01 Contributions in aid of construction received in the form of services or property should be recorded in the capital asset accounts with an equal and offsetting entry to contra asset account – Contributions and Grants – Credit.

**2 PURPOSE**

2.01 The purpose of this Statement of Policy and Procedure is to establish the accounting treatment of Contributions in Aid of Construction.

**3 SCOPE**

3.01 This Statement of Policy and Procedure applies to all employees.

**4 RESPONSIBILITY**

4.01 The Engineering Department is responsible for providing the Accounting Department with the Final Capitalization Cost when a subdivision has been assumed by Burlington Hydro.

4.02 The Engineering Department is responsible for providing the Accounting Department with the Electrical Service Financial Requirements.

4.03 The Accounting Department is responsible for maintaining the Contributed Capital records.

**5 DEFINITIONS**

None.

**6 REFERENCES AND RELATED STATEMENTS OF POLICY AND PROCEDURE**

**7 PROCEDURES**

7.01 **Acquisition of Contributions in Aid of Construction**

<b>STATEMENT of POLICY and PROCEDURE</b>			
Manual:	Finance and Accounting	SPP No.	<b>FN 6.06</b>
Section:	Fixed Assets	Issued:	Dec. 2, 2004
Subject:	<b>CONTRIBUTIONS IN AID OF CONSTRUCTION</b>	Effective:	Jan. 1, 2005
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- (a) The Engineering Department will provide the Accounting Department with the *Final Capitalization Cost* for each assumed development.
- (b) The Final Capitalization Cost sheet will contain the following information:
  - Date
  - Subdivision Name
  - Burlington Hydro Inc. Work Order No.
  - Cost exclusive of all taxes classified according to asset type
  - Number of services
- (c) The *Electrical Service Financial Requirements* is prepared by the Engineering Department and forwarded to the Accounting Department.
- (d) The *Electrical Service Financial Requirements* will contain at least the following information:
  - Date
  - Subdivision Name
  - Burlington Hydro Inc. Work Order No.
  - Connection charge per services
  - Number of services.

## 7.02 **Contributions in Aid of Construction Records**

- (a) The cost and distribution of the capital assets will be obtained from the Final Capitalization Cost sheet or the Electrical Service Financial Requirements.
  - (b) Capital assets acquired as contributions in aid of Construction must be recorded in the applicable asset accounts and the asset contra account
  - (c) The asset contra account will contain the following information:
    - the purpose of each contribution or grant
    - the conditions, if any, on which it was made
    - the amount of contributions or grants from governments or government agencies, corporations, individuals and others
    - the amount applicable to the detail asset accounts
  - (d) The asset contra account will be amortized at the same rate as the
-



<b>STATEMENT of POLICY and PROCEDURE</b>			
Manual:	Finance and Accounting	SPP No.	<b>FN 6.06</b>
Section:	Fixed Assets	Issued:	Dec. 2, 2004
Subject:	<b>CONTRIBUTIONS IN AID OF CONSTRUCTION</b>	Effective:	Jan. 1, 2005
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corresponding capital asset.

- (e) The amortization will be recorded by debiting an accumulated amortization account and crediting an amortization expense account. This accounting entry will offset the amortization expense and accumulated amortization of the related capital asset accounts.
- (f) A developer may be eligible for payment under the DCF methodology for individual project evaluation. Any DCF payments made to a Developer will be recorded as an expense in the Asset Contra Account.

## **8 ATTACHMENTS**

None.

Burlington Hydro Depreciation Expense Schedules

Depreciation Expense 2006								
Account	Description	Opening Balance (a)	Less Fully Depreciated (b)	Net for Depreciation (c) = (a) - (b)	Additions (d)	Total for Depreciation (e) = (c) + 0.5 x (d)	Years (f)	Depreciation Expense (g) = (e) / (f)
1805	Land	202,702.95	-	202,702.95	-	202,702.95	-	-
1806	Land Rights	12,932.50	-	12,932.50	-	12,932.50		349.08
1808	Buildings and Fixtures	1,823,285.52	3,090.00	1,820,195.52	6,100.00	1,823,245.52		45,362.22
1820	Distribution Station Equipment - Normally Primary below 50k	11,573,432.03	873,657.95	10,699,774.08	144,823.89	10,772,186.03	30	337,274.69
1830	Poles, Towers and Fixtures	17,566,581.34	863,542.42	16,703,038.92	1,033,204.94	17,219,641.39	25	695,609.83
1835	Overhead Conductors and Devices	28,812,661.09	1,487,211.95	27,325,449.14	2,041,443.77	28,346,171.03	25	1,131,879.04
1840	Underground Conduit	9,198,769.27	479,745.79	8,719,023.48	100,969.30	8,769,508.13	25	345,110.94
1845	Underground Conductors and Devices	18,022,959.51	815,567.84	17,207,391.67	544,280.39	17,479,531.87	25	696,995.79
1850	Line Transformers	33,969,643.68	4,311,516.65	29,658,127.03	2,019,115.56	30,667,684.81	25	1,207,670.56
1855	Services	21,811,530.06	1,151,389.90	20,660,140.16	904,684.85	21,112,482.59	25	844,139.96
1860	Meters	12,537,447.74	1,483,897.10	11,053,550.64	601,379.79	11,354,240.54	25	438,221.57
1905	Land	96,299.71	-	96,299.71	-	96,299.71	-	-
1908	Buildings - Equipment	220,506.64	4,210.00	216,296.64	1,100.00	216,846.64	10	16,081.40
1908	Buildings - Driveways etc.	538,889.99	161,660.90	377,229.09	-	377,229.09	20	18,861.51
1908	Buildings - Major Repairs	191,213.33	-	191,213.33	53,528.05	217,977.36	25	8,807.47
1908	Buildings - Brick, Stone, Concrete and Steel	6,122,347.27	-	6,122,347.27	-	6,122,347.27	50	124,288.44
1908	Buildings and Fixtures	7,072,957.23	165,870.90	6,907,086.33	54,628.05	6,934,400.36		168,038.82
1915	Office Furniture and Equipment	1,093,705.31	788,430.73	305,274.58	68,125.78	339,337.47	10	30,228.77
1920	Computer Equipment - Hardware	1,657,665.41	1,178,014.76	479,650.65	84,323.53	521,812.42	5	98,086.49
1925	Computer Software	2,923,908.57	2,087,760.28	836,148.29	123,459.82	897,878.20	5	150,737.98
1930	Transportation Equipment	2,936,993.08	1,778,223.41	1,158,769.67	160,396.56	1,238,967.95		201,014.03
1935	Stores Equipment	292,425.13	283,001.92	9,423.21	-	9,423.21	10	942.36
1940	Tools, Shop and Garage Equipment	1,148,232.72	723,196.68	425,036.04	28,255.77	439,163.93	10	40,543.66
1945	Measurement and Testing Equipment	337,607.75	267,419.35	70,188.40	-	70,188.40	10	6,130.71
1955	Communication Equipment	191,860.82	190,292.66	1,568.16	-	1,568.16	-	79.32
1980	System Supervisory Equipment	2,653,527.96	131,171.04	2,522,356.92	-	2,522,356.92	15	168,746.34
1995	Contributions and Grants - Credit	(6,168,201.22)	-	(6,168,201.22)	(3,034,454.41)	(7,685,428.43)	25	(368,106.14)
	<b>TOTAL</b>	<b>169,768,928.16</b>	<b>19,063,001.33</b>	<b>150,705,926.83</b>	<b>4,880,737.59</b>	<b>153,146,295.66</b>		<b>6,239,056.02</b>

Depreciation Expense 2007								
Account	Description	Opening Balance (a)	Less Fully Depreciated (b)	Net for Depreciation (c) = (a) - (b)	Additions (d)	Total for Depreciation (e) = (c) + 0.5 x (d)	Years (f)	Depreciation Expense (g) = (e) / (f)
1706	Land Rights	-	-	-	176,418.00	88,209.00	-	2,520.06
1725	Poles and Fixtures	-	-	-	345,000.00	172,500.00	-	13,800.00
1730	Overhead Conductors and Devices	-	-	-	230,000.00	115,000.00	-	9,200.00
1805	Land	202,702.95	-	202,702.95	-	202,702.95	-	-
1806	Land Rights	12,932.50	1,100.00	11,832.50	-	11,832.50	-	349.08
1808	Buildings and Fixtures	1,829,385.52	3,090.00	1,826,295.52	52,992.82	1,852,791.93	-	45,849.90
1820	Distribution Station Equipment - Normally Primary below 50k	11,718,255.92	1,152,752.03	10,565,503.89	718,499.40	10,924,753.59	30	333,165.92
1830	Poles, Towers and Fixtures	18,599,786.28	1,020,346.83	17,579,439.45	1,174,677.90	18,166,778.40	25	736,873.39
1835	Overhead Conductors and Devices	30,854,104.86	1,757,263.98	29,096,840.88	2,065,980.29	30,129,831.03	25	1,210,693.28
1840	Underground Conduit	9,299,738.57	566,859.35	8,732,879.22	577,497.79	9,021,628.12	25	365,031.11
1845	Underground Conductors and Devices	18,567,239.90	963,660.89	17,603,579.01	1,041,522.20	18,124,340.11	25	733,251.19
1850	Line Transformers	35,988,759.24	4,311,516.65	31,677,242.59	1,704,859.93	32,529,672.56	25	1,275,864.83
1855	Services	22,716,214.91	1,360,462.44	21,355,752.47	849,718.76	21,780,611.85	25	870,497.26
1860	Meters	13,138,827.53	1,483,897.10	11,654,930.43	372,826.14	11,841,343.50	25	465,831.59
1905	Land	96,299.71	-	96,299.71	-	96,299.71	-	-
1908	Buildings and Fixtures	7,127,585.28	224,903.38	6,902,681.90	197,215.56	7,001,289.68	-	168,257.74
1915	Office Furniture and Equipment	1,161,831.09	825,403.48	336,427.61	21,757.88	347,306.55	10	37,954.50
1920	Computer Equipment - Hardware	1,741,988.94	1,240,641.19	501,347.75	44,311.18	523,503.34	5	94,315.48
1925	Computer Software	3,047,368.39	2,102,594.08	944,774.31	195,756.23	1,042,652.43	5	176,182.78
1930	Transportation Equipment	3,097,389.64	1,638,091.76	1,459,297.88	273,639.98	1,596,117.87	-	218,899.22
1935	Stores Equipment	292,425.13	283,001.92	9,423.21	-	9,423.21	10	942.36
1940	Tools, Shop and Garage Equipment	1,176,488.49	774,405.26	402,083.23	81,035.10	442,600.78	10	40,010.64
1945	Measurement and Testing Equipment	337,607.75	282,323.35	55,284.40	-	55,284.40	10	5,572.71
1955	Communication Equipment	191,860.82	191,860.82	-	-	-	-	-
1980	System Supervisory Equipment	2,653,527.96	147,662.64	2,505,865.32	-	2,505,865.32	15	167,165.04
1995	Contributions and Grants - Credit	(9,202,655.63)	-	(9,202,655.63)	(2,244,427.53)	(10,324,869.40)	25	(484,101.08)
	<b>TOTAL</b>	<b>174,649,665.75</b>	<b>20,331,837.15</b>	<b>154,317,828.60</b>	<b>7,879,281.63</b>	<b>158,257,469.43</b>		<b>6,488,127.00</b>

Depreciation Expense 2008								
Account	Description	Opening Balance (a)	Less Fully Depreciated (b)	Net for Depreciation (c) = (a) - (b)	Additions (d)	Total for Depreciation (e) = (c)+ 0.5 x (d)	Years (f)	Depreciation Expense (g) = (e) / (f)
1706	Land Rights	176,418.00	-	176,418.00	(176,418.00)	88,209.00	-	(2,520.06)
1725	Poles and Fixtures	345,000.00	-	345,000.00	(345,000.00)	172,500.00	-	(13,800.00)
1730	Overhead Conductors and Devices	230,000.00	-	230,000.00	(230,000.00)	115,000.00	-	(9,200.00)
1805	Land	202,702.95	-	202,702.95	-	202,702.95	-	-
1806	Land Rights	12,932.50	1,100.00	11,832.50	176,418.00	100,041.50	-	5,388.96
1808	Buildings and Fixtures	1,882,378.34	3,090.00	1,879,288.34	134,867.86	1,946,722.27	-	48,911.79
1820	Distribution Station Equipment - Normally Primary below 50k	12,436,755.32	1,541,015.27	10,895,740.05	346,639.87	11,069,059.99	30	365,245.20
1830	Poles, Towers and Fixtures	19,774,464.18	1,228,153.33	18,546,310.85	2,263,468.50	19,678,045.10	25	786,197.92
1835	Overhead Conductors and Devices	32,920,085.15	2,115,152.96	30,804,932.19	2,422,911.77	32,016,388.08	25	1,234,991.83
1840	Underground Conduit	9,877,236.36	682,307.41	9,194,928.95	856,073.44	9,622,965.67	25	368,710.44
1845	Underground Conductors and Devices	19,608,762.10	1,159,922.59	18,448,839.51	1,044,037.36	18,970,858.19	25	723,054.88
1850	Line Transformers	37,693,619.17	4,311,516.65	33,382,102.52	2,217,734.16	34,490,969.60	25	1,364,574.18
1855	Services	23,565,933.67	1,637,537.78	21,928,395.89	1,094,463.49	22,475,627.64	25	840,923.37
1860	Meters	13,511,653.67	1,483,897.10	12,027,756.57	45,417.84	12,050,465.49	25	469,136.23
1905	Land	96,299.71	-	96,299.71	-	96,299.71	-	-
1908	Buildings and Fixtures	7,324,800.84	230,861.87	7,093,938.97	258,912.55	7,223,395.25	-	176,306.98
1915	Office Furniture and Equipment	1,183,588.97	786,077.67	397,511.30	7,662.60	401,342.60	10	42,752.74
1920	Computer Equipment - Hardware	1,786,300.12	1,338,188.28	448,111.84	50,532.12	473,377.90	5	78,598.63
1925	Computer Software	3,243,124.62	2,187,470.76	1,055,653.86	258,327.30	1,184,817.51	5	193,963.93
1930	Transportation Equipment	3,371,029.62	1,775,631.34	1,595,398.28	102,054.70	1,646,425.63	-	226,927.16
1935	Stores Equipment	292,425.13	283,001.92	9,423.21	-	9,423.21	10	702.30
1940	Tools, Shop and Garage Equipment	1,257,523.59	817,313.42	440,210.17	19,825.10	450,122.72	10	41,643.79
1945	Measurement and Testing Equipment	337,607.75	282,323.35	55,284.40	16,740.00	63,654.40	10	4,911.56
1955	Communication Equipment	191,860.82	191,860.82	-	-	-	-	-
1980	System Supervisory Equipment	2,653,527.96	147,662.64	2,505,865.32	106,149.76	2,558,940.20	15	167,664.76
1995	Contributions and Grants - Credit	(11,447,083.16)	-	(11,447,083.16)	(1,644,981.75)	(12,269,574.04)	25	(523,682.60)
	<b>TOTAL</b>	<b>182,528,947.38</b>	<b>22,204,085.16</b>	<b>160,324,862.22</b>	<b>9,025,836.67</b>	<b>164,837,780.57</b>		<b>6,591,403.99</b>

Depreciation Expense 2009								
Account	Description	Opening Balance (a)	Less Fully Depreciated (b)	Net for Depreciation (c) = (a) - (b)	Additions (d)	Total for Depreciation (e) = (c) + 0.5 x (d)	Years (f)	Depreciation Expense (g) = (e) / (f)
1805	Land	202,702.95	-	202,702.95	-	202,702.95	-	-
1806	Land Rights	189,350.50	2,130.00	187,220.50	-	187,220.50		2,828.90
1808	Buildings and Fixtures	2,017,246.20	36,567.84	1,980,678.36	105,000.00	2,033,178.36		56,600.75
1820	Distribution Station Equipment - Normally Primary below 50kV	12,783,395.19	2,077,614.34	10,705,780.85	277,500.00	10,844,530.85	30	361,484.36
1830	Poles, Towers and Fixtures	22,037,932.68	2,681,052.66	19,356,880.02	2,093,000.00	20,403,380.02	25	816,135.20
1835	Overhead Conductors and Devices	35,342,996.92	4,617,368.49	30,725,628.43	1,633,000.00	31,542,128.43	25	1,261,685.13
1840	Underground Conduit	10,733,309.80	1,489,473.70	9,243,836.10	1,446,000.00	9,966,836.10	25	398,673.44
1845	Underground Conductors and Devices	20,652,799.46	2,532,105.29	18,120,694.17	3,359,300.00	19,800,344.17	25	792,013.77
1850	Line Transformers	39,911,353.33	4,311,516.65	35,599,836.68	2,100,000.00	36,649,836.68	25	1,465,993.47
1855	Services	24,660,397.16	3,574,736.88	21,085,660.28	1,103,700.00	21,637,510.28	25	865,500.41
1860	Meters	13,557,071.51	1,483,897.10	12,073,174.41	719,500.00	12,432,924.41	25	497,316.97
1905	Land	96,299.71	-	96,299.71	-	96,299.71	-	-
1908	Buildings and Fixtures	7,583,713.39	270,255.52	7,313,457.87	350,000.00	7,488,457.87		187,083.58
1915	Office Furniture and Equipment	1,191,251.57	827,520.29	363,731.28	77,900.00	402,681.28	10	40,268.13
1920	Computer Equipment - Hardware	1,836,832.24	1,482,969.88	353,862.36	56,000.00	381,862.36	5	76,372.48
1925	Computer Software	3,501,451.92	2,234,020.18	1,267,431.74	679,000.00	1,606,931.74	5	321,386.34
1930	Transportation Equipment	3,473,084.32	1,732,133.81	1,740,950.51	455,000.00	1,968,450.51		295,438.04
1935	Stores Equipment	292,425.13	288,640.81	3,784.32	-	3,784.32	10	378.43
1940	Tools, Shop and Garage Equipment	1,277,348.69	879,544.37	397,804.32	52,000.00	423,804.32	10	42,380.43
1945	Measurement and Testing Equipment	354,347.75	306,566.79	47,780.96	14,600.00	55,080.96	10	5,508.10
1955	Communication Equipment	191,860.82	191,860.82	-	-	-	-	-
1980	System Supervisory Equipment	2,759,677.72	150,362.64	2,609,315.08	125,000.00	2,671,815.08	15	178,121.01
1995	Contributions and Grants - Credit	(13,092,064.91)	-	(13,092,064.91)	(6,200,000.00)	(16,192,064.91)	25	(647,682.60)
	<b>TOTAL</b>	<b>191,554,784.05</b>	<b>31,170,338.06</b>	<b>160,384,445.99</b>	<b>8,446,500.00</b>	<b>164,607,695.99</b>		<b>7,017,486.34</b>

Depreciation Expense 2010								
Account	Description	Opening Balance (a)	Less Fully Depreciated (b)	Net for Depreciation (c) = (a) - (b)	Additions (d)	Total for Depreciation (e) = (c) + 0.5 x (d)	Years (f)	Depreciation Expense (g) = (e) / (f)
1805	Land	202,702.95	-	202,702.95	-	202,702.95	-	-
1806	Land Rights	189,350.50	2,130.00	187,220.50	-	187,220.50		2,828.90
1808	Buildings and Fixtures	2,122,246.20	36,567.84	2,085,678.36	180,000.00	2,175,678.36		62,300.75
1820	Distribution Station Equipment - Normally Primary below 50kV	13,060,895.19	2,317,633.64	10,743,261.55	357,500.00	10,922,011.55	30	364,067.06
1830	Poles, Towers and Fixtures	24,130,932.68	2,815,379.01	21,315,553.67	1,928,000.00	22,279,553.67	25	891,182.15
1835	Overhead Conductors and Devices	36,975,996.92	4,848,708.30	32,127,288.62	1,568,000.00	32,911,288.62	25	1,316,451.54
1840	Underground Conduit	12,179,309.80	1,564,099.45	10,615,210.35	875,000.00	11,052,710.35	25	442,108.41
1845	Underground Conductors and Devices	24,012,099.46	2,658,969.07	21,353,130.39	1,813,300.00	22,259,780.39	25	890,391.22
1850	Line Transformers	42,011,353.33	4,453,184.91	37,558,168.42	1,800,000.00	38,458,168.42	25	1,538,326.74
1855	Services	25,764,097.16	3,753,838.68	22,010,258.48	1,022,700.00	22,521,608.48	25	900,864.34
1860	Meters	14,276,571.51	1,483,897.10	12,792,674.41	935,000.00	13,260,174.41	25	530,406.97
1905	Land	96,299.71	-	96,299.71	-	96,299.71	-	-
1908	Buildings and Fixtures	7,933,713.39	294,868.95	7,638,844.44	250,000.00	7,763,844.44		197,882.24
1915	Office Furniture and Equipment	1,269,151.57	865,122.49	404,029.08	128,100.00	468,079.08	10	46,807.91
1920	Computer Equipment - Hardware	1,892,832.24	1,543,874.00	348,958.24	60,000.00	378,958.24	5	75,791.66
1925	Computer Software	4,180,451.92	2,379,494.11	1,800,957.81	210,000.00	1,905,957.81	5	381,191.56
	Vehicles under three tons	948,324.06	340,406.98	607,917.08	35,000.00	625,417.08	5	125,083.42
	Vehicles three tons and over.	2,979,760.26	1,484,732.82	1,495,027.44	150,000.00	1,570,027.44	8	196,253.43
1930	Transportation Equipment	3,928,084.32	1,825,139.80	2,102,944.52	185,000.00	2,195,444.52		321,336.84
1935	Stores Equipment	292,425.13	292,425.13	-	-	-	10	-
1940	Tools, Shop and Garage Equipment	1,329,348.69	945,422.75	383,925.94	50,500.00	409,175.94	10	40,917.60
1945	Measurement and Testing Equipment	368,947.75	309,936.08	59,011.67	13,000.00	65,511.67	10	6,551.17
1955	Communication Equipment	191,860.82	191,860.82	-	-	-	-	-
1980	System Supervisory Equipment	2,884,677.72	150,362.64	2,734,315.08	160,000.00	2,814,315.08	15	187,621.01
1995	Contributions and Grants - Credit	(19,292,064.91)	-	(19,292,064.91)	(2,700,000.00)	(20,642,064.91)	25	(825,682.60)
	<b>TOTAL</b>	<b>200,001,284.05</b>	<b>32,732,914.77</b>	<b>167,268,369.28</b>	<b>8,836,100.00</b>	<b>171,686,419.28</b>		<b>7,371,345.47</b>

1 **TAX CALCULATIONS:**

2 Burlington Hydro's detailed tax calculations using the most recent tax rates are provided in the  
 3 following table

Corporate Tax Rates for Tax Year	2009 Bridge Year	2010 Test Year
OCT Exemption	15,000,000	15,000,000
Federal Income Tax	19.00%	18.00%
Ontario Income Tax	14.00%	13.00%
Combined Income Tax	33.00%	31.00%
Ontario Capital Tax Rate	0.225%	0.075%
Large Corporation Tax Rate	0	0
Large Corporation Tax Exemption	50,000,000	50,000,000

4  
 5 The Summary of income taxes for Burlington Hydro for 2006 Board Approved, 2009 bridge year  
 6 and 2010 test year are shown below:

Summary of Income Taxes			
Description	2006 Board Approved	2009 Bridge	2010 Test
Income Taxes	2,285,151	1,418,057	1,645,362
Large Corporation Tax	0	0	0
Ontario Capital Tax	273,670	198,722	67,305
<b>Total Taxes</b>	<b>2,558,821</b>	<b>1,616,780</b>	<b>1,712,667</b>

7  
 8 The tables included in Schedule 2 of this Tab outline the details of Burlington Hydro's  
 9 calculation of PILs for 2009 and 2010. CCA Continuity schedules are provided at Schedule 3.  
 10 Burlington Hydro has attached 2008 Federal and provincial tax return at Schedule 4 of this Tab.

<b>Tax Calculations</b>			
<b>Description</b>	<b>2006 Board Approved</b>	<b>2009 Bridge</b>	<b>2010 Test</b>
<b>Determination of Taxable Income</b>			
Utility Income Before Taxes	4,338,421	4,077,510	5,001,233
Book to Tax Adjustments			
<b>Additions to Accounting Income:</b>			
Amortization of tangible assets	5,960,693	7,017,486	7,371,345
Reserves from financial statements- balance at end of year	2,149,397	2,823,839	2,823,839
Realized Income from Deferred Credit Accounts	1,000,000	0	0
Federal ITCs	0	6,000	33,325
Other Additions	400,000	0	0
<b>Total Additions</b>	<b>9,510,090</b>	<b>9,847,325</b>	<b>10,228,509</b>
<b>Deductions from Accounting Income:</b>			
Capital cost allowance from Schedule 8	5,306,089	6,938,453	7,090,677
Cumulative eligible capital deduction from Schedule 10	228	8,181	7,608
Reserves from financial statements - balance at beginning of year	2,149,397	2,681,058	2,823,839
Other Deductions	66,243	0	0
<b>Total Deductions</b>	<b>7,521,957</b>	<b>9,627,692</b>	<b>9,922,124</b>
<b>Regulatory Taxable Income</b>	<b>6,326,554</b>	<b>4,297,144</b>	<b>5,307,618</b>
Corporate Income Tax Rate	36.12%	33.00%	31.00%
<b>Regulatory Income Tax</b>	<b>2,285,151</b>	<b>1,418,057</b>	<b>1,645,362</b>
<b>Calculation of Utility Income Taxes</b>			
Income Taxes	2,285,151	1,418,057	1,645,362
Large Corporation Tax	0	0	0
Ontario Capital Tax	273,670	198,722	67,305
<b>Total Taxes</b>	<b>2,558,821</b>	<b>1,616,780</b>	<b>1,712,667</b>
<b>Tax Rates</b>			
Federal Tax	22.12%	19.00%	18.00%
Provincial Tax	14.00%	14.00%	13.00%
<b>Total Tax Rate</b>	<b>36.12%</b>	<b>33.00%</b>	<b>31.00%</b>
<b>Large Corporation Tax</b>	<b>0</b>		
<b>Calculation of Ontario Capital Tax</b>			
Total Rate Base		103,321,067	104,740,059
Less Exemption		15,000,000	15,000,000
<b>Taxable Capital /Deemed taxable capital</b>		<b>88,321,067</b>	<b>89,740,059</b>
OCT Rate		0.225%	0.075%
<b>Ontario Capital Tax</b>	<b>273,670</b>	<b>198,722</b>	<b>67,305</b>
<b>Summary of Income Taxes</b>			
<b>Description</b>	<b>2006 Board Approved</b>	<b>2009 Bridge</b>	<b>2010 Test</b>
Income Taxes	2,285,151	1,418,057	1,645,362
Large Corporation Tax	0	0	0
Ontario Capital Tax	273,670	198,722	67,305
<b>Total Taxes</b>	<b>2,558,821</b>	<b>1,616,780</b>	<b>1,712,667</b>



CCA Continuity Schedule (2009)

Class	Class Description	UCC Prior Year Ending Balance	Less: Non-Distribution Portion	Less: Disallowed FMV Increment	UCC Bridge Year Opening Balance	Additions	Dispositions	UCC Before 1/2 Yr Adjustment	1/2 Year Rule (1/2 Additions Less Disposals)	Reduced UCC	Rate %	CCA	UCC Ending Balance
1	Distribution System - 1988 to 22-Feb-2005	82,536,590	0	0	82,536,590	627,500	0	83,164,090	313,750	82,850,340	4%	3,314,014	79,850,076
2	Distribution System - pre 1988	0	0	0	0	0	0	0	0	0	6%	0	0
6	Buildings (No footings below ground)	0	0	0	0	0	0	0	0	0	10%	0	0
8	General Office/Stores Equip	4,386,384	0	0	4,386,384	864,000	0	5,250,384	432,000	4,818,384	20%	963,677	4,286,707
10	Computer Hardware/ Vehicles	972,212	0	0	972,212	455,000	0	1,427,212	227,500	1,199,712	30%	359,914	1,067,298
10.1	Certain Automobiles	0	0	0	0	0	0	0	0	0	30%	0	0
12	Computer Software	182,239	0	0	182,239	679,000	0	861,239	339,500	521,739	100%	521,739	339,500
13.1	Lease # 1	0	0	0	0	0	0	0	0	0	20%	0	0
13.2	Lease #2	0	0	0	0	0	0	0	0	0	0	0	0
13.3	Lease # 3	0	0	0	0	0	0	0	0	0	0	0	0
13.4	Lease # 4	0	0	0	0	0	0	0	0	0	0	0	0
14	Franchise	0	0	0	0	0	0	0	0	0	0	0	0
17	New Electrical Generating Equipment Acq'd after Feb 27/00 Other Than Bldgs	0	0	0	0	0	0	0	0	0	8%	0	0
52	Computer & Systems Hardware acq'd post Jan 27/09	0	0	0	0	56,000	0	56,000	0	56,000	100%	56,000	0
45	Computers & Systems Hardware acq'd post Mar 22/04	61,186	0	0	61,186	0	0	61,186	0	61,186	45%	27,534	33,652
45.1	Computers & Systems Hardware acq'd post Mar 19/07	36,636	0	0	36,636	0	0	36,636	0	36,636	55%	20,150	16,486
46	Data Network Infrastructure Equipment (acq'd post Mar 22/04)	0	0	0	0	0	0	0	0	0	30%	0	0
47	Distribution System - post 22-Feb-2005	18,060,328	0	0	18,060,328	5,765,000	0	23,825,328	2,882,500	20,942,828	8%	1,675,426	22,149,902
	<b>SUB-TOTAL - UCC</b>	<b>106,235,575</b>	<b>0</b>	<b>0</b>	<b>106,235,575</b>	<b>8,446,500</b>	<b>0</b>	<b>114,682,075</b>	<b>4,195,250</b>	<b>110,486,825</b>		<b>6,938,453</b>	<b>107,743,622</b>
CEC	Goodwill	0	0	0	0	0	0	0	0	0		0	0
CEC	Land Rights	116871	0	0	116,871	0	0	116,871	0	116,871		0	0
CEC	FMV Bump-up	0	0	0	0	0	0	0	0	0		0	0
	<b>SUB-TOTAL - CEC</b>	<b>116,871</b>	<b>0</b>	<b>0</b>	<b>116,871</b>	<b>0</b>	<b>0</b>	<b>116,871</b>	<b>0</b>	<b>116,871</b>		<b>0</b>	<b>0</b>

Cumulative Eligible Capital Calculation

Cumulative Eligible Capital				116,871
<b>Additions:</b>				
Cost of Eligible Capital Property Acquired during the year	0			
Other Adjustments	0			
Subtotal	0 x 3/4 =		0	
Non-taxable portion of a non-arm's length transferor's gain realized on the transfer of an ECP to the Corporation after Friday December 31, 2002	0 x 1/2 =		0	116,871
Amount transferred on amalgamation or wind-up of subsidiary	0			0
Subtotal				116,871
<b>Deductions:</b>				
Projected proceeds of sale (less outlays and expenses not otherwise deductible) from the disposition of all ECP during the year				
Other Adjustments	0			
Subtotal	0 x 3/4 =		0	116,871
Cumulative Eligible Capital Balance				116,871
CEC Deduction	7%			8,181
Cumulative Eligible Capital - Closing Balance				108,690

CCA Continuity Schedule (2010)

Class	Class Description	UCC Prior Year Ending Balance	Less: Non-Distribution Portion	Less: Disallowed FMV	UCC Bridge Year Opening Balance	Additions	Dispositions	UCC Before 1/2 Yr Adjustment	1/2 Year Rule (1/2 Additions Less Disposals)	Reduced UCC	Rate %	CCA	UCC Ending Balance
1	Distribution System - 1988 to 22-Feb-2005	79,850,076	0	0	79,850,076	607,500	0	80,457,576	303,750	80,153,826	4%	3,206,153	77,251,423
2	Distribution System - pre 1988	0	0	0	0	0	0	0	0	0	6%	0	0
6	Buildings (No footings below ground)	0	0	0	0	0	0	0	0	0	10%	0	0
8	General Office/Stores Equip	4,286,707	0	0	4,286,707	1,126,600	0	5,413,307	563,300	4,850,007	20%	970,001	4,443,306
10	Computer Hardware/ Vehicles	1,067,298	0	0	1,067,298	185,000	0	1,252,298	92,500	1,159,798	30%	347,940	904,359
10.1	Certain Automobiles	0	0	0	0	0	0	0	0	0	30%	0	0
12	Computer Software	339,500	0	0	339,500	210,000	0	549,500	105,000	444,500	100%	444,500	105,000
13.1	Lease # 1	0	0	0	0	0	0	0	0	0	20%	0	0
13.2	Lease # 2	0	0	0	0	0	0	0	0	0	20%	0	0
13.3	Lease # 3	0	0	0	0	0	0	0	0	0	20%	0	0
13.4	Lease # 4	0	0	0	0	0	0	0	0	0	20%	0	0
14	Franchise	0	0	0	0	0	0	0	0	0	0	0	0
17	New Electrical Generating Equipment Acq'd after Feb 27/00 Other Than Bids	0	0	0	0	0	0	0	0	0	8%	0	0
52	Computer & Systems Hardware acq'd post Jan 27/09	0	0	0	0	60,000	0	60,000	0	60,000	100%	60,000	0
45	Computers & Systems Hardware acq'd post Mar 22/04	33,652	0	0	33,652	0	0	33,652	0	33,652	45%	15,144	18,509
45.1	Computers & Systems Hardware acq'd post Mar 19/07	16,486	0	0	16,486	0	0	16,486	0	16,486	55%	9,067	7,419
46	Data Network Infrastructure Equipment (acq'd post Mar 22/04)	0	0	0	0	0	0	0	0	0	30%	0	0
47	Distribution System - post 22-Feb-2005	22,149,902	0	0	22,149,902	6,647,000	0	28,796,902	3,323,500	25,473,402	8%	2,037,872	26,759,030
	<b>SUB-TOTAL - UCC</b>	<b>107,743,622</b>	<b>0</b>	<b>0</b>	<b>107,743,622</b>	<b>8,836,100</b>	<b>0</b>	<b>116,579,722</b>	<b>4,388,050</b>	<b>112,191,672</b>		<b>7,090,677</b>	<b>109,489,045</b>
CEC	Goodwill	108,690	0	0	108,690								
CEC	Land Rights	0	0	0	0								
CEC	FMV Bump-up	0	0	0	0								
	<b>SUB-TOTAL - CEC</b>	<b>108,690</b>	<b>0</b>	<b>0</b>	<b>108,690</b>								

Cumulative Eligible Capital Calculation

Cumulative Eligible Capital				108,690
<b>Additions:</b>				
Cost of Eligible Capital Property Acquired during the year	0			
Other Adjustments	0			
Subtotal	0 x 3/4 =		0	
Non-taxable portion of a non-arm's length transferor's gain realized on the transfer of an ECP to the Corporation after Friday December 31, 2002	0 x 1/2 =		0	
			0	108,690
Amount transferred on amalgamation or wind-up of subsidiary	0			0
Subtotal				108,690
<b>Deductions:</b>				
Projected proceeds of sale (less outlays and expenses not otherwise deductible) from the disposition of all ECP during the year				
Other Adjustments	0			
Subtotal	0 x 3/4 =		0	108,690
Cumulative Eligible Capital Balance				108,690
CEC Deduction	7%			7,608
Cumulative Eligible Capital - Closing Balance				101,082

**Burlington Hydro Inc. 2008 Tax Returns**

# Federal Tax Instalments

## Federal tax instalments

For the taxation year ended 2009-12-31

The following is a list of federal instalments payable for the current taxation year. The last column indicates the instalments payable to Revenue Canada. The instalments are due no later than on the dates indicated, otherwise non-deductible interest will be charged. A cheque or money order should be made payable to the Receiver General. Payment may be made by cheque or money order payable to the Receiver General either to an authorized financial institution or filed with **the appropriate remittance voucher to the following address:**

**Canada Revenue Agency**  
**875 Heron Road**  
**Ottawa ON K1A 1B1**

Note that you may also be able to pay by telephone or Internet banking. For more information, consult the *Corporation Instalment Guide*.

## Monthly instalment workchart

Date	Monthly tax instalments	Instalments paid	Cumulative difference	Instalments payable
2009-01-31	261,209			261,209
2009-02-28	261,209			261,209
2009-03-31	261,209			261,209
2009-04-30	261,209			261,209
2009-05-31	261,209			261,209
2009-06-30	261,209			261,209
2009-07-31	261,209			261,209
2009-08-31	261,209			261,209
2009-09-30	261,209			261,209
2009-10-31	261,209			261,209
2009-11-30	261,209			261,209
2009-12-31	261,205			261,205
<b>Total</b>	<b>3,134,504</b>			<b>3,134,504</b>

T2 CORPORATION INCOME TAX RETURN

This form serves as a federal, provincial, and territorial corporation income tax return, unless the corporation is located in Ontario (for tax years ending before 2009), Quebec, or Alberta. If the corporation is located in one of these provinces, you have to file a separate provincial corporation return.

Parts, sections, subsections, and paragraphs mentioned on this return refer to the federal *Income Tax Act*. This return may contain changes that had not yet become law at the time of printing.

Send one completed copy of this return, including schedules and the *General Index of Financial Information* (GIFI), to your tax centre. You have to file the return within six months after the end of the corporation's tax year.

For more information see [www.cra.gc.ca](http://www.cra.gc.ca) or the *T2 Corporation - Income Tax Guide*.

**055** Do not use this area

Identification

**001** Business Number (BN) 86829 1980 RC0001

**002** Corporation's name BURLINGTON HYDRO INC.

**003** Has the corporation changed its name since the last time you filed your T2 return? 1 Yes  2 No

**004** If yes, do you have a copy of the articles of amendment? (Do not submit) 1 Yes  2 No

Address of head office

**010** Has this address changed since the last time you filed your T2 return? 1 Yes  2 No

(If yes, complete lines 011 to 018)

**011** 1340 BRANT STREET

**012**

**015** City BURLINGTON **016** Province, territory, or state ON

**017** Country (other than Canada) **018** Postal code/Zip code L7R 3Z7

To which tax year does this return apply?

**060** Tax year start 2008-01-01 **061** Tax year-end 2008-12-31  
YYYY MM DD YYYY MM DD

**063** Has there been an acquisition of control to which subsection 249(4) applies since the previous tax year? 1 Yes  2 No

**065** If yes, provide the date control was acquired YYYY MM DD

Mailing address (if different from head office address)

**020** Has this address changed since the last time you filed your T2 return? 1 Yes  2 No

(If yes, complete lines 021 to 028)

**021** c/o

**022**

**023**

**025** City **026** Province, territory, or state

**027** Country (other than Canada) **028** Postal code/Zip code

**066** Is the date on line 061 a deemed tax year-end in accordance with subsection 249(3.1)? 1 Yes  2 No

**067** Is the corporation a professional corporation that is a member of a partnership? 1 Yes  2 No

Is this the first year of filing after:

**070** Incorporation? 1 Yes  2 No

**071** Amalgamation? 1 Yes  2 No

If yes, complete lines 030 to 038 and attach Schedule 24.

Location of books and records

**030** Has the location of books and records changed since the last time you filed your T2 return? 1 Yes  2 No

(If yes, complete lines 031 to 038)

**031** 1340 BRANT STREET

**032**

**035** City BURLINGTON **036** Province, territory, or state ON

**037** Country (other than Canada) **038** Postal code/Zip code L7R 3Z7

**072** Has there been a wind-up of a subsidiary under section 88 during the current tax year? 1 Yes  2 No

If yes, complete and attach Schedule 24.

**076** Is this the final tax year before amalgamation? 1 Yes  2 No

**078** Is this the final return up to dissolution? 1 Yes  2 No

Is the corporation a resident of Canada?

**080** 1 Yes  2 No  If no, give the country of residence on line 081 and complete and attach Schedule 97.

**081**

**082** Is the non-resident corporation claiming an exemption under an income tax treaty? 1 Yes  2 No

If yes, complete and attach Schedule 91.

If the corporation is exempt from tax under section 149, tick one of the following boxes:

- 085** 1  Exempt under paragraph 149(1)(e) or (l)
- 2  Exempt under paragraph 149(1)(j)
- 3  Exempt under paragraph 149(1)(t)
- 4  Exempt under other paragraphs of section 149

**040** Type of corporation at the end of the tax year  
1  Canadian-controlled private corporation (CCPC) 4  Corporation controlled by a public corporation  
2  Other private corporation 5  Other corporation (specify, below)  
3  Public corporation

**043** If the type of corporation changed during the tax year, provide the effective date of the change. YYYY MM DD

Do not use this area

**091** **092** **093** **094** **095** **096**  
**100**

**Attachments**

**Financial statement information:** Use GIF1 schedules 100, 125, and 141.

**Schedules** – Answer the following questions. For each Yes response, **attach** to the T2 return the schedule that applies.

	Yes	Schedule
Is the corporation related to any other corporations?	<input checked="" type="checkbox"/>	9
Is the corporation an associated CCPC?	<input checked="" type="checkbox"/>	23
Is the corporation an associated CCPC that is claiming the expenditure limit?	<input type="checkbox"/>	49
Does the corporation have any non-resident shareholders?	<input type="checkbox"/>	19
Has the corporation had any transactions, including section 85 transfers, with its shareholders, officers, or employees, other than transactions in the ordinary course of business? Exclude non-arm's length transactions with non-residents	<input type="checkbox"/>	11
If you answered <b>yes</b> to the above question, and the transaction was between corporations not dealing at arm's length, were all or substantially all of the assets of the transferor disposed of to the transferee?	<input type="checkbox"/>	44
Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada?	<input checked="" type="checkbox"/>	14
Is the corporation claiming a deduction for payments to a type of employee benefit plan?	<input type="checkbox"/>	15
Is the corporation claiming a loss or deduction from a tax shelter acquired after August 31, 1989?	<input type="checkbox"/>	T5004
Is the corporation a member of a partnership for which a partnership identification number has been assigned?	<input type="checkbox"/>	T5013
Did the corporation, a foreign affiliate controlled by the corporation, or any other corporation or trust that did not deal at arm's length with the corporation have a beneficial interest in a non-resident discretionary trust?	<input type="checkbox"/>	22
Did the corporation have any foreign affiliates during the year?	<input type="checkbox"/>	25
Has the corporation made any payments to non-residents of Canada under subsections 202(1) and/or 105(1) of the federal <i>Income Tax Regulations</i> ?	<input type="checkbox"/>	29
Has the corporation had any non-arm's length transactions with a non-resident?	<input type="checkbox"/>	T106
For private corporations: Does the corporation have any shareholders who own 10% or more of the corporation's common and/or preferred shares?	<input checked="" type="checkbox"/>	50
Has the corporation made payments to, or received amounts from, a retirement compensation plan arrangement during the year?	<input type="checkbox"/>	
Is the net income/loss shown on the financial statements different from the net income/loss for income tax purposes?	<input checked="" type="checkbox"/>	1
Has the corporation made any charitable donations; gifts to Canada, a province, or a territory; gifts of cultural or ecological property; or gifts of medicine?	<input checked="" type="checkbox"/>	2
Has the corporation received any dividends or paid any taxable dividends for purposes of the dividend refund?	<input checked="" type="checkbox"/>	3
Is the corporation claiming any type of losses?	<input checked="" type="checkbox"/>	4
Is the corporation claiming a provincial or territorial tax credit or does it have a permanent establishment in more than one jurisdiction?	<input type="checkbox"/>	5
Has the corporation realized any capital gains or incurred any capital losses during the tax year?	<input type="checkbox"/>	6
i) Is the corporation claiming the small business deduction and reporting income from: a) property (other than dividends deductible on line 320 of the T2 return), b) a partnership, c) a foreign business, or d) a personal services business; or ii) is the corporation claiming the refundable portion of Part I tax?	<input type="checkbox"/>	7
Does the corporation have any property that is eligible for capital cost allowance?	<input checked="" type="checkbox"/>	8
Does the corporation have any property that is eligible capital property?	<input checked="" type="checkbox"/>	10
Does the corporation have any resource-related deductions?	<input type="checkbox"/>	12
Is the corporation claiming reserves of any kind?	<input type="checkbox"/>	13
Is the corporation claiming a patronage dividend deduction?	<input type="checkbox"/>	16
Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing or an additional deduction?	<input type="checkbox"/>	17
Is the corporation an investment corporation or a mutual fund corporation?	<input type="checkbox"/>	18
Is the corporation carrying on business in Canada as a non-resident corporation?	<input type="checkbox"/>	20
Is the corporation claiming any federal or provincial foreign tax credits, or any federal or provincial logging tax credits?	<input type="checkbox"/>	21
Does the corporation have any Canadian manufacturing and processing profits?	<input type="checkbox"/>	27
Is the corporation claiming an investment tax credit?	<input checked="" type="checkbox"/>	31
Is the corporation claiming any scientific research and experimental development (SR&ED) expenditures?	<input type="checkbox"/>	T661
Is the total taxable capital employed in Canada of the corporation and its related corporations over \$10,000,000?	<input checked="" type="checkbox"/>	
Is the total taxable capital employed in Canada of the corporation and its associated corporations over \$10,000,000?	<input checked="" type="checkbox"/>	
Is the corporation a member of a related group with one or more members subject to gross Part I.3 tax?	<input type="checkbox"/>	36
Is the corporation claiming a surtax credit?	<input type="checkbox"/>	37
Is the corporation subject to gross Part VI tax on capital of financial institutions?	<input type="checkbox"/>	38
Is the corporation claiming a Part I tax credit?	<input type="checkbox"/>	42
Is the corporation subject to Part IV.1 tax on dividends received on taxable preferred shares or Part VI.1 tax on dividends paid?	<input type="checkbox"/>	43
Is the corporation agreeing to a transfer of the liability for Part VI.1 tax?	<input type="checkbox"/>	45
Is the corporation subject to Part II - Tobacco Manufacturers' surtax?	<input type="checkbox"/>	46
For financial institutions: Is the corporation a member of a related group of financial institutions with one or more members subject to gross Part VI tax?	<input type="checkbox"/>	39
Is the corporation claiming a Canadian film or video production tax credit refund?	<input type="checkbox"/>	T1131
Is the corporation claiming a film or video production services tax credit refund?	<input type="checkbox"/>	T1177
Is the corporation subject to Part XIII.1 tax? (Show your calculations on a sheet that you identify as Schedule 92.)	<input type="checkbox"/>	92

**Attachments – continued from page 2**

	Yes	Schedule
Did the corporation have any foreign affiliates that are not controlled foreign affiliates?	<input type="checkbox"/>	T1134-A
Did the corporation have any controlled foreign affiliates?	<input type="checkbox"/>	T1134-B
Did the corporation own specified foreign property in the year with a cost amount over \$100,000?	<input type="checkbox"/>	T1135
Did the corporation transfer or loan property to a non-resident trust?	<input type="checkbox"/>	T1141
Did the corporation receive a distribution from or was it indebted to a non-resident trust in the year?	<input type="checkbox"/>	T1142
Has the corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada?	<input type="checkbox"/>	T1145
Has the corporation entered into an agreement to transfer qualified expenditures incurred in respect of SR&ED contracts?	<input type="checkbox"/>	T1146
Has the corporation entered into an agreement with other associated corporations for salary or wages of specified employees for SR&ED?	<input type="checkbox"/>	T1174
Did the corporation pay taxable dividends (other than capital gains dividends) in the tax year?	<input checked="" type="checkbox"/>	55
Has the corporation made an election under subsection 89(11) not to be a CCPC?	<input type="checkbox"/>	T2002
Has the corporation revoked any previous election made under subsection 89(11)?	<input type="checkbox"/>	T2002
Did the corporation (CCPC or deposit insurance corporation (DIC)) pay eligible dividends, or did its general rate income pool (GRIP) change in the tax year?	<input checked="" type="checkbox"/>	53
Did the corporation (other than a CCPC or DIC) pay eligible dividends, or did its low rate income pool (LRIP) change in the tax year?	<input type="checkbox"/>	54

**Additional information**

Is the corporation inactive?	<b>280</b>	1 Yes <input type="checkbox"/>	2 No <input checked="" type="checkbox"/>
Has the major business activity changed since the last return was filed? (enter <b>yes</b> for first-time filers)	<b>281</b>	1 Yes <input type="checkbox"/>	2 No <input checked="" type="checkbox"/>
What is the corporation's major business activity? (Only complete if <b>yes</b> was entered at line 281)	<b>282</b>		
If the major business activity involves the resale of goods, show whether it is wholesale or retail	<b>283</b>	1 Wholesale <input type="checkbox"/>	2 Retail <input type="checkbox"/>
Specify the principal product(s) mined, manufactured, sold, constructed, or services provided, giving the approximate percentage of the total revenue that each product or service represents.	<b>284</b>	ELECTRICITY DISTRIB.	<b>285</b> 100.000 %
	<b>286</b>		<b>287</b> %
	<b>288</b>		<b>289</b> %
Did the corporation immigrate to Canada during the tax year?	<b>291</b>	1 Yes <input type="checkbox"/>	2 No <input checked="" type="checkbox"/>
Did the corporation emigrate from Canada during the tax year?	<b>292</b>	1 Yes <input type="checkbox"/>	2 No <input checked="" type="checkbox"/>
Do you want to be considered as a quarterly instalment remitter if you are eligible?	<b>293</b>	1 Yes <input type="checkbox"/>	2 No <input type="checkbox"/>
If the corporation was eligible to remit instalments on a quarterly basis for part of the tax year, provide the date the corporation ceased to be eligible	<b>294</b>	YYYY MM DD	
If the corporation's major business activity is construction, did you have any sub-contractors during the tax year?	<b>295</b>	1 Yes <input type="checkbox"/>	2 No <input type="checkbox"/>

**Taxable income**

Net income or (loss) for income tax purposes from Schedule 1, financial statements, or GIFL.	<b>300</b>	8,776,876	A
<b>Deduct:</b> Charitable donations from Schedule 2	<b>311</b>	43,366	
Gifts to Canada, a province, or a territory from Schedule 2	<b>312</b>		
Cultural gifts from Schedule 2	<b>313</b>		
Ecological gifts from Schedule 2	<b>314</b>		
Gifts of medicine from Schedule 2	<b>315</b>		
Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3	<b>320</b>		
Part VI.1 tax deduction *	<b>325</b>		
Non-capital losses of previous tax years from Schedule 4	<b>331</b>		
Net capital losses of previous tax years from Schedule 4	<b>332</b>		
Restricted farm losses of previous tax years from Schedule 4	<b>333</b>		
Farm losses of previous tax years from Schedule 4	<b>334</b>		
Limited partnership losses of previous tax years from Schedule 4	<b>335</b>		
Taxable capital gains or taxable dividends allocated from a central credit union	<b>340</b>		
Prospector's and grubstaker's shares	<b>350</b>		
		Subtotal 43,366	B
		Subtotal (amount A minus amount B) (if negative, enter "0")	C
<b>Add:</b> Section 110.5 additions or subparagraph 115(1)(a)(vii) additions	<b>355</b>		D
<b>Taxable income</b> (amount C plus amount D)	<b>360</b>	8,733,510	
Income exempt under paragraph 149(1)(t)	<b>370</b>		
<b>Taxable income</b> for a corporation with exempt income under paragraph 149(1)(t) (line 360 minus line 370)		8,733,510	Z

\* This amount is equal to 3 times the Part VI.1 tax payable at line 724.

**Small business deduction**

**Canadian-controlled private corporations (CCPCs) throughout the tax year**

Income from active business carried on in Canada from Schedule 7	400	8,776,876	A
Taxable income from line 360, <b>minus</b> 10/3 of the amount on line 632*, <b>minus</b> 3 times the amount on line 636**, and <b>minus</b> any amount that, because of federal law, is exempt from Part I tax	405	8,733,510	B

**Calculation of the business limit:**

For all CCPCs, calculate the amount at line 4 below.

300,000	x	Number of days in the tax year in 2006	=	1
		Number of days in the tax year	366	
400,000	x	Number of days in the tax year after 2006	=	400,000
		Number of days in the tax year	366	
<b>Add amounts at lines 1 and 2</b>				<b>400,000</b>

Business limit (see notes 1 and 2 below)	410	400,000	C
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- Notes:**
- For CCPCs that are not associated, enter the amount from line 4 on line 410. However, if the corporation's tax year is less than 51 weeks, prorate the amount from line 4 by the number of days in the tax year divided by 365, and enter the result on line 410.
  - For associated CCPCs, use Schedule 23 to calculate the amount to be entered on line 410.

**Business limit reduction:**

Amount C	400,000	x	415 ***	239,663	D	=	8,521,351	E
				11,250				
Reduced business limit (amount C <b>minus</b> amount E) (if negative, enter "0")							425	F

**Small business deduction**

Amount A, B, C, or F whichever is the least	x	Number of days in the tax year before January 1, 2008	x	16 %	=	5	
		Number of days in the tax year	366				
Amount A, B, C, or F whichever is the least	x	Number of days in the tax year after December 31, 2007, and before January 1, 2009	x	17 %	=	6	
		Number of days in the tax year	366				
Amount A, B, C, or F whichever is the least	x	Number of days in the tax year after December 31, 2008	x	17 %	=	7	
		Number of days in the tax year	366				
<b>Total of amounts 5, 6, and 7 – enter on line 9</b>						<b>430</b>	G

\* Calculate the amount of foreign non-business income tax credit deductible on line 632 without reference to the refundable tax on the CCPC's investment income (line 604) and without reference to the corporate tax reductions under section 123.4.

\*\* Calculate the amount of foreign business income tax credit deductible on line 636 without reference to the corporate tax reductions under section 123.4.

**\*\*\* Large corporations**

- If the corporation is not associated with any corporations in both the current and the previous tax years, the amount to be entered at line 415 is: (Total taxable capital employed in Canada for the **prior year** minus \$10,000,000) x 0.225%.
- If the corporation is not associated with any corporations in the current tax year, but was associated in the previous tax year, the amount to be entered at line 415 is: (Total taxable capital employed in Canada for the **current year** minus \$10,000,000) x 0.225%
- For corporations associated in the current tax year, see Schedule 23 for the special rules that apply.

**Resource deduction**

Taxable resource income [as defined in subsection 125.11(1)]	435		H
Amount H	x	Number of days in the tax year in 2006	x
		Number of days in the tax year	366
Amount H	x	Number of days in the tax year in 2007	x
		Number of days in the tax year	366

**Note:** Resource deduction is no longer available for tax years starting after December 31, 2006.

<b>Resource deduction – Total of amounts I and J</b>	438		K
Enter amount K on line 10.			



**General tax reduction for Canadian-controlled private corporations**

<b>Canadian-controlled private corporations throughout the tax year</b>										
Taxable income from line 360									8,733,510	A
Amount Z1 from Part 9 of Schedule 27										B
Amount QQ from Part 13 of Schedule 27										C
Taxable resource income from line 435										D
Amount used to calculate the credit union deduction from Schedule 17										E
Amount from line 400, 405, 410, or 425, whichever is the least										F
Aggregate investment income from line 440										G
Total of amounts B, C, D, E, F, and G										H
Amount A <b>minus</b> amount H (if negative, enter "0")									8,733,510	I
Amount I	8,733,510	x	Number of days in the tax year before January 1, 2008		x	7 %	=			J
			Number of days in the tax year	366						
Amount I	8,733,510	x	Number of days in the tax year after December 31, 2007, and before January 1, 2009	366	x	8.5 %	=	742,348		K
			Number of days in the tax year	366						
Amount I	8,733,510	x	Number of days in the tax year after December 31, 2008, and before January 1, 2010		x	9 %	=			L
			Number of days in the tax year	366						
Amount I	8,733,510	x	Number of days in the tax year after December 31, 2009, and before January 1, 2011		x	10 %	=			L1
			Number of days in the tax year	366						
<b>General tax reduction for Canadian-controlled private corporations – Total of amounts J, K, L, and L1</b>									742,348	M

Enter amount M on line 638.

**General tax reduction**

**Do not complete this area if you are a Canadian-controlled private corporation, an investment corporation, a mortgage investment corporation, or a mutual fund corporation, and for tax years starting after May 1, 2006, any corporation with taxable income that is not subject to the corporation tax rate of 38%.**

Taxable income from line 360 (for tax years starting after May 1, 2006, amount Z)										N
Amount Z1 from Part 9 of Schedule 27										O
Amount QQ from Part 13 of Schedule 27										P
Taxable resource income from line 435										Q
Amount used to calculate the credit union deduction from Schedule 17										R
Total of amounts O, P, Q, and R										S
Amount N <b>minus</b> amount S (if negative, enter "0")										T
Amount T		x	Number of days in the tax year before January 1, 2008		x	7 %	=			U
			Number of days in the tax year	366						
Amount T		x	Number of days in the tax year after December 31, 2007, and before January 1, 2009	366	x	8.5 %	=			V
			Number of days in the tax year	366						
Amount T		x	Number of days in the tax year after December 31, 2008, and before January 1, 2010		x	9 %	=			W
			Number of days in the tax year	366						
Amount T		x	Number of days in the tax year after December 31, 2009, and before January 1, 2011		x	10 %	=			W1
			Number of days in the tax year	366						
<b>General tax reduction – Total of amounts U, V, W, and W1</b>										X

Enter amount X on line 639.

**Refundable portion of Part I tax**

**Canadian-controlled private corporations throughout the tax year**

Aggregate investment income from Schedule 7 . . . . . **440** x 26 2 / 3 % = . . . . . **A**

Foreign non-business income tax credit from line 632 . . . . . \_\_\_\_\_

**Deduct:**

Foreign investment income from Schedule 7 . . . . . **445** x 9 1 / 3 % = \_\_\_\_\_  
(if negative, enter "0") \_\_\_\_\_ **B**

Amount A minus amount B (if negative, enter "0") . . . . . \_\_\_\_\_ **C**

Taxable income from line 360 . . . . . 8,733,510

**Deduct:**

Amount from line 400, 405, 410, or 425, whichever is the least . . . . . \_\_\_\_\_

Foreign non-business income tax credit from line 632 . . . . . x 25 / 9 = \_\_\_\_\_

Foreign business income tax credit from line 636 . . . . . x 3 = \_\_\_\_\_

8,733,510  
x 26 2 / 3 % = 2,328,936 **D**

Part I tax payable minus investment tax credit refund (line 700 minus line 780) . . . . . 1,693,035

**Deduct:** Corporate surtax from line 600 . . . . . \_\_\_\_\_

Net amount . . . . . 1,693,035 **E**

**Refundable portion of Part I tax** – Amount C, D, or E, whichever is the least . . . . . **450** **F**

**Refundable dividend tax on hand**

Refundable dividend tax on hand at the end of the previous tax year . . . . . **460**

**Deduct:** Dividend refund for the previous tax year . . . . . **465**

**Add the total of:**

Refundable portion of Part I tax from line 450 above . . . . . \_\_\_\_\_

Total Part IV tax payable from Schedule 3 . . . . . \_\_\_\_\_

Net refundable dividend tax on hand transferred from a predecessor corporation on amalgamation, or from a wound-up subsidiary corporation . . . . . **480**

\_\_\_\_\_ **H**

**Refundable dividend tax on hand at the end of the tax year** – Amount G plus amount H . . . . . **485**

**Dividend refund**

**Private and subject corporations at the time taxable dividends were paid in the tax year**

Taxable dividends paid in the tax year from line 460 of Schedule 3 . . . . . 4,700,000 x 1 / 3 1,566,667 **I**

Refundable dividend tax on hand at the end of the tax year from line 485 above . . . . . \_\_\_\_\_ **J**

**Dividend refund** – Amount I or J, whichever is less (enter this amount on line 784) . . . . . \_\_\_\_\_

**Part I tax**

**Base amount of Part I tax** – Taxable income (line 360 or amount Z, whichever applies) multiplied by 38.00 % ..... **550** 3,318,734 A

**Corporate surtax calculation**

Base amount from line A above ..... 3,318,734 1

**Deduct:**

10 % of taxable income (line 360 or amount Z, whichever applies) ..... 873,351 2  
 Investment corporation deduction from line 620 below ..... 3  
 Federal logging tax credit from line 640 below ..... 4  
 Federal qualifying environmental trust tax credit from line 648 below ..... 5

For a mutual fund corporation or an investment corporation throughout the tax year, enter amount a, b, or c below on line 6, whichever is the least:

28.00 % of taxable income from line 360 ..... a  
 28.00 % of taxed capital gains ..... b } 6  
 Part I tax otherwise payable ..... c }  
 (line A plus lines C and D minus line F)  
 Total of lines 2 to 6 ..... 873,351 7

Net amount (line 1 minus line 7) ..... 2,445,383 8

**Corporate surtax\***

Line 8 2,445,383 x  $\frac{\text{Number of days in the tax year before January 1, 2008}}{\text{Number of days in the tax year}}$  x 4 % = **600** B  
 366

\* The corporate surtax is zero effective January 1, 2008.

Recapture of investment tax credit from Schedule 31 ..... **602** C

**Calculation for the refundable tax on the Canadian-controlled private corporation's (CCPC) investment income**  
 (if it was a CCPC throughout the tax year)

Aggregate investment income from line 440 ..... i  
 Taxable income from line 360 ..... 8,733,510  
**Deduct:**  
 Amount from line 400, 405, 410, or 425, whichever is the least .....  
 Net amount ..... 8,733,510 ▶ 8,733,510 ii

**Refundable tax on CCPC's investment income** – 6 2 / 3 % of whichever is less: amount i or ii ..... **604** D

Subtotal (add lines A, B, C, and D) ..... 3,318,734 E

**Deduct:**

Small business deduction from line 430 ..... 9  
 Federal tax abatement ..... **608** 873,351  
 Manufacturing and processing profits deduction from Schedule 27 ..... **616**  
 Investment corporation deduction ..... **620**  
 Taxed capital gains **624**  
 Additional deduction – credit unions from Schedule 17 ..... **628**  
 Federal foreign non-business income tax credit from Schedule 21 ..... **632**  
 Federal foreign business income tax credit from Schedule 21 ..... **636**  
 Resource deduction from line 438 ..... 10  
 General tax reduction for CCPCs from amount M ..... **638** 742,348  
 General tax reduction from amount X ..... **639**  
 Federal logging tax credit from Schedule 21 ..... **640**  
 Federal political contribution tax credit ..... **644**  
 Federal political contributions **646**  
 Federal qualifying environmental trust tax credit ..... **648**  
 Investment tax credit from Schedule 31 ..... **652** 10,000  
 Subtotal ..... 1,625,699 ▶ 1,625,699 F

**Part I tax payable** – Line E minus line F ..... 1,693,035 G

Enter amount G on line 700.

**Summary of tax and credits**

**Federal tax**

Part I tax payable	700	1,693,035
Part I.3 tax payable from Schedule 33, 34, or 35	704	
Part II surtax payable from Schedule 46	708	
Part III.1 tax payable from Schedule 55	710	
Part IV tax payable from Schedule 3	712	
Part IV.1 tax payable from Schedule 43	716	
Part VI tax payable from Schedule 38	720	
Part VI.1 tax payable from Schedule 43	724	
Part XIII.1 tax payable from Schedule 92	727	
Part XIV tax payable from Schedule 20	728	
<b>Total federal tax</b>		<b>1,693,035</b>

**Add provincial or territorial tax:**

Provincial or territorial jurisdiction	750	Ontario
(if more than one jurisdiction, enter "multiple" and complete Schedule 5)		
Net provincial or territorial tax payable (except Ontario [for tax years ending before 2009], Quebec, and Alberta)	760	
Provincial tax on large corporations (New Brunswick and Nova Scotia)	765	
<b>Total tax payable</b>	<b>770</b>	<b>1,693,035</b>

**Deduct other credits:**

Investment tax credit refund from Schedule 31	780	
Dividend refund	784	
Federal capital gains refund from Schedule 18	788	
Federal qualifying environmental trust tax credit refund	792	
Canadian film or video production tax credit refund (Form T1131)	796	
Film or video production services tax credit refund (Form T1177)	797	
Tax withheld at source	800	
Total payments on which tax has been withheld	801	
Provincial and territorial capital gains refund from Schedule 18	808	
Provincial and territorial refundable tax credits from Schedule 5	812	
Tax instalments paid	840	1,693,035
<b>Total credits</b>	<b>890</b>	<b>1,693,035</b>
<b>Balance (line A minus line B)</b>		<b>1,693,035</b>

Refund code **894** Overpayment

**Direct deposit request**

To have the corporation's refund deposited directly into the corporation's bank account at a financial institution in Canada, or to change banking information you already gave us, complete the information below:

Start  Change information

**910** Branch number

**914** Institution number **918** Account number

If the result is negative, you have an **overpayment**.  
If the result is positive, you have a **balance unpaid**.  
Enter the amount on whichever line applies.

Generally, we do not charge or refund a difference of \$2 or less.

Balance unpaid

Enclosed payment **898**

If the corporation is a Canadian-controlled private corporation throughout the tax year, does it qualify for the one-month extension of the date the balance of tax is due? **896** 1 Yes  2 No

**Certification**

I, **950** KYSLEY Last name in block letters **951** MICHAEL First name in block letters **954** VICE PRESIDENT, FINANCE Position, office, or rank

am an authorized signing officer of the corporation. I certify that I have examined this return, including accompanying schedules and statements, and that the information given on this return is, to the best of my knowledge, correct and complete. I further certify that the method of calculating income for this tax year is consistent with that of the previous year except as specifically disclosed in a statement attached to this return.

**955** Date (yyyy/mm/dd) Signature of the authorized signing officer of the corporation **956** (905) 332-1851 Telephone number

Is the contact person the same as the authorized signing officer? If **no**, complete the information below **957** 1 Yes  2 No

**958** JOHN MAURO Name in block letters **959** (905) 332-1851 Telephone number

**Language of correspondence – Langue de correspondance**

Indicate your language of correspondence by entering **1** for English or **2** for French.  
Indiquez votre langue de correspondance en inscrivant **1** pour anglais ou **2** pour français. **990**  1

# Schedule of Instalment Remittances

Name of corporation contact                      JOHN MAURO  
 Telephone number                      (905) 336-4381

Effective interest date	Description (instalment remittance, split payment, assessed credit)	Amount of credit
	INSTALMENTS ALLOCATED TO FEDERAL RETURN	1,693,035
<b>Total amount of instalments claimed (carry the result to line 840 of the T2 Return)</b>		<u><u>1,693,035</u></u> <b>A</b>
<b>Total instalments credited to the taxation year per T9</b>		<u><u>1,693,035</u></u> <b>B</b>

**Transfer**

Account number	Taxation year end	Amount	Effective interest date	Description
From: _____	_____	_____	_____	_____
To: _____	_____	_____	_____	_____
From: _____	_____	_____	_____	_____
To: _____	_____	_____	_____	_____
From: _____	_____	_____	_____	_____
To: _____	_____	_____	_____	_____
From: _____	_____	_____	_____	_____
To: _____	_____	_____	_____	_____

## GENERAL INDEX OF FINANCIAL INFORMATION – GIF1

Form identifier 100

Name of corporation	Business Number	Tax year end Year Month Day
BURLINGTON HYDRO INC.	86829 1980 RC0001	2008-12-31

## Balance sheet information

Account	Description	GIFI	Current year	Prior year
<b>Assets</b>				
	Total current assets	1599 +	52,154,852	54,557,559
	Total tangible capital assets	2008 +	81,061,926	78,194,832
	Total accumulated amortization of tangible capital assets	2009 -		
	Total intangible capital assets	2178 +		
	Total accumulated amortization of intangible capital assets	2179 -		
	Total long-term assets	2589 +	3,887,641	3,042,641
	* Assets held in trust	2590 +		
	<b>Total assets</b> (mandatory field)	<b>2599 =</b>	<u>137,104,419</u>	<u>135,795,032</u>

<b>Liabilities</b>				
	Total current liabilities	3139 +	26,551,363	27,130,669
	Total long-term liabilities	3450 +	53,350,007	51,263,937
	* Subordinated debt	3460 +		
	* Amounts held in trust	3470 +		
	<b>Total liabilities</b> (mandatory field)	<b>3499 =</b>	<u>79,901,370</u>	<u>78,394,606</u>

<b>Shareholder equity</b>				
	<b>Total shareholder equity</b> (mandatory field)	<b>3620 +</b>	57,203,049	57,400,426

	<b>Total liabilities and shareholder equity</b>	<b>3640 =</b>	<u>137,104,419</u>	<u>135,795,032</u>
--	---	---------------	--------------------	--------------------

<b>Retained earnings</b>				
	<b>Retained earnings/deficit – end</b> (mandatory field)	<b>3849 =</b>	<u>11,187,683</u>	<u>11,385,060</u>

\* Generic item

## Current Assets

Form identifier 1599

Account	Description	GIFI	Current year	Prior year
<b>Cash and deposits</b>				
	* Cash and deposits	<b>1000</b>	14,057,444	18,843,995
	<b>Cash and deposits</b>		<u>14,057,444</u>	<u>18,843,995</u>
<b>Accounts receivable</b>				
	* Accounts receivable	<b>1060</b>	13,451,124	13,347,160
	<b>Accounts receivable</b>		<u>13,451,124</u>	<u>13,347,160</u>
<b>Inventories</b>				
	* Inventories	<b>1120</b>	1,286,191	1,097,458
	Work in progress	<b>1125</b>	1,164,655	850,141
	<b>Inventories</b>		<u>2,450,846</u>	<u>1,947,599</u>
<b>Short-term investments</b>				
	* Short-term investments	<b>1180</b>	3,171,911	3,011,845
	<b>Short-term investments</b>		<u>3,171,911</u>	<u>3,011,845</u>
<b>Other current assets</b>				
	* Other current assets	<b>1480</b>	16,783,266	17,121,216
	Taxes recoverable/refundable	<b>1483</b>	1,765,999	
	Prepaid expenses	<b>1484</b>	474,262	285,744
	<b>Other current assets</b>		<u>19,023,527</u>	<u>17,406,960</u>
	<b>Total current assets</b>	<b>1599</b>	<u>52,154,852</u>	<u>54,557,559</u>

\* Generic item

# Tangible Capital Assets and Accumulated Amortization

Form identifier 2008/2009

Account	Description	GIFI	Tangible capital assets	Accumulated amortization	Prior year
<b>Other tangible capital assets</b>					
	* Other tangible capital assets	1900	81,061,926		78,194,832
	<b>Total</b>		<u>81,061,926</u>		
	<b>Total tangible capital assets</b>	2008	<u>81,061,926</u>		<u>78,194,832</u>
	<b>Total accumulated amortization of tangible capital assets</b>	2009		=	

\* Generic item



# Long-term Assets

Form identifier 2589

Account	Description	GIFI	Current year	Prior year
<b>Other long-term assets</b>				
	Future (deferred) income taxes .....	<b>2421</b>	<u>3,887,641</u>	<u>3,042,641</u>
	<b>Other long-term assets</b> .....		+ <u>3,887,641</u>	<u>3,042,641</u>
	<b>Total long-term assets</b> .....	<b>2589</b>	= <u>3,887,641</u>	<u>3,042,641</u>

\* Generic item

## Current Liabilities

Form identifier 3139

Account	Description	GIFI	Current year	Prior year
<b>Amounts payable and accrued liabilities</b>				
	* Amounts payable and accrued liabilities .....	<b>2620</b>	17,741,964	18,481,780
	<b>Amounts payable and accrued liabilities</b> .....		<u>17,741,964</u>	<u>18,481,780</u>
	* Taxes payable .....	<b>2680</b>	+	800,000
<b>Short-term debt</b>				
	* Short-term debt .....	<b>2700</b>	3,378,160	3,178,221
	<b>Short-term debt</b> .....		<u>3,378,160</u>	<u>3,178,221</u>
<b>Other current liabilities</b>				
	* Other current liabilities .....	<b>2960</b>	2,175,920	2,495,435
	Deposits received .....	<b>2961</b>	3,255,319	2,175,233
	<b>Other current liabilities</b> .....		<u>5,431,239</u>	<u>4,670,668</u>
	<b>Total current liabilities</b> .....	<b>3139</b>	= <u>26,551,363</u>	<u>27,130,669</u>

\* Generic item

# Long-term Liabilities

Form identifier 3450

Account	Description	GIFI	Current year	Prior year
<b>Long-term debt</b>				
	* Long-term debt .....	<b>3140</b>	47,878,608	47,878,608
	<b>Long-term debt</b> .....		<u>47,878,608</u>	<u>47,878,608</u>
<b>Other long-term liabilities</b>				
	* Other long-term liabilities .....	<b>3320</b>	2,790,341	877,251
	Long-term obligations/commitments/capital leases .....	<b>3321</b>	2,681,058	2,508,078
	<b>Other long-term liabilities</b> .....		<u>5,471,399</u>	<u>3,385,329</u>
	<b>Total long-term liabilities</b> .....	<b>3450</b>	<u>53,350,007</u>	<u>51,263,937</u>

\* Generic item

## Shareholder Equity

Form identifier 3620

Account	Description	GIFI	Current year	Prior year
	* Common shares .....	<b>3500</b> +	45,139,138	45,139,138
<b>Contributed and other surplus</b>				
	Contributed surplus .....	<b>3541</b>	876,228	876,228
	<b>Contributed and other surplus</b> .....	+	<u>876,228</u>	<u>876,228</u>
	* Retained earnings/deficit .....	<b>3600</b> +	11,187,683	11,385,060
	<b>Total shareholder equity</b> .....	<b>3620</b> =	<u>57,203,049</u>	<u>57,400,426</u>

\* Generic item

## Retained Earnings/Deficit

Form identifier 3849

Account	Description	GIFI	Current year	Prior year
	* Retained earnings/deficit – start	3660 +	11,385,060	9,810,582
	* Net income/loss	3680 +	4,502,623	4,274,478
<b>Dividends declared</b>				
	* Dividends declared	3700	4,700,000	2,700,000
	<b>Dividends declared</b>	-	<u>4,700,000</u>	<u>2,700,000</u>
	<b>Retained earnings/deficit – end</b>	3849 =	<u>11,187,683</u>	<u>11,385,060</u>

\* Generic item

**GENERAL INDEX OF FINANCIAL INFORMATION – GIFI**

Form identifier 125

Name of corporation BURLINGTON HYDRO INC.	Business Number 86829 1980 RC0001	Tax year end Year Month Day 2008-12-31
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**Income statement information**

Description	GIFI
Operating name	0001
Description of the operation	0002
Sequence Number	0003 01

Account	Description	GIFI	Current year	Prior year
<b>Income statement information</b>				
	Total sales of goods and services	8089 +	150,368,419	153,974,351
	Cost of sales	8518 -	122,902,847	126,794,559
	<b>Gross profit/loss</b>	8519 =	27,465,572	27,179,792
	Cost of sales	8518 +	122,902,847	126,794,559
	Total operating expenses	9367 +	23,610,177	23,274,312
	<b>Total expenses (mandatory field)</b>	9368 =	146,513,024	150,068,871
	Total revenue (mandatory field)	8299 +	153,040,418	157,256,434
	Total expenses (mandatory field)	9368 -	146,513,024	150,068,871
	<b>Net non-farming income</b>	9369 =	6,527,394	7,187,563

<b>Farming income statement information</b>				
	Total farm revenue (mandatory field)	9659 +		
	Total farm expenses (mandatory field)	9898 -		
	<b>Net farm income</b>	9899 =		

	<b>Net income/loss before taxes and extraordinary items</b>	9970 =	6,527,394	7,187,563
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<b>Extraordinary items and income (linked to Schedule 140)</b>				
	<b>Extraordinary item(s)</b>	9975 -		
	Legal settlements	9976 -		
	<b>Unrealized gains/losses</b>	9980 +		
	<b>Unusual items</b>	9985 -		
	<b>Current income taxes</b>	9990 -	2,869,771	4,633,726
	<b>Deferred income tax provision</b>	9995 -	-845,000	-1,720,641
	<b>Net income/loss after taxes and extraordinary items (mandatory field)</b>	9999 =	4,502,623	4,274,478

## Revenue

Form identifier 8299

Account	Description	GIFI	Current year	Prior year
	* Trade sales of goods and services .....	<b>8000</b> +	150,368,419	153,974,351
	<b>Total sales of goods and services</b> .....	<b>8089</b> =	150,368,419	153,974,351
<b>Other revenue</b>				
	* Other revenue .....	<b>8230</b>	2,671,999	3,282,083
	<b>Other revenue</b> .....	+	<u>2,671,999</u>	<u>3,282,083</u>
	<b>Total revenue</b> .....	<b>8299</b> =	<u>153,040,418</u>	<u>157,256,434</u>

\* Generic item

# Cost of Sales

Form identifier 8518

Account	Description	GIFI	Current year	Prior year
<b>Other direct costs</b>				
	* Other direct costs .....	<b>8450</b>	122,902,847	126,794,559
	<b>Other direct costs</b> .....		+ 122,902,847	126,794,559
	<b>Cost of sales</b> .....	<b>8518</b>	= 122,902,847	126,794,559

\* Generic item



# Operating Expenses

Form identifier 9367

Account	Description	GIFI	Current year	Prior year
	* Amortization of tangible assets	8670	6,205,927	6,126,244
<b>Interest and bank charges</b>				
	* Interest and bank charges	8710	3,551,971	3,569,323
	<b>Interest and bank charges</b>		<u>3,551,971</u>	<u>3,569,323</u>
<b>Other expenses</b>				
	* Other expenses	9270	9,227,387	8,924,459
	General and administrative expenses	9284	4,624,892	4,654,286
	<b>Other expenses</b>		<u>13,852,279</u>	<u>13,578,745</u>
	<b>Total operating expenses</b>	<b>9367</b>	<u>23,610,177</u>	<u>23,274,312</u>

\* Generic item

# Attached Schedule with Total

GIFI code 9270 – Amount – Other expenses

Title Other expenses

Description	Amount	
Operations & Maintenance	6,794,939	00
Billing & Collection	2,432,448	00
<b>Total</b>	9,227,387	00

**NOTES CHECKLIST**

Corporation's name BURLINGTON HYDRO INC.	Business Number 86829 1980 RC0001	Tax year-end Year Month Day 2008-12-31
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- Parts 1, 2, and 3 of this schedule must be completed from the perspective of the person (referred to in these parts as the "accountant") who prepared or reported on the financial statements.
- For more information, see Guide RC4088, *General Index of Financial Information (GIFI) for Corporations* and Guide T4012, *T2 Corporation – Income Tax Guide*.
- Complete this schedule and include it with your T2 return along with the other GIFI schedules.

If the person preparing the tax return is not the accountant referred to above, they must still complete Parts 1, 2, 3 and 4 as applicable.

**Part 1 – Information on the accountant preparing or reporting on the financial statements**

- Does the accountant have a professional designation? ..... **095** 1 Yes  2 No
- Is the accountant connected\* with the corporation? ..... **097** 1 Yes  2 No

\* A person connected with a corporation can be: (i) a shareholder of the corporation who owns more than 10% of the common shares; (ii) a director, an officer, or an employee of the corporation; or (iii) a person not dealing at arm's length with the corporation.

**Note:** If the accountant does not have a professional designation or is connected to the corporation, you do not have to complete Parts 2 and 3 of this schedule. However, you do have to complete Part 4 as applicable.

**Part 2 – Type of involvement with the financial statements**

- Choose the option that represents the highest level of involvement of the accountant: **198**
- Completed an auditor's report ..... 1
- Completed a review engagement report ..... 2
- Conducted a compilation engagement ..... 3

**Part 3 – Reservations**

- If you selected option "1" or "2" under **Type of involvement with the financial statements** above, answer the following question:
- Has the accountant expressed a reservation? ..... **099** 1 Yes  2 No

**Part 4 – Other information**

If you have a professional designation and are not the accountant associated with the financial statements in Part 1 above, choose one of the following options:

- Prepared the tax return (financial statements prepared by client) ..... **110** 1
- Prepared the tax return and the financial information contained therein (financial statements have not been prepared) ..... 2
- Were notes to the financial statements prepared? ..... **101** 1 Yes  2 No
- If **yes**, complete lines 102 to 107 below:
- Are any values presented at other than cost? ..... **102** 1 Yes  2 No
- Has there been a change in accounting policies since the last return? ..... **103** 1 Yes  2 No
- Are subsequent events mentioned in the notes? ..... **104** 1 Yes  2 No
- Is re-evaluation of asset information mentioned in the notes? ..... **105** 1 Yes  2 No
- Is contingent liability information mentioned in the notes? ..... **106** 1 Yes  2 No
- Is information regarding commitments mentioned in the notes? ..... **107** 1 Yes  2 No
- Does the corporation have investments in joint venture(s) or partnership(s)? ..... **108** 1 Yes  2 No
- If **yes**, complete line 109 below:
- Are you filing financial statements of the joint venture(s) or partnership(s)? ..... **109** 1 Yes  2 No

**NET INCOME (LOSS) FOR INCOME TAX PURPOSES** **SCHEDULE 1**

Corporation's name  BURLINGTON HYDRO INC.	Business Number  86829 1980 RC0001	Tax year end Year Month Day 2008-12-31
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- The purpose of this schedule is to provide a reconciliation between the corporation's net income (loss) as reported on the financial statements and its net income (loss) for tax purposes. For more information, see the T2 *Corporation Income Tax Guide*.
- Please provide us with the applicable details in the identification area, and complete the applicable lines that contain a numbered black box. You should report amounts in accordance with the Generally Accepted Accounting Principles (GAAP).
- Sections, subsections, and paragraphs referred to on this schedule are from the *Income Tax Act*.

Net income (loss) after taxes and extraordinary items per financial statements		4,502,623 A
<b>Add:</b>		
Provision for income taxes – current	<b>101</b>	2,869,771
Provision for income taxes – deferred	<b>102</b>	-845,000
Amortization of tangible assets	<b>104</b>	6,597,196
Charitable donations and gifts from Schedule 2	<b>112</b>	43,366
Non-deductible meals and entertainment expenses	<b>121</b>	18,174
Reserves from financial statements – balance at the end of the year	<b>126</b>	2,681,058
Subtotal of additions		11,364,565 ▶
<b>Other additions:</b>		
<b>Miscellaneous other additions:</b>		
<b>600</b> SECTION 12(1)(a) income	<b>290</b>	3,378,160
<b>601</b> VARIANCE ADJUSTMENT	<b>291</b>	1,859,978
<b>602</b> APPRENTICESHIP TAX CREDIT CLAIMED IN PRIOR YEAR	<b>292</b>	2,000
<b>603.2</b> Ontario Specified Tax Credits		25,392
Total	<b>293</b>	25,392
Subtotal of other additions	<b>199</b>	5,265,530 ▶
<b>Total additions</b>	<b>500</b>	16,630,095 ▶
<b>Deduct:</b>		
Gain on disposal of assets per financial statements	<b>401</b>	50,949
Capital cost allowance from Schedule 8	<b>403</b>	6,409,858
Cumulative eligible capital deduction from Schedule 10	<b>405</b>	8,797
Reserves from financial statements – balance at the beginning of the year	<b>414</b>	2,508,078
Subtotal of deductions		8,977,682 ▶
<b>Other deductions:</b>		
<b>Miscellaneous other deductions:</b>		
<b>700</b> SECTION 20(1)(m) reserve	<b>390</b>	3,378,160
Total	<b>394</b>	
Subtotal of other deductions	<b>499</b>	3,378,160 ▶
<b>Total deductions</b>	<b>510</b>	12,355,842 ▶
<b>Net income (loss) for income tax purposes</b> – enter on line 300 of the T2 return		8,776,876

\* For reference purposes only

**CHARITABLE DONATIONS AND GIFTS**

Name of corporation BURLINGTON HYDRO INC.	Business Number 86829 1980 RC0001	Tax year-end Year Month Day 2008-12-31
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- For use by corporations to claim any of the following:
  - charitable donations;
  - gifts to Canada, a province, or a territory;
  - gifts of certified cultural property;
  - gifts of certified ecologically sensitive land; or
  - additional deduction for gifts of medicine.
- The donations and gifts are eligible for a five-year carryforward.
- Use this schedule to show a credit transfer following an amalgamation or the wind-up of a subsidiary as described under subsections 87(1) and 88(1) of the *Income Tax Act*.
- For donations and gifts made after March 22, 2004, subsection 110.1(1.2) of the *Income Tax Act* provides as follows:
  - Where a particular corporation has undergone an acquisition of control, for tax years that end on or after the acquisition of control, no corporation can claim a deduction for a gift made by the particular corporation to a qualified donee before the acquisition of control
  - If a particular corporation makes a gift to a qualified donee pursuant to an arrangement under which both the gift and the acquisition of control is expected, no corporation can claim a deduction for the gift unless the person acquiring control of the particular corporation is the qualified donee.
- Under proposed changes, the eligible amount of a charitable gift is the amount by which the fair market value of the gift exceeds the amount of an advantage, if any, for the gift.
- Under proposed changes, a gift of medicine made after March 18, 2007, to qualifying organizations for activities outside of Canada, may be eligible for an additional deduction if the gift is an eligible medical gift. This additional deduction is calculated in Part 6.
- File one completed copy of this schedule with your *T2 Corporation Income Tax Return*.
- For more information, see the *T2 Corporation – Income Tax Guide*.

**Part 1 – Charitable donations**

Charity/Recipient	Amount (\$100 or more only)
United Way	16,568
BTTB	161
United Way - Amazing Race	200
Our Youth at Work Association	2,000
St. Joseph Villa	100
Share the Warmth	4,200
United Way - Burl/Ham	20,000
United Way - Toronto	137
<b>Subtotal</b>	<b>43,366</b>
<b>Add: Total donations of less than \$100 each</b>	
<b>Total donations in current tax year</b>	<b>43,366</b>

	Federal	Quebec	Alberta
Charitable donations at the end of the previous tax year			
<b>Deduct:</b> Charitable donations expired after five tax years	239		
Charitable donations at the beginning of the tax year	240		
<b>Add:</b>			
Charitable donations transferred on an amalgamation or the wind-up of a subsidiary	250		
Total current-year charitable donations made (enter this amount on line 112 of Schedule 1)	210	43,366	
<b>Subtotal (line 250 plus line 210)</b>	43,366	43,366	43,366
<b>Deduct:</b> Adjustment for an acquisition of control (for donations made after March 22, 2004)	255		
Total charitable donations available	43,366	43,366	43,366
<b>Deduct:</b> Amount applied against taxable income (cannot be more than amount K in Part 2) (enter this amount on line 311 of the T2 return)	260	43,366	43,366
Charitable donations closing balance	280		

**Amounts carried forward – Charitable donations**

Year of origin:		Federal	Quebec	Alberta
1 <sup>st</sup> prior year	2007			
2 <sup>nd</sup> prior year	2006			
3 <sup>rd</sup> prior year	2005			
4 <sup>th</sup> prior year	2004			
5 <sup>th</sup> prior year	2003			
6 <sup>th</sup> prior year *	2002			
<b>Total (to line A)</b>				

\* These donations expired in the current year.

**Part 2 – Calculation of the maximum allowable deduction for charitable donations**

Net income for tax purposes* multiplied by 75 %		6,582,657	B
Taxable capital gains arising in respect of gifts of capital property included in Part 1 **	225		C
Taxable capital gain in respect of deemed gifts of non-qualifying securities per subsection 40(1.01)	227		D
The amount of the recapture of capital cost allowance in respect of charitable gifts	230		
Proceeds of disposition, less outlays and expenses **		E	
Capital cost **		F	
Amount E or F, whichever is less	235		
Amount on line 230 or 235, whichever is less			G
			Subtotal (add amounts C, D, and G)
			H
			Amount H multiplied by 25 %
			I
			Subtotal (amount B plus amount I)
		6,582,657	J
<b>Maximum allowable deduction for charitable donations</b> (enter amount A from Part 1, amount J, or net income for tax purposes, whichever is less)		43,366	K

\* For credit unions, this amount is before the deduction of payments pursuant to allocations in proportion to borrowing and bonus interest.

\*\* This amount must be prorated by the following calculation: eligible amount of the gift divided by the proceeds of disposition of the gift.

**Part 3 – Gifts to Canada, a province, or a territory**

Gifts to Canada, a province, or a territory at the end of the previous tax year			
<b>Deduct:</b> Gifts to Canada, a province, or a territory expired after five tax years	339		
Gifts to Canada, a province, or a territory at the beginning of the tax year	340		
<b>Add:</b> Gifts to Canada, a province, or a territory transferred on an amalgamation or the windup of a subsidiary	350		
Total current-year gifts made to Canada, a province, or a territory *	310		
			Subtotal (line 350 plus line 310)
<b>Deduct:</b> Adjustment for an acquisition of control (for gifts made after March 22, 2004)		355	
Total gifts to Canada, a province, or a territory available			
<b>Deduct:</b> Amount applied against taxable income (enter this amount on line 312 of the T2 return).		360	
Gifts to Canada, a province, or a territory closing balance		380	

\* Not applicable for gifts made after February 18, 1997, unless a written agreement was made before this date. If no written agreement exists, enter the amount on line 210 and complete Part 2.

**Part 4 – Gifts of certified cultural property**

	Federal	Quebec	Alberta
Gifts of certified cultural property at the end of the previous tax year			
<b>Deduct:</b> Gifts of certified cultural property expired after five tax years	439		
Gifts of certified cultural property at the beginning of the tax year	440		
<b>Add:</b> Gifts of certified cultural property transferred on an amalgamation or the windup of a subsidiary	450		
Total current-year gifts of certified cultural property	410		
Subtotal (line 450 plus line 410)			
<b>Deduct:</b> Adjustment for an acquisition of control (for gifts made after March 22, 2004)	455		
Total gifts of certified cultural property available			
<b>Deduct:</b> Amount applied against taxable income (enter this amount on line 313 of the T2 return)	460		
Gifts of certified cultural property closing balance	480		

**Amount carried forward – Gifts of certified cultural property**

Year of origin:	Federal	Quebec	Alberta
1 <sup>st</sup> prior year	2007		
2 <sup>nd</sup> prior year	2006		
3 <sup>rd</sup> prior year	2005		
4 <sup>th</sup> prior year	2004		
5 <sup>th</sup> prior year	2003		
6 <sup>th</sup> prior year *	2002		
<b>Total</b>			

\* These donations expired in the current year.

**Part 5 – Gifts of certified ecologically sensitive land**

	Federal	Quebec	Alberta
Gifts of certified ecologically sensitive land at the end of the previous tax year			
<b>Deduct:</b> Gifts of certified ecologically sensitive land expired after five tax years	539		
Gifts of certified ecologically sensitive land at the beginning of the tax year	540		
<b>Add:</b> Gifts of certified ecologically sensitive land transferred on an amalgamation or the windup of a subsidiary	550		
Total current-year gifts of certified ecologically sensitive land	510		
Subtotal (line 550 plus line 510)			
<b>Deduct:</b> Adjustment for an acquisition of control (for gifts made after March 22, 2004)	555		
Total gifts of certified ecologically sensitive land available			
<b>Deduct:</b> Amount applied against taxable income (enter this amount on line 314 of the T2 return)	560		
Gifts of certified ecologically sensitive land closing balance	580		

**Amounts carried forward – Gifts of certified ecologically sensitive land**

Year of origin:	Federal	Quebec	Alberta
1 <sup>st</sup> prior year	2007		
2 <sup>nd</sup> prior year	2006		
3 <sup>rd</sup> prior year	2005		
4 <sup>th</sup> prior year	2004		
5 <sup>th</sup> prior year	2003		
6 <sup>th</sup> prior year *	2002		
<b>Total</b>			

\* These donations expired in the current year.

**Part 6 – Additional deduction for gifts of medicine**

	Federal	Quebec	Alberta
Additional deduction for gifts of medicine at the end of the previous tax year			
<b>Deduct:</b> Additional deduction for gifts of medicine expired after five tax years	<b>639</b>		
Additional deduction for gifts of medicine at the beginning of the tax year	<b>640</b>		
<b>Add:</b> Additional deduction for gifts of medicine transferred on an amalgamation or the wind-up of a subsidiary	<b>650</b>		
Additional deduction for gifts of medicine for the current year:			
Proceeds of disposition	<b>602</b>	1	1
Cost of gifts of medicine	<b>601</b>	2	2
Subtotal (line 1 minus line 2)		3	3
Line 3 multiplied by 50 %		4	4
Eligible amount of gifts	<b>600</b>	5	5
<p><b>Federal</b></p> $A \times \left( \frac{B}{C} \right) = \text{Additional deduction for gifts of medicine for the current year } \mathbf{610}$ <p><b>Quebec</b></p> $A \times \left( \frac{B}{C} \right) = \text{Additional deduction for gifts of medicine for the current year}$ <p><b>Alberta</b></p> $A \times \left( \frac{B}{C} \right) = \text{Additional deduction for gifts of medicine for the current year}$			
where:			
A is the <b>lesser</b> of line 2 and line 4			
B is the eligible amount of gifts (line 600)			
C is the proceeds of disposition (line 602)			
Subtotal (line 650 plus line 610)			
<b>Deduct:</b> Adjustment for an acquisition of control	<b>655</b>		
Total additional deduction for gifts of medicine available			
<b>Deduct:</b> Amount applied against taxable income (enter this amount on line 315 of the T2 return)	<b>660</b>		
Additional deduction for gifts of medicine closing balance	<b>680</b>		

**Amounts carried forward – Additional deduction for gifts of medicine**

Year of origin:	Federal	Quebec	Alberta
1 <sup>st</sup> prior year	2007		
2 <sup>nd</sup> prior year	2006		
3 <sup>rd</sup> prior year	2005		
4 <sup>th</sup> prior year	2004		
5 <sup>th</sup> prior year	2003		
6 <sup>th</sup> prior year *	2002		
<b>Total</b>			

\* These donations expired in the current year.



**DIVIDENDS RECEIVED, TAXABLE DIVIDENDS PAID, AND PART IV TAX CALCULATION**

**SCHEDULE 3**

Name of corporation BURLINGTON HYDRO INC.	Business Number 86829 1980 RC0001	Tax year end Year Month Day 2008-12-31
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- This schedule is for the use of any corporation to report:
  - non-taxable dividends under section 83;
  - deductible dividends under subsection 138(6);
  - taxable dividends deductible from income under section 112, subsection 113(2) and paragraphs 113(1)(a), (b) or (d); or
  - taxable dividends paid for purposes of a dividend refund.
- The calculations in this schedule apply only to private or subject corporations.
- Parts, sections, subsections, and paragraphs referred to on this schedule are from the federal *Income Tax Act*.
- A recipient corporation is connected with a payer corporation at any time in a taxation year, if at that time the recipient corporation:
  - controls the payer corporation, other than because of a right referred to in paragraph 251(5)(b); or
  - owns more than 10% of the issued share capital (with full voting rights), and shares that have a fair market value of more than 10% of the fair market value of all shares of the payer corporation.
- File one completed copy of this schedule with your *T2 Corporation Income Tax Return*.
- For more information, see the sections about Schedule 3 in the *T2 Corporation Income Tax Guide*.
- "X" under column A if dividend received from a foreign source (connected corporation only).
- "X" under column B if the payer corporation is connected.
- Enter in column F1, the amount of dividends received reported in column 240 that are eligible.
- Under column F2, enter the code that applies to the deductible taxable dividend.

**Part 1 – Dividends received during the taxation year**

**Do not include dividends received from foreign non-affiliates.**

Name of payer corporation (Use only one line per corporation, abbreviating its name if necessary)	A	Complete if payer corporation is connected			E Non-taxable dividend under section 83
		B	C Business Number	D Taxation year end of the payer corporation in which the sections 112/113 and subsection 138(6) dividends were paid YYYY/MM/DD	
<b>200</b>		<b>205</b>	<b>210</b>	<b>220</b>	<b>230</b>
1					
Total					

**Note:** If your corporation's taxation year end is different than that of the connected payer corporation, your corporation could have received dividends from more than one taxation year of the payer corporation. If so, use a separate line to provide the information for each taxation year of the payer corporation.

F Taxable dividends deductible from taxable income under section 112, subsections 113(2) and 138(6), and paragraphs 113(1)(a), (b), or (d)	F1 Eligible dividends	F2	If payer corporation is not connected, leave these columns blank.		I Part IV tax before deductions F x 1 / 3 *
			G Total taxable dividends paid by connected payer corporation	H Dividend refund of the connected payer corporation	
<b>240</b>			<b>250</b>	<b>260</b>	<b>270</b>
1					
Total (enter amount of column F on line 320 of the T2 return)					
<b>J</b>					

For dividends received from connected corporations: Part IV tax equals:  $\frac{\text{Column F} \times \text{Column H}}{\text{Column G}}$

\* Life insurers are not subject to Part IV tax on subsection 138(6) dividends.  
Public corporations (other than subject corporations) do not need to calculate Part IV tax.

**Part 2 – Calculation of Part IV tax payable**

Part IV tax before deductions (amount J in Part 1) .....

**Deduct:**  
Part IV.I tax payable on dividends subject to Part IV tax ..... **320** \_\_\_\_\_  
Subtotal .....

**Deduct:**  
Current-year non-capital loss claimed to reduce Part IV tax ..... **330** \_\_\_\_\_  
Non-capital losses from previous years claimed to reduce Part IV tax ..... **335** \_\_\_\_\_  
Current-year farm loss claimed to reduce Part IV tax ..... **340** \_\_\_\_\_  
Farm losses from previous years claimed to reduce Part IV tax ..... **345** \_\_\_\_\_  
Total losses applied against Part IV tax .....  $\times 1 / 3 =$  \_\_\_\_\_

Part IV tax payable (enter amount on line 712 of the T2 return) ..... **360** \_\_\_\_\_

**Part 3 – Taxable dividends paid in the taxation year for purposes of a dividend refund**

A	B	C	D
Name of connected recipient corporation	Business Number	Taxation year end of connected recipient corporation in which the dividends in column D were received YYYY/MM/DD	Taxable dividends paid to connected corporations
<b>400</b>	<b>410</b>	<b>420</b>	<b>430</b>
1 BURLINGTON HYDRO ELE.	88361 4927 RC0001	2008-12-31	4,700,000
2			

**Note**  
If your corporation's taxation year end is different than that of the connected recipient corporation, your corporation could have paid dividends in more than one taxation year of the recipient corporation. If so, use a separate line to provide the information for each taxation year of the recipient corporation.

**Total** 4,700,000

Total taxable dividends paid in the taxation year to other than connected corporations ..... **450** \_\_\_\_\_

Total taxable dividends paid in the taxation year for the purposes of a dividend refund (total of column D above plus line 450) ..... **460** 4,700,000

**Part 4 – Total dividends paid in the taxation year**

Complete this part if the total taxable dividends paid in the taxation year for purposes of a dividend refund (line 460 above) is different from the total dividends paid in the taxation year.

Total taxable dividends paid in the taxation year for the purposes of a dividend refund (from above) ..... **460** 4,700,000

Other dividends paid in the taxation year (total of 510 to 540) .....

Total dividends paid in the taxation year ..... **500** 4,700,000

**Deduct:**  
Dividends paid out of capital dividend account ..... **510** \_\_\_\_\_  
Capital gains dividends ..... **520** \_\_\_\_\_  
Dividends paid on shares described in subsection 129(1.2) ..... **530** \_\_\_\_\_  
Taxable dividends paid to a controlling corporation that was bankrupt at any time in the year ..... **540** \_\_\_\_\_  
Subtotal ..... 4,700,000

Total taxable dividends paid in the taxation year for purposes of a dividend refund ..... 4,700,000

**CORPORATION LOSS CONTINUITY AND APPLICATION**

Name of corporation <b>BURLINGTON HYDRO INC.</b>	Business Number <b>86829 1980 RC0001</b>	Tax year-end Year Month Day <b>2008-12-31</b>
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- This form is used to determine the continuity and use of available losses; to determine the current-year non-capital loss, farm loss, restricted farm loss, and limited partnership loss; to determine the amount of restricted farm loss and limited partnership loss that may be applied in a year; and to request a loss carryback to previous years.
- The corporation can choose whether or not to deduct an available loss from income in a tax year. It can deduct losses in any order. However, for each type of loss, deduct the oldest loss first.
- According to subsection 111(4) of the *Income Tax Act*, when control has been acquired, no amount of capital loss incurred for a tax year ending (TYE) before that time is deductible in computing taxable income in a TYE after that time **and** no amount of capital loss incurred in a TYE after that time is deductible in computing taxable income of a TYE before that time.
- When control has been acquired, subsection 111(5) provides for similar treatment of non-capital and farm losses, except as listed in paragraphs 111(5)(a) and (b).
- For information on these losses, see the *T2 Corporation – Income Tax Guide*.
- File one completed copy of this schedule with the T2 return, or send it by itself to the tax centre where the return is filed.
- Parts, sections, subsections, paragraphs, and subparagraphs mentioned in this schedule refer to the *Income Tax Act*.

**Part 1 – Non-capital losses**

**Determination of current-year non-capital loss**

Net income (loss) for income tax purposes	8,776,876
<b>Deduct:</b> (increase a loss)	
Net capital losses deducted in the year (enter as a positive amount)	
Taxable dividends deductible under sections 112, 113, or subsection 138(6)	
Amount of Part VI.1 tax deductible	
Amount deductible as prospector's and grubstaker's shares – Paragraph 110(1)(d.2)	
<b>Deduct:</b> (increase a loss)	Subtotal (if positive, enter "0")
Section 110.5 and/or subparagraph 115(1)(a)(vii) – Addition for foreign tax deductions	
<b>Add:</b> (decrease a loss)	Subtotal
Current-year farm loss	
Current-year non-capital loss (if positive, enter "0")	

**Continuity of non-capital losses and request for a carryback**

Non-capital loss at the end of the previous tax year	
<b>Deduct:</b> Non-capital loss expired *	<b>100</b>
Non-capital losses at the beginning of the tax year	<b>102</b>
<b>Add:</b> Non-capital losses transferred on the amalgamation or the wind-up of a subsidiary corporation	<b>105</b>
Current-year non-capital loss (from calculation above)	<b>110</b>
<b>Deduct:</b>	
Other adjustments (includes adjustments for an acquisition of control)	<b>150</b>
Section 80 – Adjustments for forgiven amounts	<b>140</b>
Subsection 111(10) – Adjustments for fuel tax rebate	
<b>Deduct:</b>	
Amount applied against taxable income (enter on line 331 of the T2 return)	<b>130</b>
Amount applied against taxable dividends subject to Part IV tax	<b>135</b>
	Subtotal
<b>Deduct – Request to carry back non-capital loss to:</b>	
First previous tax year to reduce taxable income	<b>901</b>
Second previous tax year to reduce taxable income	<b>902</b>
Third previous tax year to reduce taxable income	<b>903</b>
First previous tax year to reduce taxable dividends subject to Part IV tax	<b>911</b>
Second previous tax year to reduce taxable dividends subject to Part IV tax	<b>912</b>
Third previous tax year to reduce taxable dividends subject to Part IV tax	<b>913</b>
Non-capital losses – Closing balance	<b>180</b>

\* A non-capital loss expires as follows:

- After **7** tax years if it arose in a tax year ending before March 23, 2004;
- After **10** tax years if it arose in a tax year ending after March 22, 2004, and before 2006; or
- After **20** tax years if it arose in a tax year ending after 2005.

An allowable business investment loss becomes a net capital loss as follows:

- After **7** tax years if it arose in a tax year ending before March 23, 2004;
- After **10** tax years if it arose in a tax year ending after March 22, 2004.

**Election under paragraph 88(1.1)(f)**

Paragraph 88(1.1)(f) election indicator ..... **190** Yes   
 Loss from a wholly owned subsidiary deemed to be a loss of the parent from its immediately previous tax year.

**Part 2 - Capital losses**

**Continuity of capital losses and request for a carryback**

Capital losses at the end of the previous tax year	<b>200</b>	113,555	
Capital losses transferred on the amalgamation or the wind-up of a subsidiary corporation	<b>205</b>		113,555
<b>Deduct:</b>			
Other adjustments (includes adjustments for an acquisition of control)	<b>250</b>		
Section 80 – Adjustments for forgiven amounts	<b>240</b>		
<b>Add:</b>		Subtotal	113,555
Current-year capital loss (from the calculation on Schedule 6)	<b>210</b>		
Unused non-capital losses that expired in the tax year*			<b>A</b>
Allowable business investment losses (ABIL) that expired as non-capital losses in the tax year**			<b>B</b>
Enter amount from line A or B, whichever is less	<b>215</b>		
ABILs expired as non-capital loss:			
line 215 divided by the inclusion rate*** 75.0000 %		<b>220</b>	
		Subtotal	113,555
<b>Note:</b> If there has been an amalgamation or a wind-up of a subsidiary, do a separate calculation of the ABIL expired as non-capital loss for each predecessor or subsidiary. Add all these amounts and enter the total at line 220 above.			
<b>Deduct:</b> Amount applied against the current-year capital gain (see Note 1)		<b>225</b>	
		Subtotal	113,555
<b>Deduct – Request to carry back capital loss to (see Note 2):</b>			
	Capital gain (100%)		Amount carried back (100%)
First previous tax year		<b>951</b>	
Second previous tax year	1,420	<b>952</b>	
Third previous tax year		<b>953</b>	
Capital losses – Closing balance		<b>280</b>	113,555

**Note 1**  
Enter the amount from line 225 multiplied by 50% on line 332 of the T2 return.

**Note 2**  
On lines 225, 951, 952, or 953, whichever applies, enter the actual amount of the loss. When the loss is applied, multiply this amount by the 50% inclusion rate.

\* Enter the losses from the 8th previous tax year if the losses were incurred in a tax year ending before March 23, 2004. Enter the losses from the 11th previous tax year if the losses were incurred in a tax year ending after March 22, 2004, and before 2006. Enter the losses from the 21st previous tax year if the losses were incurred in a tax year ending after 2005. Enter the part that was not used in previous years and the current year on line A.

\*\* Enter the losses from the 8th previous tax year if the losses were incurred in a tax year ending before March 23, 2004. Enter the losses from the 11th previous tax year if the losses were incurred in a tax year ending after March 22, 2004. Enter the full amount on line B.

\*\*\* This inclusion rate is the rate used to calculate your ABIL referred to at line B. Therefore, use one of the following inclusion rates, whichever applies:

- For ABILs incurred in the 1999 and previous tax years, use 0.75.
- For ABILs incurred in the 2000 and 2001 tax years, the inclusion rate is equal to amount M on Schedule 6 - version T2SCH6(01).
- For ABILs incurred in the 2002 and later tax years, use 0.50.

**Part 3 – Farm losses**

**Continuity of farm losses and request for a carryback**

Farm losses at the end of the previous tax year	.....		
<b>Deduct:</b> Farm loss expired *	.....	<b>300</b>	
Farm losses at the beginning of the tax year	.....	<b>302</b>	
<b>Add:</b> Farm losses transferred on the amalgamation or the wind-up of a subsidiary corporation	.....	<b>305</b>	
Current-year farm loss	.....	<b>310</b>	
<b>Deduct:</b>			
Other adjustments (includes adjustments for an acquisition of control)	.....	<b>350</b>	
Section 80 – Adjustments for forgiven amounts	.....	<b>340</b>	
Amount applied against taxable income (enter on line 334 of the T2 return)	.....	<b>330</b>	
Amount applied against taxable dividends subject to Part IV tax	.....	<b>335</b>	
			Subtotal
<b>Deduct – Request to carry back farm loss to:</b>			
First previous tax year to reduce taxable income	.....	<b>921</b>	
Second previous tax year to reduce taxable income	.....	<b>922</b>	
Third previous tax year to reduce taxable income	.....	<b>923</b>	
First previous tax year to reduce taxable dividends subject to Part IV tax	.....	<b>931</b>	
Second previous tax year to reduce taxable dividends subject to Part IV tax	.....	<b>932</b>	
Third previous tax year to reduce taxable dividends subject to Part IV tax	.....	<b>933</b>	
Farm losses – Closing balance	.....		<b>380</b>

\* A farm loss expires as follows:  
 • After **10** tax years if it arose in a tax year ending before 2006; or  
 • After **20** tax years if it arose in a tax year ending after 2005.

**Part 4 – Restricted farm losses**

**Current-year restricted farm loss**

Total losses for the year from farming business	.....	<b>485</b>		<b>C</b>
<b>Minus</b> the deductible farm loss:				
\$2,500 plus D or E, whichever is less		\$	2,500	
(Amount C above _____ – \$2,500) divided by 2 =		<b>D</b>		
		\$	6,250	<b>E</b>
Current-year restricted farm loss (amount C minus amount F) (enter this amount on line 410)	.....			<b>2,500 F</b>

**Continuity of restricted farm losses and request for a carryback**

Restricted farm losses at the end of the previous tax year	.....		
<b>Deduct:</b> Restricted farm loss expired *	.....	<b>400</b>	
Restricted farm losses at the beginning of the tax year	.....	<b>402</b>	
<b>Add:</b> Restricted farm losses transferred on the amalgamation or the wind-up of a subsidiary corporation	.....	<b>405</b>	
Current-year restricted farm loss (enter on line 233 of Schedule 1)	.....	<b>410</b>	
<b>Deduct:</b>			
Amount applied against farming income (enter on line 333 of the T2 return)	.....	<b>430</b>	
Section 80 – Adjustments for forgiven amounts	.....	<b>440</b>	
Other adjustments	.....	<b>450</b>	
			Subtotal
<b>Deduct – Request to carry back restricted farm loss to:</b>			
First previous tax year to reduce farming income	.....	<b>941</b>	
Second previous tax year to reduce farming income	.....	<b>942</b>	
Third previous tax year to reduce farming income	.....	<b>943</b>	
Restricted farm losses – Closing balance	.....		<b>480</b>

**Note**  
 The total losses for the year from all farming businesses are calculated without including scientific research expenses.

\* A restricted farm loss expires as follows:  
 • After **10** tax years if it arose in a tax year ending before 2006; or  
 • After **20** tax years if it arose in a tax year ending after 2005.

**Part 5 – Listed personal property losses**

**Continuity of listed personal property loss and request for a carryback**

Listed personal property losses at the end of the previous tax year .....			
<b>Deduct:</b> Listed personal property loss expired after seven tax years .....		<b>500</b>	
Listed personal property losses at the beginning of the tax year .....		<b>502</b>	
<b>Add:</b> Current-year listed personal property loss (from Schedule 6) .....		<b>510</b>	
			Subtotal
<b>Deduct:</b>			
Amount applied against listed personal property gains (enter on line 655 of Schedule 6) .....	<b>530</b>		
Other adjustments .....	<b>550</b>		
			Subtotal
<b>Deduct – Request to carry back listed personal property loss to:</b>			
First previous tax year to reduce listed personal property gains .....	<b>961</b>		
Second previous tax year to reduce listed personal property gains .....	<b>962</b>		
Third previous tax year to reduce listed personal property gains .....	<b>963</b>		
Listed personal property losses – Closing balance .....		<b>580</b>	

**Part 7 – Limited partnership losses**

Current-year limited partnership losses						
1	2	3	4	5	6	7
Partnership identifier	Fiscal period ending	Corporation's share of limited partnership loss	Corporation's at-risk amount	Total of corporation's share of partnership investment tax credit, farming losses, and resource expenses	Column 4 <b>minus</b> column 5  (if negative, enter "0")	Current-year limited partnership losses  (column 3 - 6)
<b>600</b>	<b>602</b>	<b>604</b>	<b>606</b>	<b>608</b>		<b>620</b>

Total (enter this amount on line 222 of Schedule 1)

Limited partnership losses from prior tax years that may be applied in the current year						
1	2	3	4	5	6	7
Partnership identifier	Fiscal period ending	Limited partnership losses at the end of the previous tax year	Corporation's at-risk amount	Total of corporation's share of partnership investment tax credit, business or property losses, and resource expenses	Column 4 <b>minus</b> column 5  (if negative, enter "0")	Limited partnership losses that may be applied in the year.  (the lesser of columns 3 and 6)
<b>630</b>	<b>632</b>	<b>634</b>	<b>636</b>	<b>638</b>		<b>650</b>

Continuity of limited partnership losses that can be carried forward to future tax years					
Partnership identifier	Limited partnership losses at the end of the previous tax year	Limited partnership losses transferred on an amalgamation or the wind-up of a subsidiary	Current-year limited partnership losses (from column 620)	Limited partnership losses applied (cannot exceed column 650)	Limited partnership losses closing balance (662 + 664 + 670 - 675)
<b>660</b>	<b>662</b>	<b>664</b>	<b>670</b>	<b>675</b>	<b>680</b>

Total (enter this amount on line 335 of the T2 return)

## CALCULATION OF AGGREGATE INVESTMENT INCOME AND ACTIVE BUSINESS INCOME

Name of corporation	Business Number	Tax year end Year Month Day
BURLINGTON HYDRO INC.	86829 1980 RC0001	2008-12-31

- This schedule is for the use of Canadian-controlled private corporations to calculate:
  - aggregate investment income and foreign investment income for the purpose of determining the refundable portion of Part I tax, as defined in subsection 129(4) of the *Income Tax Act*;
  - specified partnership income for members of one or more partnership(s); and
  - income from an active business carried on in Canada for the small business deduction.
- For more information, see the sections called "Small Business Deduction" and "Refundable Portion of Part 1 Tax" in the *T2 Corporation – Income Tax Guide*.

### Part 1 and Part 2 – Aggregate and foreign investment income calculation

	Canadian investment income	Foreign investment income	Aggregate investment income	
Eligible portion of taxable capital gains included in the income for the year before taking into account the capital gains reserve (federal) of Schedule 13				A1
Reserve's eligible portion (addition/deduction)				A2
Eligible portion of taxable capital gains included in the income for the year after taking into account the capital gains reserve (federal) of Schedule 13 (total of amounts A1 and A2)		<b>001</b>	<b>002</b>	A
Eligible portion of allowable capital losses for the year (including allowable business investment losses)		<b>009</b>	<b>012</b>	B
Net capital losses of other years claimed on line 332 on the T2 return			<b>022</b>	C
Total of amounts B and C				D
Amount A <b>minus</b> amount D (if negative, enter "0")				E
Total income from property (in box 32 include income from a specified investment business carried on in Canada other than income from a source outside Canada)				
Taxable dividends				
Other property income				
Total income from property		<b>019</b>	<b>032</b>	F
Exempt income		<b>029</b>	<b>042</b>	G
Amounts received from NISA Fund No. 2 (AGRI) that were included in computing the corporation's income for the year			<b>052</b>	H
Taxable dividends deductible (total of Column F on Schedule 3)		<b>049</b>	<b>062</b>	I
Business income from an interest in a trust that is considered property income under paragraph 108(5)(a)		<b>059</b>	<b>072</b>	J
Total of amounts G, H, I, and J				K
Amount F <b>minus</b> amount K				L
Total of amount E <b>plus</b> amount L				M
Total losses from property (in box 82 include losses from a specified investment business carried on in Canada other than a loss from a source outside Canada)		<b>069</b>	<b>082</b>	N
Amount M <b>minus</b> amount N (if negative, enter "0")		<b>079</b> L	<b>092</b> O	

**Note:** The aggregate investment income is the aggregate world source income.

Enter amount L, foreign investment income, on line 445 of the T2 return.

Enter amount O, aggregate investment income, on line 440 of the T2 return.



Net taxable dividends	Canadian	Foreign	Total
Taxable dividends deducted per schedule 3			
<b>Less:</b> Expenses related to such dividends			
Total expenses			
Net taxable dividends			

**Part 3 – Specified partnership income**

A		B		C	
Partnership name		Total income (loss) of partnership from an active business		Corporation's share of amount in column B	
<b>200</b>		<b>300</b>		<b>310</b>	
D	E	F	G	H	I
Adjustments [add prior-year reserves under subsection 34.2(5), and deduct expenses incurred to earn partnership income, including any reserve under subsection 34.2(4)]	Corporation's income (loss) of the partnership (column C plus column D)	Number of days in the partnership's fiscal period	Prorated business limit (column C ÷ column B) × [business limit* × (column F ÷ 365)] (if column C is negative, enter "0")**	Column E minus column G (if negative, enter "0")	Lesser of columns E and G (if column E is negative, enter "0")
<b>315</b>	<b>320</b>	<b>325</b>	<b>330</b>		<b>340</b>
<b>Total</b>		<b>Total</b>			
<b>350</b>		<b>385</b>		<b>360</b>	

Corporation's losses for the year from an active business carried on in Canada (other than as a member of a partnership) – enter as a positive amount . . . . . **370**

Specified partnership loss of the corporation for the year – enter as a positive amount (total of all negative amounts in column E) . . . . . **380**

Total of lines 370 and 380 . . . . . **J**

Amount at line 385 or line J, whichever is less . . . . . **390**

**Specified partnership income** (line 360 plus line 390) . . . . . **400**

\* Use one of the following business limits to calculate column G, whichever applies:

- \$250,000 if the corporation's tax year ends in 2004;
- \$300,000 if the corporation's tax year ends in 2005 or 2006; or
- \$400,000 if the corporation's tax year ends after 2006.

\*\* When a partnership carries on more than one business, one of which generates income and another of which realizes a loss, the loss is not netted against the partnership's income.

**Part 4 – Determination of partnership income**

Corporation's share of partnership income from active businesses carried on in Canada after deducting related expenses – from line 350 above (if the net amount is negative, enter "0" on line O) . . . . .	K
<b>Add:</b> Specified partnership loss (from line 380 above) . . . . .	L
Subtotal	M
<b>Deduct:</b> Specified partnership income (from line 400 above) . . . . .	N
<b>Partnership income</b> (enter on line S below) . . . . . <b>450</b>	O

**Part 5 – Income from active business carried on in Canada**

Net income for income tax purposes from line 300 of the T2 return .....		8,776,876	P
<b>Deduct:</b> Foreign business income after deducting related expenses* .....	<b>500</b>		
Taxable capital gains <b>minus</b> allowable capital loss – amount A <b>minus</b> amount B* (page 1)** .....			
Net property income = amount F <b>minus</b> amount G, H, and N* (page 1)			Q
Personal services business income after deducting related expenses* .....	<b>520</b>		
			▶
		Net amount	
		8,776,876	R
<b>Deduct:</b> Partnership income (line 450 above) .....			S
<b>Income from active business carried on in Canada</b> (enter on line 400 of the T2 return – if negative, enter "0")		8,776,876	T

\* If negative, **add** instead of **subtracting**.

\*\*This amount may only be negative to the extent of any allowable business investment losses.

**CAPITAL COST ALLOWANCE (CCA)**

Name of corporation <b>BURLINGTON HYDRO INC.</b>	Business Number <b>86829 1980 RC0001</b>	Tax year end Year Month Day <b>2008-12-31</b>
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For more information, see the section called "Capital Cost Allowance" in the *T2 Corporation Income Tax Guide*.

Is the corporation electing under regulation 1101(5q)? **101** 1 Yes  2 No

1 Class number	Description	2 Undepreciated capital cost at the beginning of the year (undepreciated capital cost at the end of last year)	3 Cost of acquisitions during the year (new property must be available for use)*	4 Net adjustments**	5 Proceeds of dispositions during the year (amount not to exceed the capital cost)	6 50% rule (1/2 of the amount, if any, by which the net cost of acquisitions exceeds column 5)***	7 Reduced undepreciated capital cost	8 CCA rate %	9 Recapture of capital cost allowance (line 107 of Schedule 1)	10 Terminal loss (line 404 of Schedule 1)	11 Capital cost allowance (column 7 multiplied by column 8; or a lower amount) (line 403 of Schedule 1)****	12 Undepreciated capital cost at the end of the year (column 6 plus column 7 minus column 11)
<b>200</b>		<b>201</b>	<b>203</b>	<b>205</b>	<b>207</b>	<b>211</b>		<b>212</b>	<b>213</b>	<b>215</b>	<b>217</b>	<b>220</b>
1		85,219,460	740,723		0	370,362	85,589,821	4	0	0	3,423,593	82,536,590
2		5,382,128	89,646		0	44,823	5,426,951	20	0	0	1,085,390	4,386,384
3		854,394	491,109		50,949	220,080	1,074,474	30	0	0	322,342	972,212
4		97,878	364,477		0	182,239	280,116	100	0	0	280,116	182,239
5		111,248			0		111,248	45	0	0	50,062	61,186
6	distribution equipment post Feb	11,566,680	7,728,107		0	3,864,054	15,430,733	8	0	0	1,234,459	18,060,328
7	Computers		50,532		0	25,266	25,266	55	0	0	13,896	36,636
<b>Total</b>		<b>103,231,788</b>	<b>9,464,594</b>		<b>50,949</b>	<b>4,706,824</b>	<b>107,938,609</b>				<b>6,409,858</b>	<b>106,235,575</b>

\* Include any property acquired in previous years that has now become available for use. This property would have been previously excluded from column 3. List separately any acquisitions that are not subject to the 50% rule, see Regulation 1100(2) and (2.2).  
 \*\* Include amounts transferred under section 85, or on amalgamation and winding-up of a subsidiary. See the *T2 Corporation Income Tax Guide* for other examples of adjustments to include in column 4.  
 \*\*\* The net cost of acquisitions is the cost of acquisitions (column 3) plus or minus certain adjustments from column 4. For exceptions to the 50% rule, see Interpretation Bulletin IT-285, *Capital Cost Allowance – General Comments*.  
 \*\*\*\* If the tax year is shorter than 365 days, prorate the CCA claim. Some classes of property do not have to be prorated. See the *T2 Corporation Income Tax Guide* for more information.

# Fixed Assets Reconciliation

Reconciliation of change in fixed assets per financial statements to amounts used per tax return.

<b>Tax return</b>		
Additions for tax purposes – Schedule 8 regular classes		9,464,594
Additions for tax purposes – Schedule 8 leasehold improvements	+	
Operating leases capitalized for book purposes	+	
Capital gain deferred	+	
Recapture deferred	+	
Deductible expenses capitalized for book purposes – Schedule 1	+	
Additions included in CEC	+	
<b>Total additions per books</b>	<b>=</b>	9,464,594 ▶ 9,464,594
Proceeds up to original cost – Schedule 8 regular classes		50,949
Proceeds up to original cost – Schedule 8 leasehold improvements	+	
Proceeds in excess of original cost – capital gain	+	
Recapture deferred – as above	+	
Capital gain deferred – as above	+	
Pre V-day appreciation	+	
<b>Total proceeds per books</b>	<b>=</b>	50,949 ▶ 50,949
Depreciation and amortization per accounts – Schedule 1	-	6,597,196
Loss on disposal of fixed assets per accounts	-	
Gain on disposal of fixed assets per accounts	+	50,949
<b>Net change per tax return</b>	<b>=</b>	2,867,398

<b>Financial statements</b>		
<b>Fixed assets (excluding land) per financial statements</b>		
Closing net book value		81,061,926
Opening net book value	-	78,194,832
<b>Net change per financial statements</b>	<b>=</b>	2,867,094

If the amounts from the tax return and the financial statements differ, explain why below.

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**RELATED AND ASSOCIATED CORPORATIONS**

Name of corporation BURLINGTON HYDRO INC.	Business Number 86829 1980 RC0001	Tax year end Year Month Day 2008-12-31
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This schedule is to be completed by a corporation having one or more of the following:

- related corporation(s)
- associated corporations(s)

	<b>100</b> Name	<b>200</b> Country of residence (if other than Canada)	<b>300</b> Business Number (Canadian corporation only) (see note 1)	<b>400</b> Relation- ship code (see note 2)	<b>500</b> Number of common shares owned	<b>550</b> % of common shares owned	<b>600</b> Number of preferred shares owned	<b>650</b> % of preferred shares owned	<b>700</b> Book value of capital stock
1.	BURLINGTON ELECTRICITY SERVIC		86829 1782 RC0001	3					
2.	BURLINGTON HYDRO ELECTRIC IN		88361 4927 RC0001	1					

Note 1: Enter "NR" if a corporation is not registered.

Note 2: Enter the code number of the relationship that applies from the following order: 1 – Parent 2 – Subsidiary 3 – Associated 4 – Related, but not associated.

**CUMULATIVE ELIGIBLE CAPITAL DEDUCTION**

Name of corporation BURLINGTON HYDRO INC.	Business Number 86829 1980 RC0001	Tax year end Year Month Day 2008-12-31
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- For use by a corporation that has eligible capital property. For more information, see the *T2 Corporation Income Tax Guide*.
- A separate cumulative eligible capital account must be kept for each business.

**Part 1 – Calculation of current year deduction and carry-forward**

<b>Cumulative eligible capital - Balance at the end of the preceding taxation year</b> (if negative, enter "0")	<b>200</b>	125,668	A
<b>Add:</b> Cost of eligible capital property acquired during the taxation year	<b>222</b>		
Other adjustments	<b>226</b>		
Subtotal (line 222 plus line 226)			B
Non-taxable portion of a non-arm's length transferor's gain realized on the transfer of an eligible capital property to the corporation after December 20, 2002	<b>228</b>		C
amount B minus amount C (if negative, enter "0")			D
Amount transferred on amalgamation or wind-up of subsidiary	<b>224</b>		E
Subtotal (add amounts A, D, and E)	<b>230</b>	125,668	F
<b>Deduct:</b> Proceeds of sale (less outlays and expenses not otherwise deductible) from the disposition of all eligible capital property during the taxation year	<b>242</b>		G
The gross amount of a reduction in respect of a forgiven debt obligation as provided for in subsection 80(7)	<b>244</b>		H
Other adjustments	<b>246</b>		I
(add amounts G,H, and I)			J
<b>Cumulative eligible capital balance</b> (amount F minus amount J) (if amount K is negative, enter "0" at line M and proceed to Part 2)		125,668	K
Cumulative eligible capital for a property no longer owned after ceasing to carry on that business	<b>249</b>		
amount K		125,668	
less amount from line 249			
<b>Current year deduction</b>		125,668 x 7.00 % =	<b>250</b> 8,797 *
(line 249 plus line 250) (enter this amount at line 405 of Schedule 1)		8,797	L 8,797
<b>Cumulative eligible capital – Closing balance</b> (amount K minus amount L) (if negative, enter "0")	<b>300</b>	116,871	M

\* You can claim any amount up to the maximum deduction of 7%. The deduction may not exceed the maximum amount prorated by the number of days in the taxation year divided by 365.

**Part 2 – Amount to be included in income arising from disposition**

(complete this part only if the amount at line K is negative)

Amount from line K (show as positive amount)	.....	_____	N
Total of cumulative eligible capital (CEC) deductions from income for taxation years beginning after June 30, 1988	.....	<b>400</b> _____	1
Total of all amounts which reduced CEC in the current or prior years under subsection 80(7)	.....	<b>401</b> _____	2
Total of CEC deductions claimed for taxation years beginning before July 1, 1988	.....	<b>402</b> _____	3
Negative balances in the CEC account that were included in income for taxation years beginning before July 1, 1988	.....	<b>408</b> _____	4
Line 3 minus line 4 (if negative, enter "0")	.....	_____ ▶	5
Total of lines 1, 2 and 5	.....	_____	6
Amounts included in income under paragraph 14(1)(b), as that paragraph applied to taxation years ending after June 30, 1988 and before February 28, 2000, to the extent that it is for an amount described at line 400	.....	_____	7
Amounts at line T from Schedule 10 of previous taxation years ending after February 27, 2000	.....	_____	8
Subtotal (line 7 plus line 8)	.....	<b>409</b> _____ ▶	9
Line 6 minus line 9 (if negative, enter "0")	.....	_____ ▶	O
Line N minus line O (if negative, enter "0")	.....	_____	P
		Line 5 _____ x 1 / 2 = _____	Q
Line P minus line Q (if negative, enter "0")	.....	_____	R
		Amount R _____ x 2 / 3 = _____	S
Amount N or amount O, whichever is less	.....	_____	T
<b>Amount to be included in income</b> (amount S plus amount T) (enter this amount on line 108 of Schedule 1)	.....	<b>410</b> _____	

## Continuity of financial statement reserves (not deductible)

## Financial statement reserves (not deductible)

Description		Balance at the beginning of the year	Transfer on amalgamation or wind-up of subsidiary	Add	Deduct	Balance at the end of the year
1	LIABILITY FOR FUTURE BENEF	2,508,078		172,980		2,681,058
	Reserves from Part 2 of Schedule 13					
<b>Totals</b>		2,508,078		172,980		2,681,058

The total opening balance plus the total transfers should be entered on line 414 of Schedule 1 as a deduction.  
The total closing balance should be entered on line 126 of Schedule 1 as an addition.



**MISCELLANEOUS PAYMENTS TO RESIDENTS**

Name of corporation BURLINGTON HYDRO INC.	Business Number 86829 1980 RC0001	Tax year end Year Month Day 2008-12-31
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- This schedule must be completed by all corporations who made the following payments to residents of Canada: royalties for which the corporation has not filed a T5 slip; research and development fees; management fees; technical assistance fees; and similar payments.
- Please enter the name and address of the recipient and the amount of the payment in the applicable column. If several payments of the same type (i.e., management fees) were made to the same person, enter the total amount paid. If similar types of payments have been made, but do not fit into any of the categories, enter these amounts in the column entitled "Similar payments".

	<b>100</b>	<b>200</b>	<b>300</b>	<b>400</b>	<b>500</b>	<b>600</b>	<b>700</b>
	Name of recipient	Address of recipient	Royalties	Research and development fees	Management fees	Technical assistance fees	Similar payments
1	BURLINGTON HYDRO ELECTF	1340 BRANT STREET			118,954		
		BURLINGTON					
		ON					
		L7R 3Z7					

T2 SCH 14 (99)



## AGREEMENT AMONG ASSOCIATED CANADIAN-CONTROLLED PRIVATE CORPORATIONS TO ALLOCATE THE BUSINESS LIMIT

- For use by a Canadian-controlled private corporation (CCPC) to identify all associated corporations and to assign a percentage for each associated corporation. This percentage will be used to allocate the business limit for purposes of the small business deduction. Information from this schedule will also be used to determine the date the balance of tax is due and to calculate the reduction to the business limit.
- An associated CCPC that has more than one tax year ending in a calendar year, is required to file an agreement for each tax year ending in that calendar year.

**Column 1:** Enter the legal name of each of the corporations in the associated group. Include non-CCPCs and CCPCs that have filed an election under subsection 256(2) of the *Income Tax Act* (ITA) not to be associated for purposes of the small business deduction.

**Column 2:** Provide the Business Number for each corporation (if a corporation is not registered, enter "NR").

**Column 3:** Enter the association code that applies to each corporation:

- 1 - Associated for purposes of allocating the business limit (unless code 5 applies)
- 2 - CCPC that is a "third corporation" that has elected under subsection 256(2) not to be associated for purposes of the small business deduction
- 3 - Non-CCPC that is a "third corporation" as defined in subsection 256(2)
- 4 - Associated non-CCPC
- 5 - Associated CCPC to which code 1 does not apply because of a subsection 256(2) election made by a "third corporation"

**Column 4:** Enter the business limit for the year of each corporation in the associated group. The business limit is computed at line 4 on page 4 of each respective corporation's T2 return.

**Column 5:** Assign a percentage to allocate the business limit to each corporation that has an association code 1 in column 3. The total of all percentages in column 5 cannot exceed 100%.

**Column 6:** Enter the business limit allocated to each corporation by multiplying the amount in column 4 by the percentage in column 5. Add all business limits allocated in column 6 and enter the total at line A. Ensure that the total at line A falls within the range for the calendar year to which the agreement applies:

Calendar year	Acceptable range
2004	\$225,001 to \$250,000
2005	\$250,001 to \$300,000
2006	maximum \$300,000
2007	\$300,001 to \$400,000

If the calendar year to which this agreement applies is after 2007, ensure that the total at line A does not exceed \$400,000.

### Allocating the business limit

Date filed (do not use this area) ..... **025** Year Month Day

Enter the calendar year to which the agreement applies ..... **050** Year  
2008

Is this an amended agreement for the above-noted calendar year that is intended to replace an agreement previously filed by any of the associated corporations listed below? ..... **075** 1 Yes  2 No

	1 Names of associated corporations	2 Business Number of associated corporations	3 Association code	4 Business limit for the year (before the allocation) \$	5 Percentage of the business limit %	6 Business limit allocated* \$
	<b>100</b>	<b>200</b>	<b>300</b>		<b>350</b>	<b>400</b>
1	BURLINGTON HYDRO INC.	86829 1980 RC0001	1	400,000	100.0000	400,000
2	BURLINGTON ELECTRICITY SERVICES INC.	86829 1782 RC0001	1	400,000		
3	BURLINGTON HYDRO ELECTRIC INC.	88361 4927 RC0001	1	400,000		
<b>Total</b>					<b>100.0000</b>	<b>400,000</b> <b>A</b>

**Business limit reduction under subsection 125(5.1) of the ITA**

The business limit reduction is calculated in the small business deduction area of the T2 return. One of the factors used in this calculation is the "Large corporation amount" at line 415 of the T2 return. If the corporation is a member of an associated group\*\* of corporations in the current tax year, the amount at line 415 of the T2 return is equal to  $0.225\% \times (A - \$10,000,000)$  where, "A" is the total of taxable capital employed in Canada\*\*\* of each corporation in the associated group for its last tax year ending in the preceding calendar year.

\*Each corporation will enter on line 410 of the T2 return, the amount allocated to it in column 6. However, if the corporation's tax year is less than 51 weeks, prorate the amount in column 6 by the number of days in the tax year divided by 365, and enter the result on line 410 of the T2 return.

Special rules apply if a CCPC has more than one tax year ending in a calendar year and is associated in more than one of those years with another CCPC that has a tax year ending in the same calendar year. In this case, the business limit for the second (or subsequent) tax year(s) will be equal to the lesser of the business limit determined for the first tax year ending in the calendar year and the business limit determined for the second (or subsequent) tax year(s) ending in the same calendar year.

\*\*The associated group includes the corporation filing this schedule and each corporation that has an "association code" of 1 or 4 in column 3.

\*\*\*"Taxable capital employed in Canada" has the meaning assigned by subsection 181.2(1) or 181.3(1) or section 181.4 of the ITA.

## INVESTMENT TAX CREDIT – CORPORATIONS

## General information

1. For use by a corporation that during a tax year:
  - earned an investment tax credit (ITC);
  - is claiming a deduction against its Part I tax payable;
  - is claiming a refund of credit earned during the current tax year;
  - is claiming a carryforward of credit from previous tax years;
  - is transferring a credit following an amalgamation or wind-up of a subsidiary, as described under subsections 87(1) and 88(1) of the federal *Income Tax Act*;
  - is requesting a credit carryback; or
  - is subject to a recapture of ITC.
2. References to parts, sections, and subsections on this schedule are from the federal *Income Tax Act* and the federal *Income Tax Regulations*. References to interpretation bulletins and information circulars are to the latest versions.
3. The ITC is eligible for a three-year carryback (if not deductible in the year earned). It is also eligible for a twenty-year carryforward (proposed legislation) for credits earned in tax years that end after 1997 and a ten-year carryforward for credits earned in tax years that end before 1998. The apprenticeship job creation tax credit can only be carried back to tax years that end after May 1, 2006.
4. Investments or expenditures, as defined in subsection 127(9) and Part XLVI of the federal *Income Tax Regulations*, that earn the ITC are:
  - qualified property (Parts 4 to 7);
  - qualified expenditures that are part of the SR&ED qualified expenditure pool (Parts 8 to 17). Complete and file Form T661, *Scientific Research and Experimental Development (SR&ED) Expenditures Claim*;
  - pre-production mining expenditures (Parts 18 to 20);
  - apprenticeship job creation expenditures (Parts 21 to 23); and
  - child care spaces expenditures (Parts 24 to 28).
5. Attach a completed copy of this schedule with the *T2 Corporation Income Tax Return*.
6. For more information on ITCs, see the section called "Investment Tax Credit" in the *T2 Corporation – Income Tax Guide*, Information Circular IC 78-4, *Investment Tax Credit Rates*, and its related Special Release. Also, see Interpretation Bulletin IT-151, *Scientific Research and Experimental Development Expenditures*.
7. For information on SR&ED, see Interpretation Bulletin IT-151, *Scientific Research and Experimental Development Expenditures*; Information Circular 86-4, *Scientific Research and Experimental Development*; Pamphlet T4052, *An Introduction to the Scientific Research and Experimental Development Program*; and Guide T4088, *Claiming Scientific Research and Experimental Development – Guide to Form T661 Scientific Research and Experimental Development (SR&ED) Expenditures Claim*.

## Detailed information

1. For the purpose of this schedule, "**investment**" means:  
The capital cost of the property (excluding amounts added by an election under section 21), determined without reference to subsections 13(7.1) and 13(7.4), minus the amount of any government or non-government assistance that the corporation has received, is entitled to receive, or can reasonably be expected to receive for that property when it files the income tax return for the year in which the property was acquired.
2. An ITC deducted or refunded in a tax year for a depreciable property, other than a depreciable property deductible under paragraph 37(1)(b), reduces the capital cost of that property in the next tax year. It also reduces the undepreciated capital cost of that class in the next tax year. An ITC for SR&ED deducted or refunded in a tax year will reduce the balance in the pool of deductible SR&ED expenditures and the adjusted cost base (ACB) of an interest in a partnership in the next tax year. An ITC from pre-production mining expenditures deducted in a tax year reduces the balance in the pool of deductible cumulative Canadian exploration expenses in the next tax year.
3. Property acquired has to be "available for use" before a claim for an ITC can be made.
4. Expenditures for SR&ED and capital costs for a property qualifying for an ITC must be identified by the claimant on Form T661 and Schedule 31 no later than 12 months after the claimant's income tax return is due for the tax year in which the expenditures or capital costs were incurred.
5. Partnership allocations – Subsection 127(8) provides for the allocation of the amount that may reasonably be considered to be a partner's share of the ITCs of the partnership at the end of the fiscal period of the partnership. An allocation of ITCs is generally considered to be the partner's reasonable share of the ITCs if it is made in the same proportion in which the partners have agreed to share any income or loss and if section 103 of the Act is not applicable for the agreement to share any income or loss. For more information, see Interpretation Bulletin IT-151. Special rules apply to specified and limited partners.
6. For SR&ED expenditures made after February 22, 2005, the expression "in Canada" includes the "exclusive economic zone" (as defined in the *Oceans Act* to generally consist of an area that is within 200 nautical miles from the Canadian coastline), including the airspace, seabed and subsoil for that zone. For SR&ED expenditures made before February 23, 2005, the expression "in Canada" generally includes the 12 nautical mile territorial sea.

Name of corporation  BURLINGTON HYDRO INC.	Business Number  86829 1980 RC0001	Tax year-end Year Month Day 2008-12-31
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**Part 1 – Investments, expenditures and percentages**

	Specified percentage
<b>Investments</b>	
Qualified property acquired primarily for use in Newfoundland and Labrador, Prince Edward Island, Nova Scotia, New Brunswick, the Gaspé Peninsula, or a prescribed offshore region	10 %
<b>Expenditures</b>	
If you are a Canadian-controlled private corporation (CCPC) throughout the tax year, this percentage may apply to the portion that you claim of the SR&ED qualified expenditure pool that does not exceed your expenditure limit (see Part 10)	35 %
<b>Note:</b> If your current year's qualified expenditures are more than the corporation's expenditure limit (see Part 10), the excess is eligible for an ITC calculated at the 20 % rate.	
If you are a corporation that is not a CCPC throughout the current tax year that incurred qualified expenditures for SR&ED in any area in Canada after 1995	20 %
If you are a taxable Canadian corporation that incurred pre-production mining expenditures after 2004:	10 %
If you paid salary and wages to apprentices in the first 24 months of their apprenticeship contract for employment after May 1, 2006	10 %
If you incurred eligible expenditures after March 18, 2007, for the creation of licensed child care spaces for the children of your employees and, potentially, for other children	25 %

**Part 2 – Determination of a qualifying corporation**

Is the corporation a qualifying corporation? **101** 1 Yes  2 No

For the purpose of a refundable ITC, a **qualifying corporation** (proposed legislation) is defined under subsection 127.1(2). The corporation has to be a CCPC throughout the current tax year and the taxable income (before any loss carrybacks) for its previous tax year cannot be more than its qualifying income limit for the particular tax year. If the corporation is associated with any other corporations during the tax year, the total of the taxable incomes of the corporation and the associated corporations (before any loss carrybacks), for their last tax year ending in the previous calendar year, cannot be more than its qualifying income limit for the particular tax year.

**Note:** A CCPC calculating a refundable ITC for tax years ending after March 22, 2004, is considered to be associated with another corporation if it meets any of the conditions in subsection 256(1), except where:

- one corporation is associated with another corporation solely because one or more persons own shares of the capital stock of both corporations; and
- one of the corporations has at least one shareholder who is not common to both corporations.

If you are a **qualifying** corporation, you will earn a **100%** refund on your share of any ITCs earned at the 35% rate on qualified **current** expenditures for SR&ED, up to the allocated expenditure limit. The 100% refund does not apply to qualified **capital** expenditures eligible for the 35% credit rate. They are only eligible for the **40%** refund.

Some CCPCs that are not qualifying corporations may also earn a 100% refund on their share of any ITCs earned at the 35% rate on qualified current expenditures for SR&ED, up to the allocated expenditure limit. The expenditure limit can be determined in Part 10. The 100% refund does not apply to qualified capital expenditures eligible for the 35% credit rate. They are only eligible for the 40% refund.

The 100% refund will not be available to a corporation that is an **excluded corporation** as defined under subsection 127.1(2). A corporation is an excluded corporation if, at any time during the year, it is a corporation that is either controlled by (directly or indirectly, in any manner whatever) or is related to:

- one or more persons exempt from Part I tax under section 149;
- Her Majesty in right of a province, a Canadian municipality, or any other public authority; or
- any combination of persons referred to in a) or b) above.

**Part 3 – Corporations in the farming industry**

Complete this area if the corporation is making SR&ED contributions

Is the corporation claiming a contribution in the current year to an agricultural organization whose goal is to finance SR&ED work (for example, check-off dues)? **102** 1 Yes  2 No

If **yes**, complete Schedule 125, *Income Statement Information*, to identify the type of farming industry the corporation is involved in. For more information on Schedule 125, see the *Guide to the General Index of Financial Information (GIFI) for Corporations*. Enter contributions on line 350 of Part 8.

**QUALIFIED PROPERTY**

**Part 4 – Eligible investments for qualified property from the current tax year**

CCA* class number	Description of investment	Date available for use	Location used (province)	Amount of investment
<b>105</b>	<b>110</b>	<b>115</b>	<b>120</b>	<b>125</b>

\*CCA: capital cost allowance

**Total investment** – enter in formula on line 240 in Part 5

**Part 5 – Calculation of current-year credit and account balances – ITC from investments in qualified property**

ITC at the end of the previous tax year .....

**Deduct:**

Credit deemed as a remittance of co-op corporations ..... **210** \_\_\_\_\_

Credit expired\* ..... **215** \_\_\_\_\_

Subtotal **▶** \_\_\_\_\_

ITC at the beginning of the tax year ..... **220** \_\_\_\_\_

**Add:**

Credit transferred on amalgamation or wind-up of subsidiary ..... **230** \_\_\_\_\_

ITC from repayment of assistance ..... **235** \_\_\_\_\_

Total current-year credit: total of column 125 \_\_\_\_\_ x 10 % = **240** \_\_\_\_\_

Credit allocated from a partnership ..... **250** \_\_\_\_\_

Subtotal **▶** \_\_\_\_\_

Total credit available .....

**Deduct:**

Credit deducted from Part I tax (enter on line B1 in Part 30) ..... **260** \_\_\_\_\_

Credit carried back to the previous year(s) (from Part 6) ..... A \_\_\_\_\_

Credit transferred to offset Part VII tax liability ..... **280** \_\_\_\_\_

Subtotal **▶** \_\_\_\_\_

Credit balance before refund ..... B \_\_\_\_\_

**Deduct:**

Refund of credit claimed on investments from qualified property (from Part 7) ..... **310** \_\_\_\_\_

**ITC closing balance of investments from qualified property** ..... **320** \_\_\_\_\_

\* The credit expires after 20 tax years (proposed legislation) if it was earned in a tax year ending after 1997 and 10 tax years if it was earned in a tax year ending before 1998.

**Part 6 – Request for carryback of credit from investments in qualified property**

	Year	Month	Day		
1st previous tax year				..... Credit to be applied	<b>901</b> _____
2nd previous tax year				..... Credit to be applied	<b>902</b> _____
3rd previous tax year				..... Credit to be applied	<b>903</b> _____
<b>Total</b> (enter on line A in Part 5)					_____

**Part 7 – Calculation of refund for qualifying corporations on investments from qualified property**

Current-year ITCs (total of lines 240 and 250 in Part 5) ..... **C** \_\_\_\_\_

Credit balance before refund (amount B from Part 5) ..... **D** \_\_\_\_\_

**Refund** ( 40 % of amount C or D, whichever is less) ..... **E** \_\_\_\_\_

Enter amount E or a lesser amount on line 310 in Part 5 (also enter it on line 780 of the T2 return if the corporation does not claim an SR&ED ITC refund).

Name of corporation  BURLINGTON HYDRO INC.	Business Number  86829 1980 RC0001	Tax year-end Year Month Day 2008-12-31
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**SR&ED**

**Part 8 – Qualified expenditures for SR&ED**

Current expenditures (including contributions to agricultural organizations for SR&ED)*	<b>350</b>	_____
Capital expenditures	<b>360</b>	_____
Repayments made in the year (from line 560 on Form T661)	<b>370</b>	_____
<b>Total</b> (this must equal the amount from line 570 on Form T661)*	<b>380</b>	_____

\* Do not file form T661 if you are only claiming contributions made to agricultural organizations for SR&ED.

**Part 9 – Components of the SR&ED expenditure limit calculation**

**Part 9 only applies if the corporation is a CCPC throughout the current tax year.**

**Note:** A CCPC that calculates SR&ED expenditure limit for tax years ending after March 22, 2004, is considered to be associated with another corporation if it meets any of the conditions in subsection 256(1), except where:

- one corporation is associated with another corporation solely because one or more persons own shares of the capital stock of the corporation; and
- one of the corporations has at least one shareholder who is not common to both corporations.

Is the corporation associated with another CCPC for the purpose of calculating the SR&ED expenditure limit? **385** 1 Yes  2 No

Complete lines 390, 395 and 398, if you answered **no** to the question at line 385 above or if the corporation is not associated with any other corporations (the amounts for associated corporations will be determined on Schedule 49).

a) Enter your taxable income for the previous tax year* (prior to any loss carry-backs applied).	<b>390</b>	12,734,672
b) Enter your reduced business limit** for the current tax year* (this amount cannot be more than the amount at line 4 on page 4 of the T2 return).	<b>395</b>	_____
c) Enter your taxable capital employed in Canada for the previous tax year minus \$10 million. If this amount is nil or negative, enter "0". If this amount is over \$40 million, enter \$40 million.	<b>398</b>	40,000,000

\* If either of the tax years referred to at line 390 or 395 is less than 51 weeks, multiply the taxable income or the business limit by the following result: 365 divided by the number of days in these tax years. For details on the expression "Reduced business limit," see line 652 of the *T2 Corporation – Income Tax Guide*.

\*\* If the corporation is claiming only a portion of the business limit from line 4 on page 4 of the T2 return because of its association with other corporations, calculate your reduced business limit as if the corporation was not associated in the current tax year. Enter the result at line 395.

**Part 10 – Calculation of SR&ED expenditure limit for a CCPC throughout the current tax year**

**For stand-alone corporations:**

**Calculation 1:** tax year ends before February 26, 2008.

(\$6,000,000 minus (10 x (line 390 from Part 9 or \$400,000, whichever is more))) x line 395 from Part 9 divided by line 4 on page 4 of the T2 return. \_\_\_\_\_

**Calculation 2:** tax year starts after February 26, 2008.

(\$7,000,000 minus (10 x (line 390 from Part 9 or \$400,000, whichever is more)) x (\$40,000,000 minus line 398 from Part 9) divided by \$40,000,000. \_\_\_\_\_

**Calculation 3:** tax year includes February 26, 2008.

AA + ((BB minus AA) x (CC divided by DD)) where,

**AA** = (\$6,000,000 minus (10 x (line 390 from Part 9 or \$400,000, whichever is more))) x line 395 from Part 9 divided by line 4 on page 4 of the T2 return.

**BB** = (\$7,000,000 minus (10 x (line 390 from Part 9 or \$400,000, whichever is more)) x (\$40,000,000 minus line 398 from Part 9) divided by \$40,000,000.

**CC** = number of days in the tax year after February 25, 2008;

**DD** = number of days in the tax year. \_\_\_\_\_

Enter the amount from Calculation 1, 2 or 3, whichever is applicable. G

**For associated corporations:**

If associated, the allocation of the SR&ED expenditure limit as provided on Schedule 49 **400** \_\_\_\_\_ \*H

**Where the tax year of the corporation is less than 51 weeks, calculate the amount of the expenditure limit as follows:**

Line G or H \_\_\_\_\_ x \_\_\_\_\_ Number of days in the tax year \_\_\_\_\_ 366 = \_\_\_\_\_ I  
365

**Your SR&ED expenditure limit for the year** (enter the amount from line G, H, or I, whichever applies) **410** \_\_\_\_\_

\* Amount G or H cannot be more than \$3,000,000 (\$2,000,000 if tax year ending before February 26, 2008).

**Part 11 – Calculation of investment tax credits on SR&ED expenditures**

Enter whichever is less: current expenditures (line 350 from Part 8) or the expenditure limit (line 410 from Part 10)\* ..... **420** ..... x 35 % = ..... J

Line 350 minus line 410 (if negative, enter "0") ..... **430** ..... x 20 % = ..... K

Line 410 minus line 350 (if negative, enter "0") ..... L

Enter whichever is less: capital expenditures (line 360 from Part 8) or line L above\* ..... **440** ..... x 35 % = ..... M

Line 360 minus line L (if negative, enter "0") ..... **450** ..... x 20 % = ..... N

**Repayments** (amount from line 370 in Part 8) .....

If a corporation makes a repayment of any government or non-government assistance, or contract payments that reduced the amount of qualified expenditures for ITC purposes, the amount of the repayment is eligible for a credit at the rate that would have applied to the repaid amount. Enter the amount of the repayment on the line that corresponds to the appropriate rate.

**460** ..... x 35 % = .....  
**480** ..... x 20 % = .....  
 Total ..... **▶** ..... O

**Current-year SR&ED ITC** (total of lines J, K, M, N, and O; enter on line 540 in Part 12) .....

\* For corporations that are not CCPCs throughout the year, enter "0" on lines J and M.

**Part 12 – Calculation of current-year credit and account balances – ITC from SR&ED expenditures**

ITC at the end of the previous tax year .....

**Deduct:**

Credit deemed as a remittance of co-op corporations ..... **510** .....

Credit expired\* ..... **515** .....

Subtotal ..... **▶** ..... **520** .....

ITC at the beginning of the tax year .....

**Add:**

Credit transferred on amalgamation or wind-up of subsidiary ..... **530** .....

Total current-year credit ..... **540** .....

Credit allocated from a partnership ..... **550** .....

Subtotal ..... **▶** .....

Total credit available .....

**Deduct:**

Credit deducted from Part I tax (enter on line B2 in Part 30) ..... **560** .....

Credit carried back to the previous year(s) (from Part 13) ..... P

Credit transferred to offset Part VII tax liability ..... **580** .....

Subtotal ..... **▶** .....

Credit balance before refund .....

**Deduct:**

Refund of credit claimed on expenditures of SR&ED (from Part 14 or 15, whichever applies) ..... **610** .....

**ITC closing balance on SR&ED** ..... **620** .....

\* The credit expires after 20 tax years (proposed legislation) if it was earned in a tax year ending after 1997 and 10 tax years if it was earned in a tax year ending before 1998.

**Part 13 – Request for carryback of credit from SR&ED expenditures**

	Year	Month	Day		
1st previous tax year				..... Credit to be applied	<b>911</b> .....
2nd previous tax year				..... Credit to be applied	<b>912</b> .....
3rd previous tax year				..... Credit to be applied	<b>913</b> .....
				<b>Total</b> (enter on line P in Part 12)	.....



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**Part 14 – Calculation of refund of ITC for qualifying corporations – SR&ED**

Complete this part only if you are a qualifying corporation as determined at line 101.

Is the corporation an excluded corporation as defined under subsection 127.1(2)? ..... **650** 1 Yes  2 No

Credit balance before refund (amount Q from Part 12) ..... R

Current-year ITC (lines 540 plus 550 from Part 12 **minus** line O from Part 11) ..... S

Refundable credits (amount R or S, whichever is less)\* ..... T

Amount J from Part 11 ..... U

**Subtract:** Amount T or U, whichever is less ..... V

Net amount (if negative, enter "0") ..... W

Amount W ..... x 40 % ..... X

**Add:** Amount V ..... Y

**Refund of ITC** (amounts X **plus** Y – enter this, or a lesser amount, on line 610 in Part 12) ..... Z

Enter the total of lines 310 from Part 5 and 610 from Part 12 on line 780 of the T2 return.

\* If you are also an excluded corporation [as defined in subsection 127.1(2)], this amount must be multiplied by 40%.  
Claim this, or a lesser amount, as your refund of ITC on line Z.

**Part 15 – Calculation of refund of ITC for CCPCs that are not qualifying or excluded corporations – SR&ED**

Complete this box only if you are a CCPC that is not a qualifying or excluded corporation as determined in Part 2.

Credit balance before refund (amount Q from Part 12) ..... AA

Amount J from Part 11 ..... BB

**Subtract:** Amount AA or BB, whichever is less ..... CC

Net amount (if negative, enter "0") ..... DD

Amount M from Part 11 ..... EE

Amount DD or EE, whichever is less ..... x 40 % ..... FF

**Add :** Amount CC above ..... GG

**Refund of ITC** (amounts FF **plus** GG) ..... HH

Enter HH, or a lesser amount, on line 610 in Part 12 and also on line 780 of the T2 return.

**RECAPTURE – SR&ED**

**Part 16 – Calculating the recapture of ITC for corporations and corporate partnerships – SR&ED**

You will have a recapture of ITC in a year when **all** of the following conditions are met:

- you acquired a particular property in the current year or in any of the 20 previous tax years, if the credit was earned in a tax year ending after 1997, or in any of the 10 previous tax years, if the credit was earned in a tax year ending before 1998;
- you claimed the cost of the property as a qualified expenditure for SR&ED on Form T661;
- the cost of the property was included in calculating your ITC or was the subject of an agreement made under subsection 127(13) to transfer qualified expenditures; and
- you disposed of the property or converted it to commercial use after February 23, 1998. This condition is also met if you disposed of or converted to commercial use a property that incorporates the particular property previously referred to.

**Note:**

The recapture **does not apply** if you disposed of the property to a non-arm's length purchaser who intended to use it all or substantially all for SR&ED. When the non-arm's length purchaser later sells or converts the property to commercial use, the recapture rules will apply to the purchaser based on the historical ITC rate of the original user.

You will report a recapture on the T2 return for the year in which you disposed of the property or converted it to commercial use. In the following tax year, add the amount of the ITC recapture to the SR&ED expenditure pool.

If you have more than one disposition for calculations 1 and 2, complete the columns for each disposition for which a recapture applies, using the calculation formats below.

**Calculation 1 – If you meet all of the above conditions**

Amount of ITC you originally calculated for the property you acquired, or the original user's ITC where you acquired the property from a non-arm's length party, as described in the note above  <b>700</b>	Amount calculated using ITC rate at the date of acquisition (or the original user's date of acquisition) on either the proceeds of disposition (if sold in an arm's length transaction) or the fair market value of the property (in any other case)  <b>710</b>	Amount from column 700 or 710, whichever is less
1.		

**Subtotal** (enter this amount on line LL in Part 17) \_\_\_\_\_ **II**

**Calculation 2 – Only if you transferred all or a part of the qualified expenditure to another person under an agreement described in subsection 127(13); otherwise, enter nil at line JJ in Part 16.**

<b>A</b> Rate percentage that the transferee used in determining its ITC for qualified expenditures under a subsection 127(13) agreement  <b>720</b>	<b>B</b> Proceeds of disposition of the property if you dispose of it to an arm's length person; or, in any other case, enter the fair market value of the property at conversion or disposition  <b>730</b>	<b>C</b> Amount, if any, already provided for in Calculation 1 (This allows for the situation where only part of the cost of a property is transferred under a subsection 127(13) agreement.)  <b>740</b>



**PRE-PRODUCTION MINING**

**Part 18 – Pre-production mining expenditures**

**Exploration information**

A mineral resource that qualifies for the credit means a mineral deposit from which the principal mineral to be extracted is diamond, a base or precious metal deposit, or a mineral deposit from which the principal mineral to be extracted is an industrial mineral that, when refined, results in a base or precious metal.

In column 800, list all minerals for which pre-production mining expenditures have taken place in the tax year.

<b>List of minerals</b> <span style="background-color: black; color: white; padding: 2px 5px;"><b>800</b></span>
---

For each of the minerals reported in column 800 above, identify each project, mineral title, and mining division where title is registered. If there is no mineral title, identify the project and mining division only.

<b>Project name</b> <span style="background-color: black; color: white; padding: 2px 5px;"><b>805</b></span>	<b>Mineral title</b> <span style="background-color: black; color: white; padding: 2px 5px;"><b>806</b></span>	<b>Mining division</b> <span style="background-color: black; color: white; padding: 2px 5px;"><b>807</b></span>

**Pre-production mining expenditures \***

Pre-production mining expenditures that the corporation incurred in the tax year for the purpose of determining the existence, location, extent, or quality of a mineral resource in Canada:

Prospecting .....	<b>810</b>	_____	PP
Geological, geophysical, or geochemical surveys .....	<b>811</b>	_____	QQ
Drilling by rotary, diamond, percussion, or other methods .....	<b>812</b>	_____	RR
Trenching, digging test pits, and preliminary sampling .....	<b>813</b>	_____	SS

Pre-production mining expenditures incurred in the tax year for bringing a new mine in a mineral resource in Canada into production in reasonable commercial quantities and incurred before the new mine comes into production in such quantities:

Clearing, removing overburden, and stripping .....	<b>820</b>	_____	TT
Sinking a mine shaft, constructing an adit, or other underground entry .....	<b>821</b>	_____	UU

Other pre-production mining expenditures incurred in the tax year:

<b>Description</b> <span style="background-color: black; color: white; padding: 2px 5px;"><b>825</b></span>	<b>Amount</b> <span style="background-color: black; color: white; padding: 2px 5px;"><b>826</b></span>

Add amounts at column 826  **VV**

Total pre-production mining expenditures (add amounts PP to VV) **830** \_\_\_\_\_

**Deduct:** Total of all assistance (grants, subsidies, rebates, and forgivable loans) or reimbursements that the corporation has received or is entitled to receive in respect of the amounts referred to at line 830 above **832** \_\_\_\_\_

Excess (line 830 minus line 832) (if negative, enter "0") \_\_\_\_\_ **WW**

**Add:** Repayments of government and non-government assistance ..... **835** \_\_\_\_\_ **XX**

**Pre-production mining expenditures** (amount WW plus amount XX) ..... **YY**

\* A pre-production mining expenditure is defined under subsection 127(9) and does not include an amount renounced under subsection 66(12.6).

Name of corporation BURLINGTON HYDRO INC.	Business Number 86829 1980 RC0001	Tax year-end Year Month Day 2008-12-31
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**Part 19 – Calculation of current-year credit and account balances – ITC from pre-production mining expenditures**

ITC at the end of the previous tax year .....

**Deduct:**

Credit deemed as a remittance of co-op corporations ..... **841**

Credit expired\* ..... **845**

Subtotal **850**

ITC at the beginning of the tax year ..... **850**

**Add:**

Credit transferred on amalgamation or wind-up of subsidiary ..... **860**

Expenditures from line YY in Part 18 ..... **870** x 10 % = ..... **880**

Total credit available .....

**Deduct:**

Credit deducted from Part I tax (enter on line B3 in Part 30) ..... **885**

Credit carried back to the previous year(s) (from Part 20) ..... CCC

Subtotal **890**

**ITC closing balance from pre-production mining expenditures** ..... **890**

\* The credit expires after 20 tax years (proposed legislation) if it was earned in a tax year ending after 1997 and 10 tax years if it was earned in a tax year ending before 1998.

**Part 20 – Request for carryback of credit from pre-production mining expenditures**

	Year	Month	Day		
1st previous tax year				.....	Credit to be applied <b>921</b>
2nd previous tax year				.....	Credit to be applied <b>922</b>
3rd previous tax year				.....	Credit to be applied <b>923</b>
<b>Total</b> (enter on line CCC in Part 19)					<b>923</b>

**APPRENTICESHIP JOB CREATION**

**Part 21 – Calculation of total current-year credit – ITC from apprenticeship job creation expenditures**

If you are a related person as defined under subsection 251(2), has it been agreed in writing that you are the only employer who will be claiming the apprenticeship job creation tax credit for this tax year for each apprentice whose contract number (or social insurance number or name) appears below? (If not, you cannot claim the tax credit.)

..... **611** 1 Yes  2 No

For each apprentice in their first 24 months of the apprenticeship, enter the apprenticeship contract number registered with Canada, or a province or territory, under an apprenticeship program designed to certify or license individuals in the trade. For the province, the trade must be a Red Seal trade. If there is no contract number, enter the social insurance number (SIN) or the name of the eligible apprentice. Also enter the name of the eligible trade, the eligible salary and wages\* payable for employment after May 1, 2006, and 10% of this amount. Then enter the lesser of 10% of eligible salary and wages or \$2,000.

	A Contract number (SIN or name of apprentice)	B Name of eligible trade	C Eligible salary and wages*	D Column C x 10 %	E Lesser of column D or \$ 2,000
	<b>601</b>	<b>602</b>	<b>603</b>	<b>604</b>	<b>605</b>
1.	509 532 768	POWERLINE TECHNICHIAN	49,258	4,926	2,000
2.	511 937 666	POWERLINE TECHNICHIAN	46,893	4,689	2,000
3.	515 951 911	POWERLINE TECHNICHIAN	45,228	4,523	2,000
4.	534 305 339	POWERLINE TECHNICHIAN	46,234	4,623	2,000
5.	526 529 169	POWERLINE TECHNICHIAN	46,782	4,678	2,000
6.					
<b>Total current-year credit (enter at line 640)</b>					<b>10,000</b>

\* Net of any other government or non-government assistance received or to be received.

**Part 22 – Calculation of current-year credit and account balances – ITC from apprenticeship job creation expenditures**

ITC at the end of the previous tax year .....

**Deduct:**

Credit deemed as a remittance of co-op corporations ..... **612** \_\_\_\_\_

Credit expired after 20 tax years ..... **615** \_\_\_\_\_

Subtotal **▶** \_\_\_\_\_

ITC at the beginning of the tax year ..... **625** \_\_\_\_\_

**Add:**

Credit transferred on amalgamation or wind-up of subsidiary ..... **630** \_\_\_\_\_

ITC from repayment of assistance ..... **635** \_\_\_\_\_

Total current-year credit (total of column 605) ..... **640** 10,000

Credit allocated from a partnership ..... **655** \_\_\_\_\_

Subtotal 10,000 **▶** 10,000

Total credit available ..... 10,000

**Deduct:**

Credit deducted from Part I tax (enter on line B4 in Part 30) ..... **660** 10,000

Credit carried back to the previous year(s) (from Part 23) ..... **DDD** \_\_\_\_\_

Subtotal 10,000 **▶** 10,000

**ITC closing balance from apprenticeship job creation expenditures** ..... **690** \_\_\_\_\_

**Part 23 – Request for carryback of credit from apprenticeship job creation expenditures**

Carryback of this credit is restricted to tax years ending after May 1, 2006.

	Year	Month	Day		
1st previous tax year				..... Credit to be applied	<b>931</b> _____
2nd previous tax year				..... Credit to be applied	<b>932</b> _____
3rd previous tax year				..... Credit to be applied	<b>933</b> _____
<b>Total (enter on line DDD in Part 22)</b>					_____

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**CHILD CARE SPACES**

**Part 24 – Eligible child care spaces expenditures**

Enter the eligible expenditures that the corporation incurred after March 18, 2007, to create licensed child care spaces for the children of the employees and, potentially, for other children. The corporation is not a child care services business. The eligible expenditures include:

- the cost of depreciable property (other than specified property); and
- the specified child care start-up expenditures;

acquired or incurred only to create new child care spaces at a licensed child care facility.

**Cost of depreciable property from the current tax year**

CCA* class number	Description of investment	Date available for use	Amount of investment
<b>665</b>	<b>675</b>	<b>685</b>	<b>695</b>
1.			

\*CCA: capital cost allowance

Total cost of depreciable property from the current tax year **715** EEE

**Add:** Specified child care start-up expenditures from the current tax year **705** FFF

Total gross eligible expenditures for child care spaces (line 715 plus line 705) GGG

**Deduct:** Total of all assistance (including grants, subsidies, rebates, and forgivable loans) or reimbursements that the corporation has received or is entitled to receive in respect of the amounts referred to at line GGG **725** HHH

Excess (amount GGG minus amount HHH) (if negative, enter "0") III

**Add:** Repayments of government and non-government assistance **735** JJJ

**Total eligible expenditures for child care spaces** (amount III plus amount JJJ) **745**

**Part 25 – Calculation of current-year credit – ITC from child care spaces expenditures**

The credit is equal to 25% of eligible child care spaces expenditures incurred after March 18, 2007, to a maximum of \$10,000 per child care space created in a licensed child care facility.

Eligible expenditures (line 745)	.....	x	25 %	=	_____	KKK		
Number of child care spaces	.....	<b>755</b>	x \$	10,000	=	_____	LLL	
<b>ITC from child care spaces expenditures</b> (amount KKK or LLL, whichever is less)						.....	_____	MMM

**Part 26 – Calculation of current-year credit and account balances – ITC from child care spaces expenditures**

ITC at the end of the previous tax year	.....	_____
<b>Deduct:</b>		
Credit deemed as a remittance of co-op corporations	.....	<b>765</b> _____
Credit expired after 20 tax years	.....	<b>770</b> _____
	Subtotal	=====▶ _____
ITC at the beginning of the tax year	.....	<b>775</b> _____
<b>Add:</b>		
Credit transferred on amalgamation or wind-up of subsidiary	.....	<b>777</b> _____
Total current-year credit (amount MMM above)	.....	<b>780</b> _____
Credit allocated from a partnership	.....	<b>782</b> _____
	Subtotal	=====▶ _____
Total credit available	.....	_____
<b>Deduct:</b>		
Credit deducted from Part I tax (enter on line B5 in Part 30)	.....	<b>785</b> _____
Credit carried back to the previous year(s) (from Part 27)	.....	_____ NNN
	Subtotal	=====▶ _____
<b>ITC closing balance from child care spaces expenditures</b>	.....	<b>790</b> =====

**Part 27 – Request for carryback of credit from child care space expenditures**

	<table border="1"> <thead> <tr> <th>Year</th> <th>Month</th> <th>Day</th> </tr> </thead> <tbody> <tr> <td>2007</td> <td>12</td> <td>31</td> </tr> <tr> <td>2006</td> <td>12</td> <td>31</td> </tr> <tr> <td>2005</td> <td>12</td> <td>31</td> </tr> </tbody> </table>	Year	Month	Day	2007	12	31	2006	12	31	2005	12	31	.....	Credit to be applied	<b>941</b> _____
Year	Month	Day														
2007	12	31														
2006	12	31														
2005	12	31														
1st previous tax year		.....	Credit to be applied	<b>942</b> _____												
2nd previous tax year		.....	Credit to be applied	<b>943</b> _____												
3rd previous tax year		.....	<b>Total</b> (enter on line NNN in Part 26)	=====												



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**RECAPTURE – CHILD CARE SPACES**

**Part 28 – Calculating the recapture of ITC for corporations and corporate partnerships – Child care spaces**

The ITC will be recovered against the taxpayer's tax otherwise payable under Part I of the Act if, at any time within 60 months of the day on which the taxpayer acquired the property:

- the new child care space is no longer available; or
- property that was an eligible expenditure for the child care space is:
  - disposed of or leased to a lessee; or
  - converted to another use.

If the property disposed of is a child care space, the amount that can reasonably be considered to have been included in the original ITC (paragraph 127(27.12)(a)) ..... **792** \_\_\_\_\_ ZZZ

In the case of eligible expenditures (paragraph 127(27.12)(b)), the lesser of:

The amount that can reasonably be considered to have been included in the original ITC . . . **795** \_\_\_\_\_

25% of either the proceeds of disposition (if sold in an arm's length transaction) or the fair market value (in any other case) of the property ..... **797** \_\_\_\_\_

Amount from line 795 or line 797, whichever is less ..... \_\_\_\_\_ OOO

**Corporate partnerships**

As a member of the partnership, you will report your share of the child care spaces ITC of the partnership after the child care spaces ITC has been reduced by the amount of the recapture. If this amount is a positive amount, you will report it on line 782 in Part 26 on page 13. However, if the partnership does not have enough ITC otherwise available to offset the recapture, then the amount by which reductions to ITC exceed additions (the excess) will be determined and reported on line PPP below.

Corporate partner's share of the excess of ITC **799** \_\_\_\_\_ PPP

**Total recapture of child care spaces investment tax credit** – Add lines ZZZ, OOO, and PPP  
Enter amount QQQ on line A2 in Part 29. ....                      QQQ

**Part 29 – Total recapture of investment tax credit**

Recaptured SR&ED ITC from line OO in Part 17 ..... \_\_\_\_\_ A1

Recaptured child care spaces ITC from line QQQ in Part 28 above ..... \_\_\_\_\_ A2

**Total recapture of investment tax credit** – Add lines A1 and A2  
Enter amount A3 on line 602 of the T2 return. ....                      A3

**Part 30 – Total ITC deducted from Part I tax**

ITC from investments in qualified property deducted from Part I tax (from line 260 in Part 5) ..... \_\_\_\_\_ B1

ITC from SR&ED expenditures deducted from Part I tax (from line 560 in Part 12) ..... \_\_\_\_\_ B2

ITC from pre-production mining expenditures deducted from Part I tax (from line 885 in Part 19) ..... \_\_\_\_\_ B3

ITC from apprenticeship job creation expenditures deducted from Part I tax (from line 660 in Part 22) ..... 10,000 B4

ITC from child care space expenditures deducted from Part I tax (from line 785 in Part 26) ..... \_\_\_\_\_ B5

**Total ITC deducted from Part I tax** (add lines B1, B2, B3, B4, and B5) .....                      10,000 B6

Enter amount B6 at line 652 of the T2 return.

# Summary of Investment Tax Credit Carryovers

## Continuity of investment tax credit carryovers

CCA class number 97 Apprenticeship job creation ITC

### Current year

Addition current year (A)	Applied current year (B)	Claimed as a refund (C)	Carried back (D)	ITC end of year (A-B-C-D)
10,000	10,000			

### Prior years

#### Taxation year

	ITC beginning of year (E)	Adjustments (F)	Applied current year (G)	ITC end of year (E-F-G)
2007-12-31				
2006-12-31				
2005-12-31				
2004-12-31				
2003-12-31				
2002-12-31				
2001-12-31				
2001-09-30				
2000-09-30				
1999-09-30				*
1998-09-30				
1997-09-30				
1996-09-30				
1995-09-30				
1994-09-30				
1993-09-30				
1992-09-30				
1991-09-30				
1990-09-30				
1989-09-30				*
<b>Total</b>				

B+C+D+G

**Total ITC utilized** 10,000

\* The **ITC end of year** includes the amount of ITC expired from the 10<sup>th</sup> preceding year if it is before January 1, 1998, or the amount of ITC expired from the 20<sup>th</sup> preceding year if it is after December 31, 1997. Note that this credit will only expire at the beginning of the subsequent fiscal period. Consequently, this amount will be posted on line 215, 515, 615, 770 or 845, as applicable, in Schedule 31 of the subsequent fiscal year.

PART I.3 TAX ON LARGE CORPORATIONS

Name of corporation BURLINGTON HYDRO INC.	Business Number 86829 1980 RC0001	Tax year-end Year Month Day 2008-12-31
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- File this schedule if the total taxable capital employed in Canada of the corporation (other than a financial institution or an insurance corporation) and its related corporations is greater than \$10,000,000.
- Even if there is no Part I.3 tax payable for the days in the tax year that are after 2005, you must still complete this schedule (except parts 5 and 9).
- Parts, sections, subsections, and paragraphs referred to on this schedule are from the *Income Tax Act* and the *Income Tax Regulations*.
- Subsection 181(1) defines the terms "financial institution," "long-term debt," and "reserves."
- Subsection 181(3) provides the basis to determine the carrying value of a corporation's assets or any other amount under Part I.3 for its capital, investment allowance, taxable capital, or taxable capital employed in Canada, or for a partnership in which it has an interest.
- No Part I.3 tax is payable for a tax year by a corporation that was:
  - 1) bankrupt [as defined by subsection 128(3)] at the end of the year;
  - 2) a deposit insurance corporation throughout the year, as defined by subsection 137.1(5), or deemed to be a deposit insurance corporation by subsection 137.1(5.1);
  - 3) exempt from tax under section 149 throughout the year on all of its taxable income;
  - 4) neither resident in Canada nor carrying on a business through a permanent establishment in Canada at any time in the year; or
  - 5) a corporation described in subsection 136(2) throughout the year, the principal business of which was marketing (including any related processing) natural products belonging to or acquired from its members or customers.
- File the completed Schedule 33 with the *T2 Corporation Income Tax Return* no later than six months from the end of the tax year.
- This schedule may contain changes that had not yet become law at the time of printing.

If the corporation was a non-resident of Canada throughout the year and carried on a business through a permanent establishment in Canada, go to Part 4, "Taxable capital employed in Canada."

Part 1 – Capital

Add the following amounts at the end of the year:

Reserves that have not been deducted in computing income for the year under Part I	101	2,681,058	
Capital stock (or members' contributions if incorporated without share capital)	103	45,139,138	
Retained earnings	104	11,187,683	
Contributed surplus	105	876,228	
Any other surpluses	106		
Deferred unrealized foreign exchange gains	107		
All loans and advances to the corporation	108	54,628,900	
All indebtedness of the corporation represented by bonds, debentures, notes, mortgages, hypothecary claims, bankers' acceptances, or similar obligations	109		
Any dividends declared but not paid by the corporation before the end of the year	110		
All other indebtedness of the corporation (other than any indebtedness for a lease) that has been outstanding for more than 365 days before the end of the year	111		
Proportion of the amount, if any, by which the total of all amounts (see note below) for the partnership of which the corporation is a member at the end of the year exceeds the amount of the partnership's deferred unrealized foreign exchange losses	112		
	Subtotal	114,513,007	114,513,007 A

Deduct the following amounts:

Deferred tax debit balance at the end of the year	121		
Any deficit deducted in computing its shareholders' equity (including, for this purpose, the amount of any provision for the redemption of preferred shares) at the end of the year	122		
Any amount deducted under subsection 135(1) in computing income under Part I for the year, as long as the amount may reasonably be regarded as being included in any of lines 101 to 112 above	123		
The amount of deferred unrealized foreign exchange losses at the end of the year	124		
	Subtotal		B
<b>Capital for the year</b> (amount A minus amount B) (if negative, enter "0")	190	114,513,007	

Note: Lines 101, 107, 108, 109, 111, and 112 are determined as follows:

- If the partnership is a member of another partnership (tiered partnerships), include the amounts of the partnership and tiered partnerships.
- Amounts for the partnership and tiered partnerships are those that would be determined for lines 101, 107, 108, 109, 111, and 112 as if they apply in the same way that they apply to corporations.
- Do not include amounts owing to the member or to other corporations that are members of the partnership.
- Amounts are determined at the end of the last fiscal period of the partnership ending in the year of the corporation.
- The proportion of the total amounts is determined by the corporation's share of the partnership's income or loss for the fiscal period of the partnership.

**Part 2 – Investment allowance**

Add the carrying value at the end of the year of the following assets of the corporation:

A share of another corporation	401	
A loan or advance to another corporation (other than a financial institution)	402	4,225
A bond, debenture, note, mortgage, hypothecary claim, or similar obligation of another corporation (other than a financial institution)	403	
Long-term debt of a financial institution	404	
A dividend receivable on a share of the capital stock of another corporation	405	
A loan or advance to, or a bond, debenture, note, mortgage, hypothecary claim, or similar obligation of, a partnership all of the members of which, throughout the year, were other corporations (other than financial institutions) that were not exempt from tax under Part I.3 [other than by reason of paragraph 181.1(3)(d)]	406	
An interest in a partnership (see note 1 below)	407	
<b>Investment allowance for the year</b> (add lines 401 to 407)	<b>490</b>	<u>4,225</u>

**Notes:**

- Where the corporation has an interest in a partnership or in tiered partnerships, consider the following:
  - the investment allowance of a partnership is deemed to be the amount calculated at line 490 above, at the end of its fiscal period, as if it was a corporation;
  - the total of the carrying value of each asset of the partnership described in the above lines is for its last fiscal period ending at or before the end of the corporation's tax year; and
  - the carrying value of a partnership member's interest at the end of the year is its specified proportion [as defined in subsection 248(1)] of the partnership's investment allowance.
- Lines 401 to 405 should not include the carrying value of a share of the capital stock of, a dividend payable by, or indebtedness of a corporation that is exempt from tax under Part I.3 [other than by reason of paragraph 181.1(3)(d)].
- Where a trust is used as a conduit for loaning money from a corporation to another related corporation (other than a financial institution), the loan will be considered to have been made directly from the lending corporation to the borrowing corporation, according to subsection 181.2(6).

**Part 3 – Taxable capital**

Capital for the year (line 190)		114,513,007	C
<b>Deduct:</b> Investment allowance for the year (line 490)		4,225	D
<b>Taxable capital for the year</b> (amount C minus amount D) (if negative, enter "0")	<b>500</b>	<u>114,508,782</u>	

**Part 4 – Taxable capital employed in Canada**

To be completed by a corporation that was resident in Canada at any time in the year

Taxable capital for the year (line 500)	114,508,782	x	Taxable income earned in Canada	610	8,733,510	=	Taxable capital employed in Canada	690	<u>114,508,782</u>
			Taxable income		8,733,510				

- Notes:**
- Regulation 8601 gives details on calculating the amount of taxable income earned in Canada.
  - Where a corporation's taxable income for a tax year is "0," it shall, for the purposes of the above calculation, be deemed to have a taxable income for that year of \$1,000.
  - In the case of an airline corporation, Regulation 8601 should be considered when completing the above calculation.

To be completed by a corporation that was a non-resident of Canada throughout the year and carried on a business through a permanent establishment in Canada

Total of all amounts each of which is the carrying value at the end of the year of an asset of the corporation used in the year or held in the year, in the course of carrying on any business it carried on during the year through a permanent establishment in Canada	701	
<b>Deduct</b> the following amounts:		
Corporation's indebtedness at the end of the year [other than indebtedness described in any of paragraphs 181.2(3)(c) to (f)] that may reasonably be regarded as relating to a business it carried on during the year through a permanent establishment in Canada	711	
Total of all amounts each of which is the carrying value at the end of year of an asset described in subsection 181.2(4) of the corporation that it used in the year, or held in the year, in the course of carrying on any business during the year through a permanent establishment in Canada	712	
Total of all amounts each of which is the carrying value at the end of year of an asset of the corporation that is a ship or aircraft the corporation operated in international traffic, or personal or movable property used or held by the corporation in carrying on any business during the year through a permanent establishment in Canada (see note below)	713	
Total deductions (add lines 711, 712, and 713)		E
<b>Taxable capital employed in Canada</b> (line 701 minus amount E) (if negative, enter "0")	<b>790</b>	<u></u>

**Note:** Complete line 713 only if the country in which the corporation is resident did not impose a capital tax for the year on similar assets, or a tax for the year on the income from the operation of a ship or aircraft in international traffic, of any corporation resident in Canada during the year.

**Part 5 – Calculation of gross Part 1.3 tax**

**If the tax year starts after 2005, do not complete this part.**

Taxable capital employed in Canada (line 690 or 790, whichever applies)	114,508,782	
<b>Deduct:</b> Capital deduction claimed for the year (enter \$50,000,000 or, for related corporations, the amount allocated on Schedule 36)	50,000,000	
Excess of taxable capital employed in Canada over capital deduction	<b>811</b>	
Line 811 _____ x $\frac{\text{Number of days in the tax year in 2004}}{\text{Number of days in the tax year}}$ x 0.002 =	366	F
Line 811 _____ x $\frac{\text{Number of days in the tax year in 2005}}{\text{Number of days in the tax year}}$ x 0.00175 =	366	G
<b>Note:</b> The Part 1.3 tax rate is reduced to 0% for the days in the tax year that are after 2005.		
Subtotal (add amounts F and G)		H
Where the tax year of a corporation is less than 51 weeks, calculate the amount of gross Part 1.3 tax as follows:		
Amount H _____ x $\frac{\text{Number of days in the year ( 365 )}}{365}$ =		I
<b>Gross Part 1.3 tax</b> (amount H or I, whichever applies)	<b>820</b>	

**Part 6 – Calculation of gross Part 1.3 tax for purposes of the unused surtax credit**

Taxable capital employed in Canada (line 690 or 790, whichever applies)	114,508,782	J
<b>Deduct:</b> Capital deduction claimed for the year (enter \$50,000,000 or, for related corporations, the amount allocated on Schedule 36)	<b>801</b> 50,000,000 x 1/5 =	10,000,000 K
Excess (amount J minus amount K) (if negative, enter "0")	104,508,782	L
Amount L _____ x 0.00225 =		235,145 M
Where the tax year of a corporation is less than 51 weeks, calculate the amount of gross Part 1.3 tax for purposes of the unused surtax credit as follows:		
Amount M _____ x $\frac{\text{Number of days in the year ( 365 )}}{365}$ =		235,145 N
<b>Gross Part 1.3 tax for purposes of the unused surtax credit</b> (amount M or N, whichever applies)	<b>821</b>	235,145



**SHAREHOLDER INFORMATION**

Name of corporation BURLINGTON HYDRO INC.	Business Number 86829 1980 RC0001	Tax year end Year Month Day 2008-12-31
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All private corporations must complete this schedule for any shareholder who holds 10% or more of the corporation's common and/or preferred shares.

	Name of shareholder (after name, indicate in brackets if the shareholder is a corporation, partnership, individual, or trust)	Provide only one number per shareholder			Percentage common shares	Percentage preferred shares
		Business Number <b>200</b>	Social insurance number <b>300</b>	Trust number <b>350</b>		
1	BURLINGTON HYDRO ELECTRIC INC.	88361 4927 RC0001			100.000	
2						
3						
4						
5						
6						
7						
8						
9						
10						

### GENERAL RATE INCOME POOL (GRIP) CALCULATION

Name of corporation BURLINGTON HYDRO INC.	Business Number 86829 1980 RC0001	Tax year-end Year Month Day 2008-12-31
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On: 2008-12-31

- If you are a Canadian-controlled private corporation (CCPC) or a deposit insurance corporation (DIC), use this schedule to determine the general rate income pool (GRIP).
- When an eligible dividend was paid in the tax year, file a completed copy of this schedule with your *T2 Corporation Income Tax Return*. Do not send your worksheets with your return, but keep them in your records in case we ask to see them later.
- Subsections referred to in this schedule are from the *Income Tax Act*.
- Subsection 89(1) defines the terms eligible dividend, excessive eligible dividend designation, general rate income pool, and low rate income pool.

#### Eligibility for the various additions

Answer the following questions to determine the corporation's eligibility for the various additions:

##### 2006 addition

1. Is this the corporation's first taxation year that includes January 1, 2006?  Yes  No
2. If not, what is the date of the taxation year end of the corporation's first year that includes January 1, 2006?  
Enter the date and go directly to question 4
3. During that first year, was the corporation a CCPC or would it have been a CCPC if not for the election of subsection 89(11) ITA?  Yes  No
- If the answer to question 3 is yes, complete Part 5.**

##### Change in the type of corporation

4. Was the corporation a CCPC during its preceding taxation year?  Yes  No
5. Corporations that become a CCPC or a DIC  Yes  No
- If the answer to question 5 is yes, complete Part 4.**

##### Amalgamation (first year of filing after amalgamation)

6. Corporations that were formed as a result of an amalgamation  Yes  No
- If the answer to question 6 is yes, answer questions 7 and 8. If the answer is no, go to question 9.**
7. Was one or more of the predecessor corporations neither a CCPC nor a DIC?  Yes  No
- If the answer to question 7 is yes, complete Part 4.**
8. Was one or more of the predecessor corporation a CCPC or a DIC during the taxation year that ended immediately before amalgamation?  Yes  No
- If the answer to question 8 is yes, complete Part 3.**

##### Winding-up

9. Corporations that wound-up a subsidiary  Yes  No
- If the answer to question 9 is yes, answer questions 10 and 11. If the answer is no, go to Part 1.**
10. Was the subsidiary neither a CCPC nor a DIC during its last taxation year?  Yes  No
- If the answer to question 10 is yes, complete Part 4.**
11. Was the subsidiary a CCPC or a DIC during its last taxation year?  Yes  No
- If the answer to question 11 is yes, complete Part 3.**



**Part 1 – Calculation of general rate income pool (GRIP)**

If the corporation's tax year includes January 1, 2006, complete "Part 5 – GRIP addition for 2006" and then line 050. Otherwise, complete line 100.

GRIP addition for 2006 (the greater of amount QQ from Part 5 or "0")	050		A
GRIP at the end of the previous tax year	100	15,996,928	B
Taxable income for the year (DICs enter "0")*	110	8,733,510	C
Income for the credit union deduction* (amount E in Part 3 of Schedule 17)	120		
Amount on line 400, 405, 410, or 425 of the T2 return, whichever is less*	130		
For a CCPC, the lesser of aggregate investment income (line 440 of the T2 return) and taxable income*	140		
Subtotal (add lines 120, 130, and 140)			D
Income taxable at the general corporate rate (line C minus line D)	150	8,733,510	
After-tax income (line 150 multiplied by 68 %)	190	5,938,787	E
Eligible dividends received in the tax year	200		
Dividends deductible under section 113 received in the tax year	210		
Subtotal (add lines 200 and 210)			F
GRIP addition:			
Becoming a CCPC (line PP from Part 4)	220		
Post-amalgamation (total of lines EE from Part 3 and lines PP from Part 4)	230		
Post-wind-up (total of lines EE from Part 3 and lines PP from Part 4)	240		
Subtotal (add lines 220, 230, and 240)	290		G
Subtotal (add lines A or B (as applicable), E, F, and G)		21,935,715	H
Eligible dividends paid in the previous tax year	300		
Excessive eligible dividend designations made in the previous tax year	310		
<b>Note:</b> If becoming a CCPC (subsection 89(4) applies), enter "0" on lines 300 and 310.			
Subtotal (line 300 minus line 310)			I
GRIP before adjustment for specified future tax consequences (line H minus line I) (amount can be negative)	490	21,935,715	
Total GRIP adjustment for specified future tax consequences to previous tax years (amount Y from Part 2)	560		
<b>GRIP at the end of the year</b> (line 490 minus line 560)	590	21,935,715	
Enter this amount on line 160 on Schedule 55.			

\* **Note:** For lines 110, 120, 130, and 140, the income amount is the amount before considering specified future tax consequences. This phrase is defined in subsection 248(1). It includes the deduction of a loss carryback from subsequent tax years, a reduction of Canadian exploration expenses and Canadian development expenses that were renounced in subsequent tax years (e.g., flow-through share renunciations), reversals of income inclusions where an option is exercised in subsequent tax years, and the effect of certain foreign tax credit adjustments.

**Part 2 – GRIP adjustment for specified future tax consequences to previous tax years**

Complete this part if the corporation's taxable income of any of the previous three tax years took into account the specified future tax consequences defined in subsection 248(1) from the current tax year. Otherwise, enter "0" on line 560 of page 1 or leave it blank.

First previous tax year 2007-12-31

Taxable income before specified future tax consequences from the current tax year		12,734,672	J1
Enter the following amounts before specified future tax consequences from the current tax year:			
Income for the credit union deduction (amount E in Part 3 of Schedule 17)	K1		
Amount on line 400, 405, 410, or 425 of the T2 return, whichever is less	L1		
Aggregate investment income (line 440 of the T2 return)	M1		
Subtotal (add lines K1, L1, and M1)			O1
Subtotal (line J1 minus line O1) (if negative, enter "0")		12,734,672	P1

**Part 2 – GRIP adjustment for specified future tax consequences to previous tax years (continued)**

Future tax consequences that occur for the current year					
Amount carried back from the current year to a prior year					
Non-capital loss carry-back (paragraph 111 (1)(a) ITA)	Capital loss carry-back	Restricted farm loss carry-back	Farm loss carry-back	Other	Total carrybacks

Taxable income after specified future tax consequences . . . . . Q1

Enter the following amounts after specified future tax consequences:

Income for the credit union deduction (amount E in Part 3 of Schedule 17) . . . R1  
 Amount on line 400, 405, 410, or 425 of the T2 return, whichever is less . . . S1  
 Aggregate investment income (line 440 of the T2 return) . . . . . T1  
 Subtotal (add lines R1, S1, and T1)                      ▶                      V1  
 Subtotal (line Q1 minus line V1) (if negative, enter "0")                      ▶                      W1  
 Subtotal (line P1 minus line W1) (if negative, enter "0")                      X1

**GRIP adjustment for specified future tax consequences to first previous tax year** (line X1 multiplied by 68 %) . . . **500**

**Second previous tax year** 2006-12-31

Taxable income before specified future tax consequences from the current tax year . . . . . 10,790,932 J2

Enter the following amounts before specified future tax consequences from the current tax year:

Income for the credit union deduction (amount E in Part 3 of Schedule 17) . . . K2  
 Amount on line 400, 405, 410, or 425 of the T2 return, whichever is less . . . L2  
 Aggregate investment income (line 440 of the T2 return) . . . . . 710 M2  
 Accelerated tax reduction (line 637 of T2 return)\* multiplied by 100/7 . . . . . N2  
 Subtotal (add lines K2, L2, M2, and N2)                      710 ▶                      710 O2  
 Subtotal (line J2 minus line O2) (if negative, enter "0")                      10,790,222 ▶                      10,790,222 P2

Future tax consequences that occur for the current year					
Amount carried back from the current year to a prior year					
Non-capital loss carry-back (paragraph 111 (1)(a) ITA)	Capital loss carry-back	Restricted farm loss carry-back	Farm loss carry-back	Other	Total carrybacks

Taxable income after specified future tax consequences . . . . . Q2

Enter the following amounts after specified future tax consequences:

Income for the credit union deduction (amount E in Part 3 of Schedule 17) . . . R2  
 Amount on line 400, 405, 410, or 425 of the T2 return, whichever is less . . . S2  
 Aggregate investment income (line 440 of the T2 return) . . . . . T2  
 Accelerated tax reduction (line 637 of T2 return)\* multiplied by 100/7 . . . . . U2  
 Subtotal (add lines R2, S2, T2, and U2)                      ▶                      V2  
 Subtotal (line Q2 minus line V2) (if negative, enter "0")                      ▶                      W2  
 Subtotal (line P2 minus line W2) (if negative, enter "0")                      X2

**GRIP adjustment for specified future tax consequences to second previous tax year** (line X2 multiplied by 68 %) **520**

**Part 2 – GRIP adjustment for specified future tax consequences to previous tax years (continued)**

Third previous tax year 2005-12-31

Taxable income before specified future tax consequences from the current tax year ..... J3

Enter the following amounts before specified future tax consequences from the current tax year:

Income for the credit union deduction (amount E in Part 3 of Schedule 17) . . . . . K3

Amount on line 400, 405, 410, or 425 of the T2 return, whichever is less . . . . . L3

Aggregate investment income (line 440 of the T2 return) . . . . . M3

Accelerated tax reduction (line 637 of T2 return)\* **multiplied by 100/7** . . . . . N3

Subtotal (add lines K3, L3, M3, and N3) ..... O3

Subtotal (line J3 minus line O3) (if negative, enter "0") ..... P3

Future tax consequences that occur for the current year					
Amount carried back from the current year to a prior year					
Non-capital loss carry-back (paragraph 111 (1)(a) ITA)	Capital loss carry-back	Restricted farm loss carry-back	Farm loss carry-back	Other	Total carrybacks

Taxable income after specified future tax consequences ..... Q3

Enter the following amounts after specified future tax consequences:

Income for the credit union deduction (amount E in Part 3 of Schedule 17) . . . . . R3

Amount on line 400, 405, 410, or 425 of the T2 return, whichever is less . . . . . S3

Aggregate investment income (line 440 of the T2 return) . . . . . T3

Accelerated tax reduction (line 637 of T2 return)\* **multiplied by 100/7** . . . . . U3

Subtotal (add lines R3, S3, T3, and U3) ..... V3

Subtotal (line Q3 minus line V3) (if negative, enter "0") ..... W3

Subtotal (line P3 minus line W3) (if negative, enter "0") ..... X3

**GRIP adjustment for specified future tax consequences to third previous tax year** (line X3 multiplied by 68 %) . . . **540**

**Total GRIP adjustment for specified future tax consequences to previous tax years:** (add lines 500, 520, and 540) (if negative, enter "0") ..... Y

Enter amount Y on line 560.

\*Note: The accelerated tax reduction was available for 2001 to 2004 tax years.

**Part 3 – Worksheet to calculate the GRIP addition post-amalgamation or post-wind-up (predecessor or subsidiary was a CCPC or DIC in its last tax year)**

nb. 1 Postamalgamation  Post-wind-up

Complete this part when there has been an amalgamation (within the meaning assigned by subsection 87(1)) or a wind-up (to which subsection 88(1) applies) and the predecessor or subsidiary corporation was a CCPC or DIC in its last tax year. In the calculation below, **corporation** means a predecessor or a subsidiary. The last tax year for a predecessor corporation was its tax year that ended immediately before the amalgamation and for a subsidiary corporation was its tax year during which its assets were distributed to the parent on the wind-up.

For a post-wind-up, include the GRIP addition in calculating the parent's GRIP at the end of its tax year that immediately follows the tax year during which it receives the assets of the subsidiary.

Complete a separate worksheet for **each** predecessor and **each** subsidiary that was a CCPC or DIC in its last tax year. Keep a copy of this calculation for your records, in case we ask to see it later.

Corporation's GRIP at the end of its last tax year ..... AA

Eligible dividends paid by the corporation in its last tax year ..... BB

Excessive eligible dividend designations made by the corporation in its last tax year ..... CC

Subtotal (line BB minus line CC) ..... DD

**GRIP addition post-amalgamation or post-wind-up (predecessor or subsidiary was a CCPC or DIC in its last tax year)** (line AA minus line DD) ..... EE

After you complete this calculation for each predecessor and each subsidiary, calculate the total of all the EE lines. Enter this total amount on:

- line 230 for post-amalgamation; or
- line 240 for post-wind-up.



**PART III.1 TAX ON EXCESSIVE ELIGIBLE DIVIDEND DESIGNATIONS**

Name of corporation BURLINGTON HYDRO INC.	Business Number 86829 1980 RC0001	Tax year-end Year Month Day 2008-12-31
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**Do not use this area**

- Every corporation resident in Canada that pays a taxable dividend (other than a capital gains dividend within the meaning assigned by subsection 130.1(4) or 131(1)) in the tax year must file this schedule.
- Canadian-controlled private corporations (CCPC) and deposit insurance corporations (DIC) must complete Part 1. All other corporations must complete Part 2.
- Every corporation that has paid an eligible dividend must also file Schedule 53, *General Rate Income Pool (GRIP) Calculation*, or Schedule 54, *Low Rate Income Pool Calculation (LRIP)*; whichever is applicable.
- File the completed schedules with your *T2 Corporation Income Tax Return* no later than six months from the end of the tax year.
- Parts, subsections, and paragraphs mentioned in this schedule refer to the *Income Tax Act*.
- Subsection 89(1) defines the terms eligible dividend, excessive eligible dividend designation, general rate income pool (GRIP), and low rate income pool (LRIP).
- The calculations in Part 1 and Part 2 do not apply if the excessive eligible dividend designation arises from the application of paragraph (c) of the definition of excessive eligible dividend designation in subsection 89(1). This paragraph applies when an eligible dividend is paid to artificially maintain or increase the GRIP or to artificially maintain or decrease the LRIP.

**Part 1 – Canadian-controlled private corporations and deposit insurance corporations**

Taxable dividends paid in the tax year <b>not included</b> in Schedule 3		
Taxable dividends paid in the tax year <b>included</b> in Schedule 3	4,700,000	
Total taxable dividends paid in the tax year	<b>100</b> 4,700,000	
Total eligible dividends paid in the tax year		<b>150</b>
GRIP at the end of the year (line 590 on Schedule 53) (if negative, enter "0")		<b>160</b> 21,935,715
Excessive eligible dividend designation (line 150 minus line 160)		A
<b>Part III.1 tax on excessive eligible dividend designations – CCPC or DIC</b> (line A multiplied by 20%)	x 20%	<b>190</b>
Enter the amount from line 190 at line 710 of the T2 return.		

**Part 2 – Other corporations**

Taxable dividends paid in the tax year <b>not included</b> in Schedule 3		
Taxable dividends paid in the tax year <b>included</b> in Schedule 3		
Total taxable dividends paid in the tax year	<b>200</b>	
Total excessive eligible dividend designations in the tax year (line A of Schedule 54)		B
<b>Part III.1 tax on excessive eligible dividend designations – Other corporations</b> (line B multiplied by 20%)	x 20%	<b>290</b>
Enter the amount from line 290 at line 710 of the T2 return.		



Ministry of Revenue  
Corporations Tax  
33 King Street West  
PO Box 620  
Oshawa ON L1H 8E9

# Apprenticeship Training Tax Credit (ATTC)

## CT23 Schedule 114

Corporation's Legal Name BURLINGTON HYDRO INC.	Ontario Corporations Tax Account No. (MOR) 1800060	Taxation Year End 2008-12-31
---	---	---------------------------------

### Instructions for completing the ATTC Claim Form

- Enter the relevant details for each eligible apprentice, including the amount of tax credit.
- Your total tax credit for the taxation year is equal to the sum of the tax credits for each eligible apprentice.
- Enter the total tax credit claimed on line 203, page 7 of the CT23 Long, or page 4 of the CT23 Short, or page 4 of the CT8.
- Enter the total number of apprentices hired on line 202, page 7 of the CT23 Long, or page 4 of the CT23 Short, or page 4 of the CT8.
- Corporations are eligible for a 25% (30% in the case of corporations with payroll not exceeding \$400,000) refundable tax credit on wages and salaries paid or payable for services performed after May 18, 2004 by an eligible apprentice during the first 36 months of an apprenticeship.
- The maximum amount of credit that can be claimed in respect of each eligible apprentice is \$5,000 per year to a maximum of \$15,000 over the first 36 months of the apprenticeship. The maximum annual tax credit of \$5,000 is pro-rated for the number of days the apprentice was employed during the taxation year.
- The credit is *considered government assistance* and is therefore *to be included in income* in the year the credit is claimed.

### Summary of Apprenticeship Training Tax Credit Claimed

Complete a separate entry for each eligible apprentice that is in a qualifying skilled trade and hired before January 1, 2012. This credit applies to **salaries and wages paid after May 18, 2004 and before January 1, 2015** to eligible apprentices during the first 36 months of an apprenticeship.

Example: A taxpayer, with a December 31, 2004 taxation year end, hires an otherwise eligible apprentice on June 1, 2004 at a salary of \$3,500 per month. The taxpayer's salaries and wages in the preceding taxation year were \$700,000. The credit claimed is the lesser of **\*(1)** 25% of salaries paid to the apprentice during the period of employment (25% x \$3,500 x 7 = \$6,125), and **\*(2)** \$5,000 multiplied by the number of days the apprentice was employed during the taxation year, divided by the total number of days in the calendar year (\$5,000 x 214/366 = \$2,923). Hence, the credit claimed in the 2004 taxation year is \$2,923.

### Eligible Apprenticeship

Trade Code	Description of Apprenticeship Program	Apprentice Name and Social insurance No. (SIN)	Registration Date of Apprenticeship Contract or Training Agreement year month day	Contract or Agreement No.	Employment Period year month day	Eligible Expenditures (EE)	* Credit Claimed (see notes below)
434a	Lineworker	Name Chris Donnelly SIN 509 532 768	2008-01-07		From 2008-01-07 To 2008-12-31	49,258	4,918
434a	Lineworker	Name Jeff Taylor SIN 511 937 666	2008-01-07		From 2008-01-07 To 2008-12-31	46,893	4,918
	See schedule					138,244	14,754
<b>Totals</b>						<u>5874</u> 234,395	<u>5898</u> 24,590

If insufficient space, attach schedule

Corporation's salaries & wages paid in the preceding taxation year A \$ 1,000,000

- If A is \$600,000 or greater use 25%.
- If A is \$400,000 or less use 30%.
- If A is over \$400,000 but less than \$600,000 use the following formula to calculate the specified percentage:  
Specified percentage = .30 - [.05 ( From A 1,000,000 - \$400,000 ) ÷ \$200,000 ]

Indicate specified percentage used 25.0000 %

\* Credit claimed equals lesser of:

- EE multiplied by the specified percentage, and
- \$5,000 x number of days the apprentice was employed in the taxation year  
365 (366 if leap year)

Total Number of Apprentices ..... = 5896 5  
Transfer to 202 on Page 7 of the CT23 Long or Page 4 of the CT23 Short, or Page 4 of the CT8

# Apprenticeship Training Tax Credit (ATTC)

## CT23 Schedule 114

Corporation's Legal Name BURLINGTON HYDRO INC.	Ontario Corporations Tax Account No. (MOF) 1800060	Taxation Year End 2008-12-31
---	---	---------------------------------

### Eligible Apprenticeship

Trade Code	Description of Apprenticeship Program	Apprentice Name and Social insurance No. (SIN)	Registration Date of Apprenticeship Contract or Training Agreement year month day	Contract or Agreement No.	Employment Period year month day	Eligible Expenditures (EE)	* Credit Claimed (see notes below)
434a	Lineworker	Name Adam Jeffries  SIN 515 951 911	2008-01-07		From 2008-01-07 To 2008-12-31	45,228	4,918
434a	Lineworker	Name Craig Herman  SIN 534 305 339	2008-01-07		From 2008-01-07 To 2008-12-31	46,234	4,918
434a	Lineworker	Name Jamie Johnson  SIN 526 529 169	2008-01-07		From 2008-01-07 To 2008-12-31	46,782	4,918
<b>Totals</b>						138,244	14,754



This form is a combination of the Ministry of Finance (MOF) **CT23 Corporations Tax Return** and the Ministry of Government Services (MGS) **Annual Return**. Page 1 is a common page required for both Returns. For tax purposes, depending on which criteria the corporation satisfies, it must complete either the **Exempt from Filing (EFF)** declaration on page 2 or file the **CT23 Return** on pages 3-17. Corporations that **do not** meet the EFF criteria but **do** meet the Short-Form criteria, may request and file the **CT23 Short-Form Return** (see page 2).

The **Annual Return** (common page 1 and MGS Schedule A on pages 18 and 19, and Schedule K on page 20) contains non-tax information collected under the authority of the *Corporations Information Act* for the purpose of maintaining a public database of corporate information. This return must be completed by Ontario share-capital corporations or Foreign-Business share-capital corporations that have an extra-provincial licence to operate in Ontario.

MGS Annual Return Required? (Not required if already filed or Annual Return exempt. Refer to Guide)  Yes  No **Page 1 of 20**

Ministry Use

Corporation's Legal Name (including punctuation)			<b>Ontario Corporations Tax Account No. (MOF)</b>				
BURLINGTON HYDRO INC.			1800060				
Mailing Address			This Return covers the Taxation Year				
1340 BRANT STREET			Start	year	month	day	
BURLINGTON			2008-01-01				
ON CA L7R 3Z7			End	year	month	day	
			2008-12-31				
Has the mailing address changed since last filed CT23 Return?	<input type="checkbox"/> Yes	Date of Change	year	month	day		
Registered/Head Office Address			Date of Incorporation or Amalgamation				
1340 BRANT STREET			year			month	day
BURLINGTON			1999-12-01				
ON CA L7R 3Z7			Ontario Corporation No. (MGS)				
Location of Books and Records			1388234				
1340 BRANT STREET			Canada Revenue Agency Business No.				
BURLINGTON			If applicable, enter				
ON CA L7R 3Z7			86829 1980 RC0001				
Name of person to contact regarding this CT23 Return	Telephone No.	Fax No.	Jurisdiction Incorporated				
JOHN MAURO	(905) 332-1851	(905) 332-8384	Ontario				
Address of Principal Office in Ontario (Extra-Provincial Corporations only) (MGS)			If not incorporated in Ontario, indicate the date Ontario business activity commenced and ceased:				
Ontario Canada			Commenced	year	month	day	
Former Corporation Name (Extra-Provincial Corporations only) <input checked="" type="checkbox"/> Not Applicable (MGS)			Ceased				
			year			month	day
Information on Directors/Officers/Administrators must be completed on MGS Schedule A or K as appropriate. If additional space is required for Schedule A, only this schedule may be photocopied. State number submitted (MGS). ▶			No. of Schedule(s)				
			<input checked="" type="checkbox"/> Not Applicable				
If there is <b>no change</b> to the Directors'/Officers'/Administrators' information previously submitted to MGS, please check (X) this box. Schedule(s) A and K are not required (MGS). ▶ <input checked="" type="checkbox"/> No Change			Preferred Language / Langue de préférence				
			<input checked="" type="checkbox"/> English anglais <input type="checkbox"/> French français				
			Ministry Use				

**Certification (MGS)**

I certify that all information set out in the **Annual Return** is true, correct and complete.

Name of Authorized Person (Print clearly or type in full)

MICHAEL KYSLEY

Title  Director  Officer  Other individuals having knowledge of the Corporation's business activities

**Note: Sections 13 and 14 of the Corporations Information Act provide penalties for making false or misleading statements or omissions.**



BURLINGTON HYDRO INC.

1800060

2008-12-31

# CT23 Corporations Tax Return

## Identification continued (for CT23 filers only)

Please check applicable (X) box(es) and complete required information.

### Type of corporation

**1**  Canadian-controlled Private (CCPC) all year (Generally a private corporation of which 50% or more shares are owned by Canadian residents.) (fed.s.125(7)(b))

2  Other Private

3  Public

4  Non-share Capital

5  Other (specify) ▼

Share Capital with full voting rights owned by Canadian Residents 100 (nearest percent) %

- 2**
- 1  Family Farm corporation s.1(2)
  - 2  Family Fishing corporation s.1(2)
  - 3  Mortgage Investment corporation s.47
  - 4  Credit Union s.51
  - 5  Bank Mortgage subsidiary s.61(4)
  - 6  Bank s.1(2)
  - 7  Loan and Trust corporation s.61(4)
  - 8  Non-resident corporation s.2(2)(a) or (b)
  - 9  Non-resident corporation s.2(2)(c)
  - 10  Mutual Fund corporation s.48
  - 11  Non-resident owned Investment corporation s.49
  - 12  Non-resident ship or aircraft under reciprocal agreement with Canada s.28(b)
  - 14  Bare Trustee corporation
  - 15  Branch of Non-resident s.63(1)
  - 16  Financial institution prescribed by Regulation only
  - 17  Investment Dealer
  - 18  Generator of electrical energy for sale or producer of steam for use in the generation of electrical energy for sale
  - 19  Hydro successor, municipal electrical utility or subsidiary of either
  - 20  Producer and seller of steam for uses other than for the generation of electricity
  - 21  Insurance Exchange s.74.4
  - 22  Farm Feeder Finance Co-operative corporation
  - 23  Professional corporation (incorporated professionals only)

- This is the first year filing after incorporation or an amalgamation (If checked, attach Ontario Schedule 24.)
- Amended Return
- Taxation year end change – Canada Revenue Agency approval required
- Final taxation year up to dissolution (Note: for discontinued businesses, see guide.)
- Final taxation year before amalgamation
- The corporation has a floating fiscal year end
- There has been a transfer or receipt of asset(s) involving a corporation having a Canadian permanent establishment outside Ontario
- There was an acquisition of control to which subsection 249(4) of the federal *Income Tax Act* (ITA) applies since the previous taxation year  
If checked, date control was acquired year month day
- The corporation was involved in a transaction where all or substantially all (90% or more) of the assets of a non-arm's length corporation were received in the taxation year and subsection 85(1) or 85(2) of the federal ITA applied to the transaction (If checked, attach Ontario Schedule 44.)
- First year filing of a parent corporation after winding-up a subsidiary corporation(s) under section 88 of the federal ITA during the taxation year. (If checked, attach Ontario Schedule 24.)
- Section 83.1 of the CTA applies (redirection of payments for certain electricity corporations)

- Yes No
- Was the corporation inactive throughout the taxation year?
  - Has the corporation's Federal T2 Return been filed with the Canada Revenue Agency?
- Are you requesting a refund due to:
- the Carry-back of a Loss?
  - an Overpayment?
  - a Specified Refundable Tax Credit?
  - Are you a member of a Partnership or Joint Venture?

### Complete if applicable

Ontario Retail Sales Tax Vendor Permit no. (Use head office no.)

Ontario Employer Health Tax Account no. (Use head office no.)

Specify major business activity

Electricity Distrib

**Allocation** – If you carry on a business through a permanent establishment in a jurisdiction outside Ontario, you may allocate that portion of taxable income deemed earned in that jurisdiction to that jurisdiction (s.39) (Int.B. 3008).

**DOLLARS ONLY**

Net Income (loss) for Ontario purposes (per reconciliation schedule, page 15)	- - - - -	±	From	690	8,776,876 ●
Subtract: Charitable donations	- - - - -	-		1	43,366 ●
Subtract: Gifts to Her Majesty in right of Canada or a province and gifts of cultural property (Attach schedule 2)	- - - - -	-		2	●
Subtract: Taxable dividends deductible, per federal Schedule 3	- - - - -	-		3	●
Subtract: Ontario political contributions (Attach Schedule 2A) (Int.B. 3002R)	- - - - -	-		4	●
Subtract: Federal Part VI.1 tax _____ x 3	- - - - -	-		5	●
Subtract: Prior years' losses applied – Non-capital losses	- - - - -	-	From	704	●
				From	715
Net capital losses (page 16) _____ x inclusion rate 50.000000% =	- - - - -	-		714	●
Farm losses	- - - - -	-	From	724	●
Restricted farm losses	- - - - -	-	From	734	●
Limited partnership losses	- - - - -	-	From	754	●
<b>Taxable Income (Non-capital loss)</b>	- - - - -	=		10	8,733,510 ●
Addition to taxable income for unused foreign tax deduction for federal purposes	- - - - -	+		11	●
<b>Adjusted Taxable Income</b> 10 + 11 (if 10 is negative, enter 11 )	- - - - -	=		20	8,733,510 ●

**Taxable Income**

From 10 (or 20 if applicable) 8,733,510 ● x 30 Ontario Allocation 100.0000 % x 12.5 % x 33 366 ÷ 73 366 = + 29 ●	<p><b>Number of Days in Taxation Year</b></p> <table border="1"> <tr> <td>Days after Dec. 31, 2002 and before Jan. 1, 2004</td> <td>Total Days</td> </tr> <tr> <td>33</td> <td>366</td> </tr> <tr> <td colspan="2">÷</td> </tr> <tr> <td>73</td> <td>366</td> </tr> </table>	Days after Dec. 31, 2002 and before Jan. 1, 2004	Total Days	33	366	÷		73	366
Days after Dec. 31, 2002 and before Jan. 1, 2004		Total Days							
33	366								
÷									
73	366								
From 10 (or 20 if applicable) 8,733,510 ● x 30 Ontario Allocation 100.0000 % x 14 % x 34 366 ÷ 73 366 = + 32 1,222,691 ●									
<b>Income Tax Payable</b> (before deduction of tax credits) 29 + 32 = 40 1,222,691 ●									

**Incentive Deduction for Small Business Corporations (IDSBC) (s.41)**

**If this section is not completed, the IDSBC will be denied.**

Did you claim the federal Small Business Deduction (fed.s.125(1)) in the taxation year or would you have claimed the federal Small Business Deduction had the provisions of fed.s.125(5.1) not been applicable in the taxation year? (X) Yes  No

* Income from active business carried on in Canada for federal purposes (fed.s.125(1)(a))	- - - - -		50	8,776,876 ●
Federal taxable income, less adjustment for foreign tax credit (fed.s.125(1)(b))	+ 51	8,733,510 ●		
Add: Losses of other years deducted for federal purposes (fed.s.111)	+ 52	●		
Subtract: Losses of other years deducted for Ontario purposes (s.34)	- 53	●		
	=	8,733,510 ●	54	8,733,510 ●
Federal Business limit (line 410 of the T2 Return) for the year before the application of fed.s.125(5.1)	- - - - -		55	400,000 ●

**Ontario Business Limit Calculation**

320,000 x 31 366 ÷ ** 366 = + 46 ●	<p>Percentage of Federal Business limit (from T2 Schedule 23). Enter 100% if not associated.</p>
400,000 x 34 366 ÷ ** 366 = + 47 ●	
Business Limit for Ontario purposes 46 + 47 = 44 500,000 ● x 48 100.0000 % = 45 500,000 ●	

<b>Income eligible for the IDSBC</b>	- - - - -	From	30	100.0000 %	x	56	500,000 ●	=	60	500,000 ●
				***Ontario Allocation			Least of	50 , 54 or	45	

\* **Note:** Modified by s.41(6) and (7) for corporations that are members of a partnership. (Refer to Guide.)  
 \*\* **Note:** Adjust accordingly for a floating taxation year and use 366 for a leap year.  
 \*\*\* **Note:** Ontario Allocation for IDSBC purposes may differ from 30 if Taxable Income is allocated to foreign jurisdictions. See special rules (s.41(4)).

continued on Page 5

**Income Tax** *continued from Page 4*

		<b>Number of Days in Taxation Year</b>								
<b>Calculation of IDSBC Rate</b>	-----	7 %	x	Days after Dec. 31, 2002 and before Jan. 1, 2004	Total Days					
				31	73 366					
				= +	89					
		8.5 %	x	Days after Dec. 31, 2003	Total Days					
				34 366	73 366					
				= +	90 8.5000					
IDSBC Rate for Taxation Year	89	+	90	=	78 8.5000					
Claim	-----	From	60	500,000 ●	x From	78	8.5000 %	=	70	42,500 ●

Corporations claiming the IDSBC must complete the Surtax section below if the corporation's taxable income (or if associated, the associated group's taxable income) is greater than the amount 500,000 in 114 below.

**Surtax on Canadian-controlled Private Corporations (s.41.1)**

**Applies** if you have claimed the Incentive Deduction for Small Business Corporations.

**Associated Corporation** - The Taxable Income of associated corporations is the taxable income for the taxation year ending on or before the date of this corporation's taxation year end.

<b>*Taxable Income of the corporation</b>	-----	From	10	(or	20	if applicable)	+	80	8,733,510 ●		
<b>If you are a member of an associated group</b>	(X)	81	<input checked="" type="checkbox"/>	(Yes)							
Name of associated corporation (Canadian & foreign) <i>(if insufficient space, attach schedule)</i>		Ontario Corporations Tax Account No. (MOF) <i>(if applicable)</i>		Taxation Year End		* Taxable Income <i>(if loss, enter nil)</i>					
BURLINGTON ELECTRICITY SERVICES INC.		1800058		2008-12-31	+	82	3,094,058 ●				
BURLINGTON HYDRO ELECTRIC INC.		1800059		2008-12-31	+	83	197,888 ●				
					+	84	●				
Aggregate Taxable Income	80	+	82	+	83	+	84	, etc.	=	85	12,025,456 ●

		<b>Number of Days in Taxation Year</b>								
320,000 x	-----			Days after Dec. 31, 2002 and before Jan. 1, 2004	Total Days					
				31	73 366					
				= +	115					
400,000 x	-----			Days after Dec. 31, 2003	Total Days					
				34 366	73 366					
				= +	116					
					115	+	116	=	500,000 ●	
(If negative, enter nil)	-----							=	86	11,525,456 ●

		<b>Number of Days in Taxation Year</b>										
<b>Calculation of Specified Rate for Surtax</b>	-----	4.6670 %	x	Days after Dec. 31, 2002	Total Days							
				38	73 366							
				= +	97	4.2500						
	From	86	11,525,456 ●	x From	97	4.2500 %	=	87	489,832 ●			
	From	87	489,832 ●	x From	60	500,000 ●	÷ From	114	500,000 ●	=	88	489,832 ●
<b>Surtax Lesser of</b>	70	or	88	=	100	42,500						

\* **Note: Short Taxation Years** – Special rules apply where the taxation year is less than 51 weeks for the corporation and/or any corporation associated with it.

*continued on Page 6*

Additional Deduction for Credit Unions (s.51(4)) (Attach schedule 17) - - - - - 110

Manufacturing and Processing Profits Credit (M&P) (s.43)

Applies to Eligible Canadian Profits from manufacturing and processing, farming, mining, logging and fishing carried on in Canada, as determined by regulations.

Eligible Canadian Profits from mining are the "resource profits from the mining operations", as determined for Ontario depletion purposes, after deducting depletion and resource allowances but excluding amounts from sale of Canadian resource property, rentals or royalties. If you are claiming this credit, attach a copy of Ontario schedule 27.

The whole of the active business income qualifies as Eligible Canadian Profits if: a) your active business income from sources other than manufacturing and processing, mining, farming, logging or fishing is 20% or less of the total active business income and b) the total active business income is \$250,000 or less.

Eligible Canadian Profits - - - - - + 120
Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC) - - - - - From 56 500,000
Add: Adjustment for Surtax on Canadian-controlled private corporations
From 100 42,500 ÷ From 30 100.000% ÷ From 78 8.5000% = 121 500,000
\*Ontario Allocation
Lesser of 56 or 121 - - - - - + 122 500,000
120 - 56 + 122 - - - - - = 130
Taxable Income - - - - - + From 10 8,733,510

Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC) - - - - - From 56 500,000
Add: Adjustments for Surtax on Canadian-controlled private corporations - - - - - + From 122 500,000
Subtract: Taxable Income 10 8,733,510 X Allocation % to jurisdictions outside Canada - - - - - 140
Subtract: Amount by which Canadian and foreign investment income exceeds net capital losses - - - - - 141
10 - 56 + 122 - 140 - 141 - - - - - = 142 8,733,510

Claim

Number of Days in Taxation Year
Days after Dec. 31, 2002 and before Jan. 1, 2004 Total Days
143 X From 30 100.0000% X 1.5% X 33 ÷ 73 366 = + 154
Lesser of 130 or 142 Ontario Allocation
Days after Dec. 31, 2003 Total Days
143 X From 30 100.0000% X 2% X 34 ÷ 73 366 = + 156
Lesser of 130 or 142 Ontario Allocation
M&P claim for taxation year 154 + 156 - - - - - = 160

\* Note: Ontario Allocation for M&P Credit purposes may differ from 30 if Taxable Income is allocated to foreign jurisdictions. See special rules (s.43(1))

Manufacturing and Processing Profits Credit for Electrical Generating Corporations = 161

Manufacturing and Processing Profits Credit for Corporations that Produce and Sell Steam for uses other than the Generation of Electricity - - - - - = 162

Credit for Foreign Taxes Paid (s.40)

Applies if you paid tax to a jurisdiction outside Canada on foreign investment income (Int.B. 3001R). (Attach schedule) - 170

Credit for Investment in Small Business Development Corporations (SBDC)

Applies if you have an unapplied, previously approved credit from prior years' investments in new issues of equity shares in Small Business Development Corporations. Any unused portion may be carried forward indefinitely and applied to reduce subsequent years' income taxes. (Refer to the former Small Business Development Corporations Act)

Eligible Credit 175 Credit Claimed 180

Subtotal of Income Tax 40 - 70 + 100 - 110 - 160 - 161 - 162 - 170 - 180 - - - - - = 190 1,222,691

**Income Tax** *continued from Page 6*

**Specified Tax Credits** *(Refer to Guide)*

**Ontario Innovation Tax Credit (OITC) (s.43.3)** *Applies* to scientific research and experimental development in Ontario.

Eligible Credit From 5620 OITC Claim Form *(Attach original Claim Form)* - - - - - + 191 \_\_\_\_\_ ●

**Co-operative Education Tax Credit (CETC) (s.43.4)** *Applies* to employment of eligible students.

Eligible Credit From 5798 CT23 Schedule 113 *(Attach Schedule 113)* - - - - - + 192 \_\_\_\_\_ 802 ●

**Ontario Film & Television Tax Credit (OFTTC) (s.43.5)**

*Applies* to qualifying Ontario labour expenditures for eligible Canadian content film and television productions. Name of Production 204 \_\_\_\_\_

Eligible Credit From 5850 of the Certificate of Eligibility issued by the Ontario Media Development Corporation (OMDC) *(Attach the original Certificate of Eligibility)* - - - - - + 193 \_\_\_\_\_ ●

**Graduate Transitions Tax Credit (GTTC) (s.43.6)**

*Applies* to employment of eligible unemployed post secondary graduates, for employment commencing prior to July 6, 2004 and expenditures incurred prior to January 1, 2005. No. of Graduates From 6596 194 \_\_\_\_\_

Eligible Credit From 6598 CT23 Schedule 115 *(Attach Schedule 115)* - - - - - + 195 \_\_\_\_\_ ●

**Ontario Book Publishing Tax Credit (OBPTC) (s.43.7)**

*Applies* to qualifying expenditures in respect of eligible literary works by eligible Canadian authors.

Eligible Credit From 6900 OBPTC Claim Form *(Attach both the original Claim Form and the Certificate of Eligibility)* - - - - - + 196 \_\_\_\_\_ ●

**Ontario Computer Animation and Special Effects Tax Credit (OCASE) (s.43.8)**

*Applies* to labour relating to computer animation and special effects on an eligible production.

Eligible Credit From 6700 of the Certificate of Eligibility issued by the Ontario Media Development Corporation (OMDC) *(Attach the original Certificate of Eligibility)* - - - - - + 197 \_\_\_\_\_ ●

**Ontario Business-Research Institute Tax Credit (OBRITC) (s.43.9)**

*Applies* to qualifying R&D expenditures under an eligible research institute contract.

Eligible Credit From 7100 OBRITC Claim Form *(Attach original Claim Form)* - - - - - + 198 \_\_\_\_\_ ●

**Ontario Production Services Tax Credit (OPSTC) (s.43.10)**

*Applies* to qualifying Ontario labour expenditures for eligible productions where the OFTTC has not been claimed.

Eligible Credit From 7300 of the Certificate of Eligibility issued by the Ontario Media Development Corporation (OMDC) *(Attach the original Certificate of Eligibility)* - - - - - + 199 \_\_\_\_\_ ●

**Ontario Interactive Digital Media Tax Credit (OIDMTC) (s.43.11)**

*Applies* to qualifying labour expenditures of eligible products for the taxation year.

Eligible Credit From 7400 of the Certificate of Eligibility issued by the Ontario Media Development Corporation (OMDC) *(Attach the original Certificate of Eligibility)* - - - - - + 200 \_\_\_\_\_ ●

**Ontario Sound Recording Tax Credit (OSRTC) (s.43.12)**

*Applies* to qualifying expenditures in respect of eligible Canadian sound recordings.

Eligible Credit From 7500 OSRTC Claim Form *(Attach both the original Claim Form and the Certificate of Eligibility)* - - - - - + 201 \_\_\_\_\_ ●

**Apprenticeship Training Tax Credit (ATTC) (s.43.13)**

*Applies* to employment of eligible apprentices. No. of Apprentices From 5896 202 \_\_\_\_\_ 5

Eligible Credit From 5898 CT23 Schedule 114 *(Attach Schedule 114)* - - - - - + 203 \_\_\_\_\_ 24,590 ●

Other (specify) \_\_\_\_\_ - - - - - + 203.1 \_\_\_\_\_ ●

**Total Specified Tax Credits** 191 + 192 + 193 + 195 + 196 + 197 + 198 + 199 + 200 + 201 + 203 + 203.1 = 220 \_\_\_\_\_ 25,392 ●

**Specified Tax Credits Applied to reduce Income Tax** - - - - - = 225 \_\_\_\_\_ 25,392 ●

**Income Tax** 190 - 225 OR Enter NIL if reporting Non-Capital Loss *(amount cannot be negative)* - - - - - = 230 \_\_\_\_\_ 1,197,299 ●

To determine if the Corporate Minimum Tax (CMT) is applicable to your Corporation, see **Determination of Applicability** section for the CMT on **Page 8**. If CMT is not applicable, transfer amount in 230 to Income Tax in **Summary** section on **Page 17**.

OR

If CMT is not applicable for the current taxation year but your corporation has CMT Credit Carryovers that you want to apply to reduce income tax otherwise payable, then proceed to and complete the **Application of CMT Credit Carryovers** section part B, on **Page 8**.

<b>Total Assets of the corporation</b>	- - - - -	+ [240]	137,104,419 ●
<b>Total Revenue of the corporation</b>	- - - - -	+ [241]	153,040,418 ●

The above amounts include the corporation's and associated corporations' share of any partnership(s) / joint venture(s) total assets and total revenue.

If you are a member of an associated group (X) [242]  (Yes)

Name of associated corporation (Canadian & foreign) (if insufficient space attach schedule)	Ontario Corporations Tax Account No. (MOF) (if applicable)	Taxation Year End	Total Assets	Total Revenue
BURLINGTON ELECTRICITY SERVICES INC.	1800058	2008-12-31	+ [243] 4,591,156 ●	+ [244] 6,610,388 ●
BURLINGTON HYDRO ELECTRIC INC.	1800059	2008-12-31	+ [245] 46,084,569 ●	+ [246] 9,009,038 ●
			+ [247] ●	+ [248] ●
<b>Aggregate Total Assets</b>	[240] + [243] + [245] + [247], etc.		= [249] 187,780,144 ●	
<b>Aggregate Total Revenue</b>	[241] + [244] + [246] + [248], etc.			= [250] 168,659,844 ●

**Determination of Applicability**

Applies if either Total Assets [249] exceeds \$5,000,000 or Total Revenue [250] exceeds \$10,000,000.

**Short Taxation Years** – Special rules apply for determining total revenue where the taxation year of the corporation or any associated corporation or any fiscal period of any partnership(s) / joint venture(s) of which the corporation or associated corporation is a member, is less than 51 weeks.

**Associated Corporation** – The total assets or total revenue of associated corporations is the total assets or total revenue for the taxation year ending on or before the date of the claiming corporation's taxation year end.

If CMT is applicable to current taxation year, complete section **Calculation: CMT** below and **Corporate Minimum Tax Schedule 101**.

**Calculation: CMT** (Attach Schedule 101.)

Gross CMT Payable	- - CMT Base	From Schedule 101	[2136] 6,527,394 ●	X From [30] 100.0000 % X	4 % = [276] 261,096 ●
			If negative, enter zero	Ontario Allocation	
Subtract: Foreign Tax Credit for CMT purposes (Attach Schedule)	- - - - -				- [277] ●
Subtract: Income Tax	- - - - -				- From [190] 1,222,691 ●
<b>Net CMT Payable</b> (If negative, enter Nil on Page 17.)	- - - - -				= [280] -961,595 ●

If [280] is less than zero and you do not have a CMT credit carryover, transfer [230] from Page 7 to **Income Tax Summary, on Page 17**.

If [280] is less than zero and you have a CMT credit carryover, complete A & B below.

If [280] is greater than or equal to zero, transfer [230] to Page 17 and transfer [280] to Page 17, and to Part 4 of Schedule 101: **Continuity of CMT Credit Carryovers**.

<b>CMT Credit Carryover available</b>	From Schedule 101	- - - - -	From [2333] ●
---------------------------------------	-------------------	-----------	---------------

**Application of CMT Credit Carryovers**

<b>A.</b>	Income Tax (before deduction of specified credits)	- - - - -	+ From [190]	1,222,691 ●
	Gross CMT Payable	- - - - -	+ From [276]	261,096 ●
	Subtract: Foreign Tax Credit for CMT purposes	- - - - -	- From [277]	●
	If [276] - [277] is negative, enter NIL in [290]	- - - - -	=	261,096 ●
	<b>Income Tax eligible for CMT Credit</b>	- - - - -	= [290]	261,096 ●
			[300]	961,595 ●
<b>B.</b>	Income Tax (after deduction of specified credits)	- - - - -	+ From [230]	1,197,299 ●
	Subtract: CMT credit used to reduce income taxes	- - - - -	- [310]	●
	<b>Income Tax</b>	- - - - -	= [320]	1,197,299 ●

Transfer to page 17

If A & B apply, [310] cannot exceed the lesser of [230], [300] and your CMT credit carryover available [2333].

If only B applies, [310] cannot exceed the lesser of [230] and your CMT credit carryover available [2333].

BURLINGTON HYDRO INC.

1800060

2008-12-31

DOLLARS ONLY

**Capital Tax** (Refer to Guide and Int.B. 3011R)

If your corporation is a Financial Institution (s.58(2)), complete lines 480 and 430 on page 10 then proceed to page 13.

If your corporation is not a member of an associated group and/or partnership and the Gross Revenue and Total Assets as calculated on page 10 in 480 and 430 are both \$3,000,000 or less, your corporation is exempt from Capital Tax for the taxation year, except for a branch of a non-resident corporation.

A corporation that meets these criteria should disregard all other Capital Tax items (including the calculation of Taxable Capital). Enter NIL in 550 on page 12 and complete the return from that point. All other corporations must compute their Taxable Capital in order to determine their Capital Tax payable.

Members of a partnership (limited or general) or a joint venture, must attach all financial statements of each partnership or joint venture of which they are a member. The Paid-up Capital of each corporate partner must include its share of liabilities that would otherwise be included if the partnership were a corporation. If Investment Allowance is claimed, Total Assets must be

adjusted by adding the corporation's share of the partnership's Total Assets and by deducting investments in the partnership as it appears on the corporation's balance sheet, in addition to any other required adjustments (s.61(5)). Special rules apply to limited partnerships (Int.B. 3017R).

Any Assets and liabilities of a corporation that are being utilized in a joint venture must be included along with the corporation's other Assets and liabilities when calculating its Taxable Paid-up Capital.

Special rules and rates apply to Non-Resident corporations (s.63, s.64 and s.69(3)).

**Paid-up Capital of Non-resident:** Paid-up capital employed in Canada of a non-resident subject to tax by virtue of s.2(2)(a) or 2(2)(b), and whose business is not carried on solely in Canada is deemed to be the greater of (1) taxable Income in Canada divided by 8 percent or (2) total assets in Canada minus certain indebtedness in accordance with the provisions of s.63(1)(a) (Int.B. 3010).

**Paid-up Capital**

Paid-up capital stock (Int.B. 3012R and 3015R)	- - - - -	+ 350	45,139,138 ●
Retained earnings (if deficit, deduct) (Int.B. 3012R)	- - - - -	± 351	11,187,683 ●
Capital and other surpluses, excluding appraisal surplus (Int.B.3012R)	- - - - -	+ 352	876,228 ●
Loans and advances (Attach schedule) (Int.B. 3013R)	- - - - -	+ 353	54,598,900 ●
Bank loans (Int.B. 3013R)	- - - - -	+ 354	●
Bankers acceptances (Int.B. 3013R)	- - - - -	+ 355	●
Bonds and debentures payable (Int.B. 3013R)	- - - - -	+ 356	●
Mortgages payable (Int.B. 3013R)	- - - - -	+ 357	●
Lien notes payable (Int.B. 3013R)	- - - - -	+ 358	●
Deferred credits (including income tax reserves, and deferred revenue where it would also be included in paid-up capital for the purposes of the large corporations tax) (Int.B. 3013R)	- - - - -	+ 359	-3,887,641 ●
Contingent, investment, inventory and similar reserves (Int.B. 3012R)	- - - - -	+ 360	2,681,058 ●
Other reserves not allowed as deductions for income tax purposes (Attach schedule) (Int.B. 3012R)	- - - - -	+ 361	1,123,085 ●
Share of partnership(s) or joint venture(s) paid-up capital (Attach schedule(s)) (Int.B. 3017R)	- - - - -	+ 362	●
<b>Subtotal</b>	- - - - -	= 370	111,718,451 ●
Subtract: Amounts deducted for income tax purposes in excess of amounts booked (Retain calculations. Do not submit.) (Int.B. 3012R)	- - - - -	- 371	●
Deductible R & D expenditures and ONTTI costs deferred for income tax if not already deducted for book purposes (Int.B. 3015R)	- - - - -	- 372	●
<b>Total Paid-up Capital</b>	- - - - -	= 380	111,718,451 ●
Subtract: Deferred mining exploration and development expenses (s.62(1)(d)) (Int.B. 3015R)	- - - - -	- 381	●
<b>Electrical Generating Corporations Only</b> – All amounts with respect to electrical generating assets, except to the extent that they have been deducted by the corporation in computing its income for income tax purposes for the current or any prior taxation year, that are deductible by the corporation under clause 11(10)(a) of the Corporations Tax Act, and the assets are used both in generating electricity from a renewable or alternative energy source and are qualifying property as prescribed by regulation	- - - - -	- 382	●
<b>Net Paid-up Capital</b>	- - - - -	= 390	111,718,451 ●

**Eligible Investments** (Refer to Guide and Int.B. 3015R)

Attach computations and list of corporation names and investment amounts. Short-term investments (bankers acceptances, commercial paper, etc.) are eligible for the allowance only if issued for a term of and held for 120 days or more prior to the year end of the investor corporation.

Bonds, lien notes and similar obligations, (similar obligations, e.g. stripped interest coupons, applies to taxation years ending after October 30, 1998)	- - - - -	+ 402	●
Mortgages due from other corporations	- - - - -	+ 403	●
Shares in other corporations (certain restrictions apply) (Refer to Guide)	- - - - -	+ 404	●
Loans and advances to unrelated corporations	- - - - -	+ 405	4,225 ●
Eligible loans and advances to related corporations (certain restrictions apply) (Refer to Guide)	- - - - -	+ 406	●
Share of partnership(s) or joint venture(s) eligible investments (Attach schedule)	- - - - -	+ 407	●
<b>Total Eligible Investments</b>	- - - - -	= 410	4,225 ●

continued on Page 10

**Total Assets** (Int.B. 3015R)

DOLLARS ONLY

Total Assets per balance sheet	- - - - -	+ 420	137,104,419 ●
Mortgages or other liabilities deducted from assets	- - - - -	+ 421	●
Share of partnership(s)/joint venture(s) total assets ( <i>Attach schedule</i> )	- - - - -	+ 422	●
Subtract: Investment in partnership(s)/joint venture(s)	- - - - -	- 423	●
<b>Total Assets as adjusted</b>	- - - - -	= 430	137,104,419 ●
Amounts in 360 and 361 (if deducted from assets)	- - - - -	+ 440	1,123,085 ●
Subtract: Amounts in 371, 372 and 381	- - - - -	- 441	●
Subtract: Appraisal surplus if booked	- - - - -	- 442	●
Add or Subtract: Other adjustments (specify on an attached schedule)	- - - - -	± 443	●
<b>Total Assets</b>	- - - - -	= 450	138,227,504 ●

<b>Investment Allowance</b> ( 410 ÷ 450 ) × 390	- - - - -	<b>Not to exceed</b> 410	= 460	3,415 ●
<b>Taxable Capital</b> 390 - 460	- - - - -		= 470	111,715,036 ●

<b>Gross Revenue</b> (as adjusted to include the share of any partnership(s)/joint venture(s) Gross Revenue)	- - -	480	153,040,418 ●
<b>Total Assets</b> (as adjusted)	- - - - -	From 430	137,104,419 ●

**Calculation of Capital Tax for all Corporations except Financial Institutions**

*Note: This version (2007) of the CT23 may only be used for a taxation year that commenced after December 31, 2004.*

*Financial Institutions use calculations on page 13.*

- Important:** If the corporation is a family farm corporation, family fishing corporation or a credit union that is not a Financial Institution, complete only Section A below.
- OR** If the corporation is **not** a member of an associated group and/or partnership, complete Section B below, then review only the Capital Tax calculations in Section C on page 11, selecting and completing the one specific subsection (e.g. C3) that applies to the corporation.
- OR** If the corporation **is** a member of an associated group and/or partnership, complete Section B below and Section D on page 11, and if applicable, complete Section E or Section F on page 12. Note: if the corporation is a member of a connected partnership, please refer to the CT23 Guide for additional instructions before completing the Capital Tax section.

**SECTION A**

This section applies only if the corporation is a family farm corporation, a family fishing corporation or a credit union that is not a Financial Institution (Int.B. 3018).

Enter NIL in 550 on page 12 and complete the return from that point.

**SECTION B**

**B1. Calculation of Taxable Capital Deduction (TCD)**

		Number of Days in Taxation Year			
		Days after Dec. 31, 2004 and before Jan. 1, 2006	Total Days		
7,500,000	×	36	366	= +	501 ●
10,000,000	×	37	366	= +	502 ●
12,500,000	×	38	366	= +	504 ●
15,000,000	×	39	366	= +	505 15,000,000 ●
<b>Taxable Capital Deduction (TCD)</b>		501 + 502 + 504 + 505		=	503 15,000,000 ●

**B2. This section applies to corporations to calculate the prorated capital tax rate.**

Calculation of Capital Tax Rate

		Number of Days in Taxation Year			
		Days before Jan. 1, 2007	Total Days		
0.3 %	×	556	366	= +	511 %
0.225 %	×	557	366	= +	512 0.2250 %
<b>Capital Tax Rate</b>		511 + 512		=	516 0.2250 %

*continued on Page 11*



Capital Tax Calculation continued from Page 10

SECTION C

This section applies if the corporation is not a member of an associated group and/or partnership.

- C1. If 430 and 480 on page 10 are both \$3,000,000 or less, enter NIL in 550 on page 12 and complete the return from that point.
C2. If Taxable Capital in 470 is equal to or less than the TCD in 503, enter NIL in 550 on page 12 and complete the return from that point.
C3. If Taxable Capital in 470 exceeds the TCD in 503, complete the following calculation and transfer the amount from 523 to 543 on page 12, and complete the return from that point.
+ From 470
- From 503
= 471 x From 30 Ontario Allocation 100.0000% x From 516 Capital Tax Rate 0.2250% x 555 366 Days in taxation year 366 (366 if leap year) = + 523 Transfer to 543 on page 12 and complete the return from that point if floating taxation year, refer to Guide.

SECTION D

This section applies ONLY to a corporation that is a member of an associated group (excluding Financial Institutions and corporations exempt from Capital Tax) and/or partnership. You must check either 509 or 524 and complete this section before you can calculate your Capital Tax Calculation under either Section E or Section F.

- D1. 509 (X if applicable) All corporations that you are associated with do not have a permanent establishment in Canada.
If Taxable Capital 470 on page 10 is equal to or less than the TCD 503 on page 10, enter NIL in 550 on page 12 and complete the return from that point.
If Taxable Capital 470 on page 10 exceeds the TCD 503 on page 10, proceed to Section E, enter the TCD amount in 542 in Section E, and complete Section E and the return from that point.

- D2. 524 (X if applicable) One or more of the corporations that you are associated with maintains a permanent establishment in Canada.
You and your associated group may continue to allocate the TCD by completing the Calculation below. Or, the associated group may file an election under subsection 69(2.1) of the Corporations Tax Act, whereby total assets are used to allocate the TCD among the associated group. Once a ss.69(2.1) election is filed, all members of the group will then be required to file in accordance with the election and allocate a portion (portion is henceforth referred to as Net Deduction) of the capital tax effect relating to the TCD to each corporation in the group on the basis of the ratio that each corporation's total assets multiplied by its Ontario allocation is to the total assets of the group.
The total asset amounts and Ontario allocation percentages to be used for this calculation must be taken from each corporation's financial information from its last taxation year ending in the immediately preceding calendar year.
In addition, although each corporation in the associated group may deduct its Net Deduction amount as apportioned by the total asset formula, the group may, at the group's option, reallocate the group's total Net Deduction among the group on what ever basis the corporate group wishes, as long as the total of the reallocated amounts does not exceed the group's total Net Deduction amount originally calculated for the associated group.

D2. Calculation is on next page

continued on Page 12

Capital Tax Calculation continued from Page 11

DOLLARS ONLY

**D2. Calculation** Do not complete this calculation if ss.69(2.1) election is filed

Taxable Capital From 470 on page 10 - - - - - + From 470 111,715,036 ●

**Determine aggregate taxable capital of an associated group (excluding financial institutions and corporations exempt from capital tax) and/or partnership having a permanent establishment in Canada**

Names of associated corporations (excluding Financial Institutions and corporations exempt from Capital Tax) having a permanent establishment in Canada (if insufficient space, attach schedule)	Ontario Corporations Tax Account No. (MOF) (if applicable)	Taxation Year End	Taxable Capital
BURLINGTON ELECTRICITY SERVICES INC.	1800058	2008-12-31	+ <u>531</u> 3,700,052 ●
BURLINGTON HYDRO ELECTRIC INC.	1800059	2008-12-31	+ <u>532</u> 309,211 ●
			+ <u>533</u> ●
Aggregate Taxable Capital <u>470</u> + <u>531</u> + <u>532</u> + <u>533</u> , etc.			= <u>540</u> 115,724,299 ●

If 540 above is equal to or less than the TCD 503 on page 10, the corporation's Capital Tax for the taxation year, is NIL.

Enter NIL in 523 in section E below, as applicable.

If 540 above is greater than the TCD 503 on page 10, the corporation must compute its share of the TCD below in order to calculate its Capital Tax for the taxation year under Section E below.

From 470 111,715,036 ● ÷ From 540 115,724,299 ● × From 503 15,000,000 ● = 541 14,480,326 ●  
 Transfer to 542 in Section E below

**Ss.69(2.1) Election Filed**

591 (X if applicable) **Election filed.** Attach a copy of Schedule 591 with this CT23 Return. Proceed to **Section F** below.

**SECTION E**

This section applies if the corporation is a member of an associated group and/or partnership whose total aggregate Taxable Capital 540 above, exceeds the TCD 503 on page 10.

Complete the following calculation and transfer the amount from 523 to 543, and complete the return from that point.

+ From 470 111,715,036 ●  
 - 542 14,480,326 ●  
 = 471 97,234,710 ● × From 30 100.0000% Ontario Allocation × From 516 0.2250% Capital Tax Rate ×  $\frac{\text{Days in taxation year } \underline{555} \text{ } \underline{366}}{366 \text{ (366 if leap year)}}$  = + 523 218,778 ●  
 Total Capital Tax for the taxation year  
 Transfer to 543 and complete the return from that point

**SECTION F**

This section applies if a corporation is a member of an associated group and the associated group has filed a ss.69(2.1) election

+ From 470 ● × From 30 100.0000% Ontario Allocation × From 516 0.2250% Capital Tax Rate = + 561 ●  
 - Capital tax deduction from 995 relating to your corporation's Capital Tax deduction, on Schedule 591 - - - - - = - From 995 ●  
 = 562 ●  
 Total Capital Tax for the taxation year  
 Capital Tax - - - - - 562 ● ×  $\frac{\text{Days in taxation year } \underline{555} \text{ } \underline{366}}{366 \text{ (366 if leap year)}}$  = 563 ●  
 Transfer to 543 and complete the return from that point

\* If floating taxation year, refer to Guide.

Capital Tax before application of specified credits - - - - - = 543 218,778 ●  
 Subtract: Specified Tax Credits applied to reduce capital tax payable (Refer to Guide) - - - - - = 546 ●  
**Capital Tax** 543 - 546 (amount cannot be negative) - - - - - = 550 218,778 ●  
 Transfer to Page 17

continued on Page 13

**Capital Tax** *continued from Page 12*

**Calculation of Capital Tax for Financial Institutions**

**1.1 Credit Unions only**

For taxation years commencing **after May 4, 1999** enter NIL in 550 on page 12, and complete the return from that point.

**1.2 Other than Credit Unions**

*(Retain details of calculations for amounts in boxes 565 and 570. Do not submit with this tax return.)*

<span style="border: 1px solid black; padding: 2px;">565</span>		x	<span style="border: 1px solid black; padding: 2px;">567</span> %	x	From	<span style="border: 1px solid black; padding: 2px;">30</span>	<span style="border: 1px solid black; padding: 2px;">100.0000</span> %	x	<span style="border: 1px solid black; padding: 2px;">555</span> <span style="border: 1px solid black; padding: 2px;">366</span> - - - -	=		+	<span style="border: 1px solid black; padding: 2px;">569</span>
Lesser of adjusted Taxable Paid Up Capital and Basic Capital Amount in accordance with Division B.1		Capital Tax Rate (1) <i>(Refer to Guide)</i>		Ontario Allocation		Ontario Allocation		Days in taxation year 366 (366 if leap year)					

<span style="border: 1px solid black; padding: 2px;">570</span>		x	<span style="border: 1px solid black; padding: 2px;">571</span> %	x	From	<span style="border: 1px solid black; padding: 2px;">30</span>	<span style="border: 1px solid black; padding: 2px;">100.0000</span> %	x	<span style="border: 1px solid black; padding: 2px;">555</span> <span style="border: 1px solid black; padding: 2px;">366</span> - - - -	=		+	<span style="border: 1px solid black; padding: 2px;">574</span>
Adjusted Taxable Paid Up Capital in accordance with Division B.1 in excess of Basic Capital Amount		Capital Tax Rate (2) <i>(Refer to Guide)</i>		Ontario Allocation		Ontario Allocation		Days in taxation year 366 (366 if leap year)					

**Capital Tax for Financial Institutions – other than Credit Unions (before Section 2)** 569 + 574 - - = 575

*\* If floating taxation year, refer to Guide.*

**2. Small Business Investment Tax Credit**

*(Retain details of eligible investment calculation and, if claiming an investment in CSBIF, retain the original letter approving the credit issued in accordance with the Community Small Business Investment Fund Act. Do not submit with this tax return.)*

Allowable Credit for Eligible Investments	- - - - -	-	<span style="border: 1px solid black; padding: 2px;">585</span>
Financial Institutions: Claiming a tax credit for investment in Community Small Business Investment Fund (CSBIF)? (X) <input type="checkbox"/> Yes			

**Capital Tax - Financial Institutions** 575 - 585 - - - - - = 586  
*Transfer to 543 on Page 12*

**Premium Tax (s.74.2 & 74.3)** *(Refer to Guide)*

(1) Uninsured Benefits Arrangements	- - - - -	x	<span style="border: 1px solid black; padding: 2px;">587</span>	x	<span style="border: 1px solid black; padding: 2px;">2</span> %	-	<span style="border: 1px solid black; padding: 2px;">588</span>
<i>Applies to Ontario-related uninsured benefits arrangements.</i>							

(2) Unlicensed Insurance (enter premium tax payable in <span style="border: 1px solid black; padding: 2px;">588</span> and attach a detailed schedule of calculations. If subject to tax under (1) above, add both taxes together and enter total tax in <span style="border: 1px solid black; padding: 2px;">588</span> .)	- - - - -	-	<span style="border: 1px solid black; padding: 2px;">588</span>
<i>Applies to Insurance Brokers and other persons placing insurance for persons resident or property situated in Ontario with unlicensed insurers.</i>			

**Deduct:** Specified Tax Credits applied to reduce premium tax *(Refer to Guide)* - - - - - = 589

**Premium Tax** 588 - 589 - - - - - = 590  
*Transfer to page 17*

**Reconcile net income (loss) for federal income tax purposes  
with net income (loss) for Ontario purposes if amounts differ**

**Net Income (loss) for federal income tax purposes, per federal T2 Schedule 1** - - - - - ± 600 8,776,876 ●  
Transfer to Page 15

**Add:**

Federal capital cost allowance	- - - - -	+ <u>601</u>	6,409,858 ●
Federal cumulative eligible capital deduction	- - - - -	+ <u>602</u>	8,797 ●
Ontario taxable capital gain	- - - - -	+ <u>603</u>	●
Federal non-allowable reserves. Balance beginning of year	- - - - -	+ <u>604</u>	2,508,078 ●
Federal allowable reserves. Balance end of year	- - - - -	+ <u>605</u>	●
Ontario non-allowable reserves. Balance end of year	- - - - -	+ <u>606</u>	2,681,058 ●
Ontario allowable reserves. Balance beginning of year	- - - - -	+ <u>607</u>	●
Federal exploration expenses (e.g. CEDE, CEE, CDE, COGPE)	- - - - -	+ <u>608</u>	●
Federal resource allowance (Refer to Guide)	- - - - -	+ <u>609</u>	●
Federal depletion allowance	- - - - -	+ <u>610</u>	●
Federal foreign exploration and development expenses	- - - - -	+ <u>611</u>	●
Crown charges, royalties, rentals, etc. deducted for Federal purposes (Refer to Guide)	- - - - -	+ <u>617</u>	●
Management fees, rents, royalties and similar payments to non-arms' length non-residents ▼			

**Number of Days in Taxation Year**

<u>612</u>	● x 5 / 12.5 x	<u>33</u>	÷	<u>73</u>	366	= + <u>633</u>	●				
<table border="1"> <tr> <td>Days after Dec. 31, 2002 and before Jan. 1, 2004</td> <td>Total Days</td> </tr> <tr> <td><u>33</u></td> <td>366</td> </tr> </table>								Days after Dec. 31, 2002 and before Jan. 1, 2004	Total Days	<u>33</u>	366
Days after Dec. 31, 2002 and before Jan. 1, 2004	Total Days										
<u>33</u>	366										
<u>612</u>	● x 5 / 14 x	<u>34</u>	366 ÷	<u>73</u>	366	= + <u>634</u>	●				
<table border="1"> <tr> <td>Days after Dec. 31, 2003</td> <td>Total Days</td> </tr> <tr> <td><u>34</u></td> <td>366</td> </tr> </table>								Days after Dec. 31, 2003	Total Days	<u>34</u>	366
Days after Dec. 31, 2003	Total Days										
<u>34</u>	366										

Total add-back amount for Management fees, etc. 633 + 634 = 613 ●

Federal Scientific Research Expenses claimed in year from line 460 of fed. form T661  
excluding any negative amount in 473 from Ont. CT23 Schedule 161 - - - - - + 615 ●

Add any negative amount in 473 from Ont. CT23 Schedule 161 - - - - - + 616 ●

Federal allowable business investment loss - - - - - + 620 ●

Total of other items not allowed by Ontario but allowed federally (Attach schedule) - - - - - + 614 ●

**Total of Additions** 601 to 611 + 617 + 613 + 615 + 616 + 620 + 614 - - - = 640 11,607,791 ●  
Transfer to Page 15

**Deduct:**

Ontario capital cost allowance (excludes amounts deducted under <u>675</u> )	- - - - -	+ <u>650</u>	6,409,858 ●
Ontario cumulative eligible capital deduction	- - - - -	+ <u>651</u>	8,797 ●
Federal taxable capital gain	- - - - -	+ <u>652</u>	●
Ontario non-allowable reserves. Balance beginning of year	- - - - -	+ <u>653</u>	2,508,078 ●
Ontario allowable reserves. Balance end of year	- - - - -	+ <u>654</u>	●
Federal non-allowable reserves. Balance end of year	- - - - -	+ <u>655</u>	2,681,058 ●
Federal allowable reserves. Balance beginning of year	- - - - -	+ <u>656</u>	●
Ontario exploration expenses (e.g. CEDE, CEE, CDE, COGPE) (Retain calculations. Do not submit.)	- - - - -	+ <u>657</u>	●
Ontario depletion allowance	- - - - -	+ <u>658</u>	●
Ontario resource allowance (Refer to Guide)	- - - - -	+ <u>659</u>	●
Ontario current cost adjustment (Attach schedule)	- - - - -	+ <u>661</u>	●
CCA on assets used to generate electricity from natural gas, alternative or renewable resources.	- - - - -	+ <u>675</u>	●

**Subtotal of deductions for this page** 650 to 659 + 661 + 675 - - - - - 681 11,607,791 ●  
Transfer to Page 15

continued on Page 15

BURLINGTON HYDRO INC.

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**Reconcile net income (loss) for federal income tax purposes with net income (loss) for Ontario purposes if amounts differ**

continued from Page 14

Net Income (loss) for federal income tax purposes, per federal Schedule 1	- - - - -	From ±	600	8,776,876 ●
Total of Additions on page 14	- - - - -	From =	640	11,607,791 ●
Sub Total of deductions on page 14	- - - - -	From =	681	11,607,791 ●

**Deduct:**

**Ontario New Technology Tax Incentive (ONTTI) Gross-up**

(Applies only to those corporations whose Ontario allocation is less than 100% in the current taxation year.)

Capital Cost Allowance (Ontario) (CCA) on prescribed qualifying intellectual property deducted in the current taxation year

- - - 662 ●

**ONTTI Gross-up deduction calculation:**

Gross-up of CCA

$$\left[ \begin{array}{l} \text{From} \\ 662 \end{array} \right] \times \left[ \begin{array}{l} 100 \\ \text{From } 30 \\ 100.0000 \\ \text{Ontario Allocation} \end{array} \right] - \text{From } 662 = 663$$

**Workplace Child Care Tax Incentive (WCCT)**

(Applies to eligible expenditures incurred prior to January 1, 2005.)

Qualifying expenditures:  $\left[ 665 \times 30\% \times \left[ \begin{array}{l} 100 \\ \text{From } 30 \\ 100.0000 \\ \text{Ontario allocation} \end{array} \right] \right] = 666$

**Workplace Accessibility Tax Incentive (WATI)**

(Applies to eligible expenditures incurred prior to January 1, 2005.)

Qualifying expenditures:  $\left[ 667 \times 100\% \times \left[ \begin{array}{l} 100 \\ \text{From } 30 \\ 100.0000 \\ \text{Ontario allocation} \end{array} \right] \right] = 668$

Number of Employees accommodated 669

**Ontario School Bus Safety Tax Incentive (OSBSTI)**

(Applies to the eligible acquisition of school buses purchased after May 4, 1999 and before January 1, 2006.) (Refer to Guide)

Qualifying expenditures:  $\left[ 670 \times 30\% \times \left[ \begin{array}{l} 100 \\ \text{From } 30 \\ 100.0000 \\ \text{Ontario allocation} \end{array} \right] \right] = 671$

**Educational Technology Tax Incentive (ETTI)**

(Applies to eligible expenditures incurred prior to January 1, 2005.)

Qualifying expenditures:  $\left[ 672 \times 15\% \times \left[ \begin{array}{l} 100 \\ \text{From } 30 \\ 100.0000 \\ \text{Ontario allocation} \end{array} \right] \right] = 673$

Ontario allowable business investment loss - - - - - + 678 ●

Ontario Scientific Research Expenses claimed in year in 477 from Ont. CT23 Schedule 161 + 679 ●

Amount added to income federally for an amount that was negative on federal form T661, line 454 or 455 (if filed after June 30, 2003) - - - - - + 677 ●

Total of other deductions allowed by Ontario (Attach schedule) - - - - - + 664 ●

**Total of Deductions** 681 + 663 + 666 + 668 + 671 + 673 + 678 + 679 + 677 + 664 = 11,607,791 ● ▶ 680 11,607,791 ●

**Net income (loss) for Ontario Purposes** 600 + 640 - 680 - - - - - = 690 8,776,876 ●

Transfer to Page 4

DOLLARS ONLY

## Continuity of Losses Carried Forward

	Non-Capital Losses (1)	Total Capital Losses	Farm Losses	Restricted Farm Losses	Listed Personal Property Losses	Limited Partnership Losses (6)
<b>Balance at Beginning of Year</b>	700 (2)	710 (2) 113,555	720 (2)	730	740	750
<b>Add:</b>						
Current year's losses (7)	701	711	721	731	741	751
Losses from predecessor corporations (3)	702	712	722	732		752
<b>Subtotal</b>	703	713	723	733	743	753
<b>Subtract:</b>						
Utilized during the year to reduce taxable income	704 (2)	715 (2) (4)	724 (2)	734 (2) (4)	744 (4)	754 (4)
Expired during the year	705		725	735	745	
Carried back to prior years to reduce taxable income (5)	706 (2) to Page 17	716 (2) to Page 17	726 (2) to Page 17	736 (2) to Page 17	746	
<b>Subtotal</b>	707	717	727	737	747	757
<b>Balance at End of Year</b>	709 (8)	719 113,555	729	739	749	759

## Analysis of Balance at End of Year by Year of Origin

Year of Origin (oldest year first) year month day	Non-Capital Losses	Non-Capital Losses of Predecessor Corporations	Total Capital Losses from Listed Personal Property only	Farm Losses	Restricted Farm Losses
800 9th preceding taxation year 2000-09-30	817 (9)	860 (9)		850	870
801 8th preceding taxation year 2001-09-30	818 (9)	861 (9)		851	871
802 7th preceding taxation year 2001-12-31	819 (9)	862 (9)		852	872
803 6th preceding taxation year 2002-12-31	820	830	840	853	873
804 5th preceding taxation year 2003-12-31	821	831	841	854	874
805 4th preceding taxation year 2004-12-31	822	832	842	855	875
806 3rd preceding taxation year 2005-12-31	823	833	843	856	876
807 2nd preceding taxation year 2006-12-31	824	834	844	857	877
808 1st preceding taxation year 2007-12-31	825	835	845	858	878
809 Current taxation year 2008-12-31	826	836	846	859	879
<b>Total</b>	829	839	849	869	889

## Notes:

- (1) Non-capital losses include allowable business investment losses, fed.s.111(8)(b), as made applicable by s.34.
- (2) Where acquisition of control of the corporation has occurred, the utilization of losses can be restricted. See fed.s.111(4) through 111(5.5), as made applicable by s.34.
- (3) Includes losses on amalgamation (fed.s.87(2.1) and s.87(2.11)) and/or wind-up (fed.s.88(1.1) and 88(1.2)), as made applicable by s.34.
- (4) To the extent of applicable gains/income/at-risk amount only.
- (5) Generally a three year carry-back applies. See fed.s.111(1) and fed.s.41(2)(b), as made applicable by s.34.
- (6) Where a limited partner has limited partnership losses, attach loss calculations for each partnership.
- (7) Include amount from 11 if taxable income is adjusted to claim unused foreign tax credit for federal purposes.
- (8) Amount in 709 must equal total of 829 + 839.
- (9) Include non-capital losses incurred in taxation years ending after March 22, 2004.

BURLINGTON HYDRO INC.

1800060

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DOLLARS ONLY

**Request for Loss Carry-Back (s.80(16))**

**Applies** to corporations requesting a reassessment of the return of one or more previous taxation years under s.80(16) with respect to one or more types of losses carried back.

- If, after applying a loss carry-back to one or more previous years, there is a balance of loss available to carry forward to a future year, it is the corporation's responsibility to claim such a balance for those years following the year of loss within the limitations of fed.s.111, as made applicable by s.34.
- Where control of a corporation has been acquired by a person or group of persons, certain restrictions apply to the carry-forward and carry-back provisions of losses under fed.s.111(4) through 111(5.5), as made applicable by s.34.
- Refunds arising from the loss carry-back adjustment may be applied by the Minister of Finance to amounts owing under **any Act administered by the Ministry of Finance**.

- Any late filing penalty applicable to the return for which the loss is being applied will not be reduced by the loss carry-back.
- The application of a loss carry-back will be available for interest calculation purposes on the day that is the latest of the following:
  - the first day of the taxation year after the loss year,
  - the day on which the corporation's return for the loss year is delivered to the Minister, or
  - the day on which the Minister receives a request in writing from the corporation to reassess the particular taxation year to take into account the deduction of the loss.
- If a loss is being carried back to a **predecessor corporation**, enter the predecessor corporation's account number and taxation year end in the spaces provided under Application of Losses below.

**Application of Losses**

	Non-Capital Losses	Total Capital Losses	Farm Losses	Restricted Farm Losses
<b>Total amount of loss</b>	910	920	930	940
<b>Deduct:</b> Loss to be carried back to preceding taxation years and applied to reduce taxable income				
Predecessor Ontario Corporation's Tax Account No. (MOF)				
Taxation Year Ending year month day				
i) 3 <sup>rd</sup> preceding	901 2005-12-31	911 2005-12-31	921 2005-12-31	931 2005-12-31
ii) 2 <sup>nd</sup> preceding	902 2006-12-31	912 2006-12-31	922 2006-12-31	932 2006-12-31
iii) 1 <sup>st</sup> preceding	903 2007-12-31	913 2007-12-31	923 2007-12-31	933 2007-12-31
<b>Total loss to be carried back</b>	From 706	From 716	From 726	From 736
<b>Balance of loss available for carry-forward</b>	919	929	939	949

**Summary**

Income Tax	- - - - - +	From 230 or 320	1,197,299 ●
Corporate Minimum Tax	- - - - - +	From 280	●
Capital Tax	- - - - - +	From 550	218,778 ●
Premium Tax	- - - - - +	From 590	●
<b>Total Tax Payable</b>	- - - - - =	950	1,416,077 ●
Subtract: Payments	- - - - - -	960	3,284,089 ●
Capital Gains Refund (s.48)	- - - - - -	965	●
Qualifying Environmental Trust Tax Credit (Refer to Guide)	- - - - - -	985	●
Specified Tax Credits (Refer to Guide)	- - - - - -	955	●
Other, specify	- - - - - -		●
<b>Balance</b>	- - - - - =	970	-1,868,012 ●
<b>If payment due</b>	- - - - - Enclosed *	990	●
<b>If overpayment: Refund</b> (Refer to Guide)	- - - - - =	975	1,868,012 ●
<b>Apply to</b>	year month day	980	● (Includes credit interest)

\* Make your cheque (drawn on a Canadian financial institution) or a money order in Canadian funds, payable to the **Minister of Finance** and print your Ontario Corporation's Tax Account No. (MOF) on the back of cheque or money order. (Refer to Guide for other payment methods.)

**Certification**

I am an authorized signing officer of the corporation. I certify that this CT23 return, including all schedules and statements filed with or as part of this CT23 return, has been examined by me and is a true, correct and complete return and that the information is in agreement with the books and records of the corporation. I further certify that the financial statements accurately reflect the financial position and operating results of the corporation as required under section 75 of the *Corporations Tax Act*. The method of computing income for this taxation year is consistent with that of the previous year, except as specifically disclosed in a statement attached.

Name (please print) \_\_\_\_\_  
 MICHAEL KYSLEY  
 Title \_\_\_\_\_  
 VICE PRESIDENT, FINANCE  
 Full Residence Address \_\_\_\_\_  
 c/o Burlington Hydro Inc.  
 1340 Brant Street  
 Burlington  
 ON L7R 3Z7  
 Signature \_\_\_\_\_ Date \_\_\_\_\_

**Note:** Section 76 of the *Corporations Tax Act* provides penalties for making false or misleading statements or omissions.

# Attached Schedule with Total

Other reserves not allowed as deductions for income tax purposes (Attach schedule) (Int.B. 3012R)

Title AMOUNTS DEDUCTED FOR TAX IN EXCESS OF BOOK

Description	Amount
ACCUMULATED CCA/DEPRECIATION DIFFERENCE	944,544 00
DEPRECIATION	6,597,196 00
CCA PER ONTARIO SCHEDULE 8	-6,409,858 00
CEC PER ONTARIO SCHEDULE 10	-8,797 00
<b>Total</b>	<b>1,123,085 00</b>



# Attached Schedule with Total

Contingent, investment, inventory and similar reserves (Int.B. 3012R)

Title Contingent, investment, inventory and similar reserves (Int.B. 3012R)

Description	Amount
Ontario Schedule 13	2,681,058 00
<b>Total</b>	<b>2,681,058 00</b>

# Attached Schedule with Total

Loans and advances to unrelated corporations

Title Loans and advances to unrelated corporations

Description	Amount	
<u>Receiveable from Burlington Hydro Electric Inc.</u>	<u>4,225</u>	<u>00</u>
<b>Total</b>	<b>4,225</b>	<b>00</b>

# Attached Schedule with Total

Amounts deducted for income tax purposes in excess of amounts booked (Retain calculations. Do not submit.) (Int.B. 3012R)

Title Amounts deducted for income tax purposes in excess of amounts booked (

**Corporate Minimum Tax (CMT)  
CT23 Schedule 101**

Corporation's Legal Name BURLINGTON HYDRO INC.	Ontario Corporations Tax Account No. (MOF) 1800060	Taxation Year End 2008-12-31
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**Part 1: Calculation of CMT Base**

**Banks** – Net income/loss as per report accepted by Superintendent of Financial Institutions (SFI) under the Bank Act (Canada), adjusted so consolidation/equity methods are not used.

**Life Insurance corporations** – Net income/loss before Special Additional Tax as determined under s.57.1(2)(c) or (d)

Net Income/Loss (unconsolidated, determined in accordance with GAAP) ..... ± 2100 4,502,623 ●

**Subtract (to the extent reflected in net income/loss):**

Provision for recovery of income taxes / benefit of current income taxes + 2101 ●  
 Provision for deferred income taxes (credits) / benefit of future income taxes ..... + 2102 845,000 ●  
 Equity income from corporations ..... + 2103 ●  
 Share of partnership(s)/joint venture(s) income ..... + 2104 ●  
 Dividends received/receivable deductible under fed.s.112 ..... + 2105 ●  
 Dividends received/receivable deductible under fed.s.113 ..... + 2106 ●  
 Dividends received/receivable deductible under fed.s.83(2) ..... + 2107 ●  
 Dividends received/receivable deductible under fed.s.138(6) ..... + 2108 ●  
 Federal Part VI.1 tax paid on dividends declared and paid, under fed.s.191.1(1) ..... x 3 ..... + 2109 ●

**Subtotal** ..... = 845,000 ● ▶ - 2110 845,000 ●

**Add (to extent reflected in net income/loss):**

Provision for current taxes / cost of current income taxes ..... + 2111 2,869,771 ●  
 Provision for deferred income taxes (debits) / cost of future income taxes ..... + 2112 ●  
 Equity losses from corporations ..... + 2113 ●  
 Share of partnership(s)/joint venture(s) losses ..... + 2114 ●  
 Dividends that have been deducted to arrive at net income per Financial Statements s.57.4(1.1) (excluding dividends under fed.s.137(4.1)) ... + 2115 ●

**Subtotal** ..... = 2,869,771 ● ▶ + 2116 2,869,771 ●

**Add/Subtract:**

Amounts relating to s.57.9 election/regulations for disposals etc. of property for current/prior years  
 \*\* Fed.s.85 ..... + 2117 ● or - 2118 ●  
 \*\* Fed.s.85.1 ..... + 2119 ● or - 2120 ●  
 \*\* Fed.s.97 ..... + 2121 ● or - 2122 ●  
 \*\* Amounts relating to amalgamations (fed.s.87) as prescribed in regulations for current/prior years ..... + 2123 ● or - 2124 ●  
 \*\* Amounts relating to wind-ups (fed.s.88) as prescribed in regulations for current/prior years ..... + 2125 ● or - 2126 ●  
 \*\* Amounts relating to s.57.10 election/regulations for replacement re fed.s.13(4), 14(6) and 44 for current/prior years ... + 2127 ● or - 2128 ●  
 Interest allowable under ss.20(1)(c) or (d) of ITA to the extent not otherwise deducted in determining CMT adjusted net income - 2150 ●  
 Capital gains on eligible donations of publicly-listed securities and ecologically sensitive land made after May 1, 2006 (to the extent reflected in net income/loss) - 2155 ●

**Subtotal (Additions)** ..... = ● ▶ + 2129 ●

**Subtotal (Subtractions)** ..... = ● ▶ - 2130 ●

\*\* Other adjustments ..... ± 2131 ●

**Subtotal** ± 2100 - 2110 + 2116 + 2129 - 2130 ± 2131 = 2132 6,527,394 ●

\*\* Share of partnership(s)/joint venture(s) **adjusted** net income/loss ..... ± 2133 ●

**Adjusted net income (loss)** (if loss, transfer to 2202 in **Part 2: Continuity of CMT Losses Carried Forward.**) ..... = 2134 6,527,394 ●

Deduct: \* CMT losses: pre-1994 Loss ..... + From 2210 ●

\* CMT losses: other eligible losses ..... + 2211 ●

= ..... ▶ - 2135 ●

\* CMT losses applied cannot exceed adjusted net income or increase a loss

\*\* Retain calculations. Do not submit with this schedule.

**CMT Base** ..... = 2136 6,527,394 ●

**CT23 Schedule 101**

Corporation's Legal Name BURLINGTON HYDRO INC.	Ontario Corporations Tax Account No. (MOF) 1800060	Taxation Year End 2008-12-31
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**Part 2: Continuity of CMT Losses Carried Forward**

<b>Balance at Beginning of year</b> NOTES (1), (2)	.....	+	2201		.....
<b>Add:</b> Current year's losses	.....	+	2202		.....
Losses from predecessor corporations on amalgamation NOTE (3)	.....	+	2203		.....
Losses from predecessor corporations on wind-up NOTE (3)	.....	+	2204		.....
Amalgamation (X) 2205 <input type="checkbox"/> Yes	Wind-up (X) 2206 <input type="checkbox"/> Yes				
<b>Subtotal</b>	..... =				.....
Adjustments (attach schedule)	.....	±	2208		.....
<b>CMT losses available</b>	2201 + 2207 ± 2208				..... = 2209
<b>Subtract:</b> Pre-1994 loss utilized during the year to reduce adjusted net income	.....	+	2210		.....
Other eligible losses utilized during the year to reduce adjusted net income NOTE (4)	.....	+	2211		.....
Losses expired during the year	.....	+	2212		.....
<b>Subtotal</b>	..... =				..... - 2213
<b>Balances at End of Year</b> NOTE (5)	2209 - 2213				..... = 2214

**Notes:**

- (1) Pre-1994 CMT loss (see s.57.1(1)) should be included in the balance at beginning of the year. Attach schedule showing computation of pre-1994 CMT loss.
- (2) Where acquisition of control of the corporation has occurred, the utilization of CMT losses can be restricted. (see s.57.5(3) and a 57.5(7))
- (3) Include and indicate whether CMT losses are a result of an amalgamation to which fed.s.87 applies and/or a wind-up to which fed.s.88(1) applies. (see s.57.5(8) and s.57.5(9))
- (4) CMT losses must be used to the extent of the lesser of the adjusted net income 2134 and CMT losses available 2209.
- (5) Amount in 2214 must equal sum of 2270 + 2290.

**Part 3: Analysis of CMT Losses Year End Balance by Year of Origin**

For a pre-1994 loss, use the date of the last taxation year end before your corporation's first taxation year commencing after 1993.

	<b>Year of Origin (oldest year first) year month day</b>	<b>CMT Losses of Corporation</b>	<b>CMT Losses of Predecessor Corporations</b>
2240	9th preceding taxation year 2000-09-30	2260	2280
2241	8th preceding taxation year 2001-09-30	2261	2281
2242	7th preceding taxation year 2001-12-31	2262	2282
2243	6th preceding taxation year 2002-12-31	2263	2283
2244	5th preceding taxation year 2003-12-31	2264	2284
2245	4th preceding taxation year 2004-12-31	2265	2285
2246	3rd preceding taxation year 2005-12-31	2266	2286
2247	2nd preceding taxation year 2006-12-31	2267	2287
2248	1st preceding taxation year 2007-12-31	2268	2288
2249	Current taxation year 2008-12-31	2269	2289
<b>Totals</b>		2270	2290

**The sum of amounts 2270 + 2290 must equal amount in 2214.**

**Corporate Minimum Tax (CMT)  
CT23 Schedule 101**

Corporation's Legal Name BURLINGTON HYDRO INC.	Ontario Corporations Tax Account No. (MOF) 1800060	Taxation Year End 2008-12-31
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**Part 4: Continuity of CMT Credit Carryovers**

**Balance at Beginning of year** NOTE (1) ..... + **2301** [ ]

**Add:** Current year's CMT Credit ( **280** on page 8 of the CT23  
or **347** on page 6 of the CT8. If negative, enter NIL) + From **280** or **347** [ ]

Gross Special Additional Tax NOTE (2) **312** on page 5 of CT8.  
(Life Insurance corporations only.  
Others enter NIL.) ..... + From **312** [ ]

Subtract Income Tax  
( **190** on page 6 of the CT23 or  
page 4 of the CT8) ..... - From **190** [ ]

**Subtotal** (If negative, enter NIL) ... = [ ] - **2305** [ ]

Current year's CMT credit (If negative, enter NIL) **280** or **347** - **2305** ... = [ ] + **2310** [ ]

CMT Credit Carryovers from predecessor corporations NOTE (3) ..... + **2325** [ ]

Amalgamation (X) **2315**  Yes Wind-up (X) **2320**  Yes

**Subtotal** **2301** + **2310** + **2325** ..... = **2330** [ ]

Adjustments (*Attach schedule*) ..... ± **2332** [ ]

**CMT Credit Carryover available** **2330** ± **2332** ..... = **2333** [ ]

*Transfer to Page 8 of the CT23 or Page 6 of the CT8*

**Subtract:** CMT Credit utilized during the year to reduce income tax  
( **310** on page 8 of the CT23 or **351** on page 6 of the CT8.) + From **310** or **351** [ ]

CMT Credit expired during the year ..... + **2334** [ ]

**Subtotal** ..... = [ ] - **2335** [ ]

**Balance at End of Year** NOTE (4) **2333** - **2335** ..... = **2336** [ ]

**Notes:**

- (1) Where acquisition of control of the corporation has occurred, the utilization of CMT credits can be restricted. (see s.43.1(5))
- (2) The CMT credit of life insurance corporations can be restricted (see s.43.1(3)(b)).
- (3) Include and indicate whether CMT credits are a result of an amalgamation to which fed.s.87 applies and/or a wind-up to which fed.s.88(1) applies. (see s.43.1(4))
- (4) Amount in **2336** must equal sum of **2370** + **2390**.

**Part 5: Analysis of CMT Credit Carryovers Year End Balance by Year of Origin**

	Year of Origin (oldest year first) year month day	CMT Credit Carryovers of Corporation	CMT Credit Carryovers of Predecessor Corporation(s)
<b>2340</b>	9th preceding taxation year 2000-09-30	<b>2360</b>	<b>2380</b>
<b>2341</b>	8th preceding taxation year 2001-09-30	<b>2361</b>	<b>2381</b>
<b>2342</b>	7th preceding taxation year 2001-12-31	<b>2362</b>	<b>2382</b>
<b>2343</b>	6th preceding taxation year 2002-12-31	<b>2363</b>	<b>2383</b>
<b>2344</b>	5th preceding taxation year 2003-12-31	<b>2364</b>	<b>2384</b>
<b>2345</b>	4th preceding taxation year 2004-12-31	<b>2365</b>	<b>2385</b>
<b>2346</b>	3rd preceding taxation year 2005-12-31	<b>2366</b>	<b>2386</b>
<b>2347</b>	2nd preceding taxation year 2006-12-31	<b>2367</b>	<b>2387</b>
<b>2348</b>	1st preceding taxation year 2007-12-31	<b>2368</b>	<b>2388</b>
<b>2349</b>	Current taxation year 2008-12-31	<b>2369</b>	<b>2389</b>
<b>Totals</b>		<b>2370</b>	<b>2390</b>

**The sum of amounts** **2370** + **2390**  
**must equal amount in** **2336**.

**Corporate Minimum Tax (CMT)  
CT23 Schedule 101 – Supporting Schedule**

Corporation's Legal Name BURLINGTON HYDRO INC.	Ontario Corporations Tax Account No. (MOF) 1800060	Taxation Year End 2008-12-31
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**CMT Losses Carried Forward Workchart**

**(i) Continuity of Pre-1994 CMT Losses**

	Corporation's Pre-1994 Loss	Predecessors' Pre-1994 Loss Amalgamation	Predecessors' Pre-1994 Loss Wind-Up
Date of the last tax year end before the corp's 1st tax year commencing after 1993 .....			
Pre-1994 Loss (per schedule) .....	_____	_____	_____
Less: Claimed in prior taxation years commencing after 1993 .....	_____	_____	_____
Pre-1994 Loss available for the current year .....	_____	_____	_____
Less: Deducted in the current year .....	_____	_____	_____
(max. = adj. net income for the year)			
Expired after 10 years .....	_____	_____	_____
Pre-1994 Loss Carryforward .....	_____	_____	_____

**(ii) Continuity of Other Eligible CMT Losses – Filing Corporation  
(for losses occurring in tax years commencing after 1993)**

	Year of Origin YYYY/MM/DD	Opening Balance	Adjustment	Deduction	Expired	Closing Balance
10th Prior Year	1999-09-30					
9th Prior Year	2000-09-30					
8th Prior Year	2001-09-30					
7th Prior Year	2001-12-31					
6th Prior Year	2002-12-31					
5th Prior Year	2003-12-31					
4th Prior Year	2004-12-31					
3rd Prior Year	2005-12-31					
2nd Prior Year	2006-12-31					
1st Prior Year	2007-12-31					
<b>Total</b>						

**Predecessor Corporations Only – Amalgamation**

Indicate the amounts of eligible CMT losses from predecessor corporations. **Do not include** these amounts in the 'opening balance' of the Filing Corporation.

Year of Origin YYYY/MM/DD	Opening Balance	Add	Adjustment	Deduction	Expired	Closing Balance
1999-09-30						
2000-09-30						
2001-09-30						
2001-12-31						
2002-12-31						
2003-12-31						
2004-12-31						
2005-12-31						
2006-12-31						
2007-12-31						
<b>Total</b>						

**Corporate Minimum Tax (CMT)  
CT23 Schedule 101 – Supporting Schedule**

Corporation's Legal Name BURLINGTON HYDRO INC.	Ontario Corporations Tax Account No. (MOF) 1800060	Taxation Year End 2008-12-31
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**CMT Losses Carried Forward Workchart (continued)**

**Predecessor Corporations Only – Wind-Up**

Indicate the amounts of eligible CMT losses from predecessor corporations. **Do not include** these amounts in the 'opening balance' of the Filing Corporation.

Year of Origin YYYY/MM/DD	Opening Balance	Add	Adjustment	Deduction	Expired	Closing Balance
1999-09-30						
2000-09-30						
2001-09-30						
2001-12-31						
2002-12-31						
2003-12-31						
2004-12-31						
2005-12-31						
2006-12-31						
2007-12-31						
<b>Total</b>						



**Corporate Minimum Tax (CMT)  
CT23 Schedule 101 – Supporting Schedule**

Corporation's Legal Name BURLINGTON HYDRO INC.	Ontario Corporations Tax Account No. (MOF) 1800060	Taxation Year End 2008-12-31
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**CMT Credit Carryovers Workchart**

**Filing Corporation**

	Year of Origin YYYY/MM/DD	Opening Balance	Adjustment	Deduction	Expired	Closing Balance
10th Prior Year	1999-09-30					
9th Prior Year	2000-09-30					
8th Prior Year	2001-09-30					
7th Prior Year	2001-12-31					
6th Prior Year	2002-12-31					
5th Prior Year	2003-12-31					
4th Prior Year	2004-12-31					
3rd Prior Year	2005-12-31					
2nd Prior Year	2006-12-31					
1st Prior Year	2007-12-31					
	<b>Total</b>					

**Predecessor Corporations Only – Amalgamation**

Indicate the amounts of CMT credit carryovers from predecessor corporations. **Do not include** these amounts in the 'opening balance' of the Filing Corporation.

Year of Origin YYYY/MM/DD	Opening Balance	Add	Adjustment	Deduction	Expired	Closing Balance
1999-09-30						
2000-09-30						
2001-09-30						
2001-12-31						
2002-12-31						
2003-12-31						
2004-12-31						
2005-12-31						
2006-12-31						
2007-12-31						
	<b>Total</b>					

**Predecessor Corporations Only – Wind-Up**

Indicate the amounts of CMT credit carryovers from predecessor corporations. **Do not include** these amounts in the 'opening balance' of the Filing Corporation.

Year of Origin YYYY/MM/DD	Opening Balance	Add	Adjustment	Deduction	Expired	Closing Balance
1999-09-30						
2000-09-30						
2001-09-30						
2001-12-31						
2002-12-31						
2003-12-31						
2004-12-31						
2005-12-31						
2006-12-31						
2007-12-31						
	<b>Total</b>					



Ministry of Revenue  
Corporations Tax  
33 King Street West  
PO Box 620  
Oshawa ON L1H 8E9

Ontario Charitable Donations and Gifts  
Schedule 2

Corporation's Legal Name BURLINGTON HYDRO INC.	Ontario Corporations Tax Account No. (MOR) 1800060	Taxation Year End 2008-12-31
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- For use by a corporation to claim any of the following:
  - Charitable donations;
  - Gifts to Her Majesty in right of Ontario, to Ontario crown agencies, or to Ontario Crown foundations;
  - Gifts to Canada or a province;
  - Gifts of certified cultural property; or
  - Gifts of certified ecologically sensitive land.
- The donations and gifts are eligible for a five year carry-forward.
- Use this schedule to show a credit transfer following an amalgamation or wind-up of subsidiary as described under subsection 87(1) and 88(1) of the federal *Income Tax Act* (Canada).
- For donations and gifts made after March 22, 2004, subsection 34(1.1) of the *Corporations Tax Act* parallels subsection 110.1(1.2) of the *Income Tax Act* and provides as follows:
  - where a particular corporation has undergone a change of control, for taxation years that end on or after the change of control, no corporation can claim a deduction for a gift made by a particular corporation to a qualified donee before the change of control;
  - if a particular corporation makes a gift to a qualified donee pursuant to an arrangement under which both the gift and the change of control is expected, no corporation can claim a deduction for the gift unless the person acquiring control of the particular corporation is the qualified donee.
- For instructions on calculating additional deductions for eligible medical gifts made after March 18, 2007, please see the Revised Guide to the 2007 CT23 Corporations Tax and Annual Return. The deduction may be claimed in box 664 of Ontario Schedule 1.
- File one completed copy of this schedule with your CT23.

**Part 1 – Charitable Donations**

Charitable Donations at end of preceding taxation year	.....	+	<input type="text"/>	A
<b>Deduct:</b> Donations expired after 5 taxation years	.....	-	<input type="text"/>	B
Charitable donations at beginning of taxation year	.....	=	<input type="text"/>	C
<b>Add:</b> Donations transferred on amalgamation or wind-up of subsidiary	.....	+	<input type="text"/>	D
Total current year charitable donations made	.....	+	43,366	E
<b>Subtotal D + E</b>	.....	=	43,366	F
<b>Deduct:</b> Adjustment for an acquisition of control (for donations made after March 22, 2004)	.....	-	<input type="text"/>	G
Total donations available <b>C + F – G</b>	.....	=	43,366	H
<b>Deduct:</b> Amount applied against taxable income (amount <b>U</b> , Part 2)	.....	-	43,366	U
<b>Charitable donations closing balance</b>	.....	=	<input type="text"/>	I

**Part 2 – Maximum Deduction Calculation for Donations**

Ontario net income for tax purposes multiplied by 75%	.....	=	6,582,657	J
<i>Note: For credit unions the Ontario net income for tax purposes is the amount before the deduction of payments pursuant to allocations in proportion to borrowing and bonus interest.</i>				
Ontario taxable capital gains arising in respect of gifts of capital property	.....	+	<input type="text"/>	K
Ontario taxable capital gain in respect of deemed gifts of non-qualifying securities per subsection 40(1.01) ITA	.....	+	<input type="text"/>	L
<b>Add the lesser of:</b>				
1. The amount of the recapture of capital cost allowance in respect of charitable gifts	.....		<input type="text"/>	M
2. <b>The lesser of:</b>				
2a. Proceeds of dispositions less outlays and expenses	<input type="text"/>		<input type="text"/>	N
2b. The capital cost	<input type="text"/>		<input type="text"/>	O
The lesser of <b>N</b> and <b>O</b>	.....	▶	<input type="text"/>	P
The lesser of <b>M</b> and <b>P</b>	.....	▶	<input type="text"/>	Q
<b>Subtotal K + L + Q</b>	.....	=	<input type="text"/>	R
25% X <input type="text"/>	.....	=	<input type="text"/>	S
<b>Maximum deduction allowable J + S</b>	.....	=	6,582,657	T
<b>Claim for charitable donations</b> (not exceeding the lesser of <b>H</b> from Part 1, <b>T</b> and net income for tax purposes)	.....	=	43,366	U

Enter in  of the CT23

Corporation's Legal Name BURLINGTON HYDRO INC.	Ontario Corporations Tax Account No. (MOR) 1800060	Taxation Year End 2008-12-31
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**Part 3 – Gifts to Her Majesty in right of Ontario**

For use by a corporation claiming gifts to Her Majesty in right of Ontario, to Ontario Crown Agencies, or to Ontario Crown Foundations.

Gifts to Ontario Crown Agency or Ontario Crown Foundation at end of the preceding taxation year	..... +	
<b>Deduct:</b> Gifts expired after 5 years	..... -	
Gifts to Ontario Crown Agency or Ontario Crown Foundation at the beginning of the taxation year	..... =	
<b>Add:</b> Gifts transferred on amalgamation or wind-up of a subsidiary	..... +	
Total current year gifts	..... +	
<b>Subtotal</b>	..... =	
<b>Deduct:</b> Adjustment for an acquisition of control (for gifts made after March 22, 2004)	..... -	
Total gifts available	..... =	
<b>Deduct:</b> Amount applied against taxable income <input type="text" value="2"/> of the CT23	..... -	
<b>Gifts to Ontario Crown Agency or Ontario Crown Foundation closing balance</b>	..... =	

Foundation Name	Date of Donation	Amount \$

**Total gifts to Her Majesty in right of Ontario** ..... =

**Part 4 – Maximum Deduction Calculation for Gifts to Her Majesty in Right of Ontario**

Deduction is the lesser of:

1. Ontario Net Income before deductions of gifts after deducting charitable donations and gifts to Her Majesty in right of Canada or a province other than Ontario	.....	<input type="text" value="8,733,510"/>	<b>V</b>
2. <b>Lesser of:</b>			
2a. Ontario Net Income for the taxation year	.....	<input type="text" value="8,776,876"/>	<b>W</b>
2b. Gifts made in the taxation year or any of the five preceding taxation years to Her Majesty in Right of Ontario, an Ontario Crown Agency or an Ontario Crown Foundation	.....	<input type="text" value="X"/>	<b>X</b>
The lesser of <b>W</b> and <b>X</b>	.....		<b>Y</b>
<b>Maximum deduction allowable</b> the lesser of <b>V</b> and <b>Y</b>	.....		<b>Z</b>

Transfer to  of the CT23

**Part 5 – Gifts to Canada or a province other than Ontario**

Gifts to Canada or a province other than Ontario at the end of the preceding year	..... +	
<b>Deduct:</b> Gifts to Canada or a province other than Ontario expired after five taxation years	..... -	
Gifts to Canada or a province other than Ontario at the beginning of the taxation year	..... =	
<b>Add:</b> Gifts to Canada or a province other than Ontario transferred on amalgamation or wind-up of a subsidiary	..... +	
Total current year Gifts to Canada or a province other than Ontario (Not applicable for gifts made after February 18, 1997, unless a written agreement was made before this date.)	..... +	
<b>Subtotal</b>	..... =	
<b>Deduct:</b> Adjustment for an acquisition of control (for gifts made after March 22, 2004)	..... -	
Total gifts to Canada or a province other than Ontario available	..... =	
<b>Deduct:</b> Amount applied against taxable income	..... -	
<b>Gifts to Canada or a province other than Ontario closing balance</b>	..... =	

Corporation's Legal Name BURLINGTON HYDRO INC.	Ontario Corporations Tax Account No. (MOR) 1800060	Taxation Year End 2008-12-31
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**Part 6 – Gifts of certified cultural property**

Gifts of certified cultural property at the end of the preceding taxation year	..... +	
<b>Deduct:</b> Gifts of certified cultural property expired after five years	..... -	
<b>Gifts of certified cultural property at the beginning of the taxation year</b>	..... =	
<b>Add:</b> Gifts of certified cultural property transferred on amalgamation or wind-up of a subsidiary	..... +	
Total current year gifts of certified cultural property	..... +	
<b>Subtotal</b>	..... =	
<b>Deduct:</b> Adjustment for an acquisition of control (for gifts made after March 22, 2004)	..... -	
Total gifts of certified cultural property available	..... =	
<b>Deduct:</b> Amount applied against taxable income	..... -	
<b>Gifts of certified cultural property closing balance</b>	..... =	

**Part 7 – Gifts of certified ecologically sensitive land**

Gifts of certified ecologically sensitive land at the end of the preceding taxation year	..... +	
<b>Deduct:</b> Gifts of certified ecologically sensitive land expired after five years	..... -	
<b>Gifts of certified ecologically sensitive land at the beginning of the taxation year</b>	..... =	
<b>Add:</b> Gifts of certified ecologically sensitive land transferred on amalgamation or wind-up of a subsidiary	..... +	
Total current year gifts of certified ecologically sensitive land	..... +	
<b>Subtotal</b>	..... =	
<b>Deduct:</b> Adjustment for an acquisition of control (for gifts made after March 22, 2004)	..... -	
Total gifts of certified ecologically sensitive land available	..... =	
<b>Deduct:</b> Amount applied against taxable income	..... -	
<b>Gifts of certified ecologically sensitive land closing balance</b>	..... =	

**Part 8 – Analysis of balance by year of origin**

Year of origin	Charitable donations	Gifts to Her Majesty in right of Ontario	Gifts to Canada or a province other than Ontario	Gifts of certified cultural property	Gifts of certified ecologically sensitive land
2007-12-31					
2006-12-31					
2005-12-31					
2004-12-31					
2003-12-31					
2002-12-31					
<b>Totals</b>					

Corporation's Legal Name <b>BURLINGTON HYDRO INC.</b>	Ontario Corporations Tax Account No. (MOF) <b>1800060</b>	Taxation Year End <b>2008-12-31</b>
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Is the corporation electing under regulation 1101(5q)? 1  Yes 2  No

1 Class number	2 Ontario undepreciated capital cost at the beginning of the year (undepreciated capital cost at the end of the prior year's CCA schedule)	3 Cost of acquisitions during the year (new property must be available for use)  See note 1 below	4 Net adjustments (show negative amounts in brackets)	5 Proceeds of dispositions during the year (amount not to exceed the capital cost)	6 Ontario undepreciated capital cost (column 2 plus column 3 or minus column 4 minus column 5)	7 50% rule (1/2 of the amount, if any, by which the net cost of acquisitions exceeds column 5)  See note 2 below	8 Reduced undepreciated capital cost (column 6 minus column 7)	9 CCA rate %	10 Recapture of capital cost allowance	11 Terminal loss	12 Ontario capital cost allowance (column 8 multiplied by column 9; or a lower amount)	13 Ontario undepreciated capital cost at the end of the year (column 6 minus column 12)
1	85,219,460	740,723		0	85,960,183	370,362	85,589,821	4	0	0	3,423,593	82,536,590
8	5,382,128	89,646		0	5,471,774	44,823	5,426,951	20	0	0	1,085,390	4,386,384
10	854,394	491,109		50,949	1,294,554	220,080	1,074,474	30	0	0	322,342	972,212
12	97,878	364,477		0	462,355	182,239	280,116	100	0	0	280,116	182,239
45	111,248			0	111,248		111,248	45	0	0	50,062	61,186
47	11,566,680	7,728,107		0	19,294,787	3,864,054	15,430,733	8	0	0	1,234,459	18,060,328
50		50,532		0	50,532	25,266	25,266	55	0	0	13,896	36,636
<b>Totals</b>	103,231,788	9,464,594		50,949	112,645,433	4,706,824	107,938,609					106,235,575

6,409,858

Enter in boxes  . . . .  . . . .  on the CT23.

Note 1. Include any property acquired in previous years that has now become available for use. This property would have been previously excluded from column 3. List separately any acquisitions that are not subject to the 50% rule. See Regulation 1100(2) and (2.2) of the *Income Tax Act*(Canada).

Note 2. The net cost of acquisitions is the cost of acquisitions plus or minus certain adjustments from column 4.

Note 3. If the taxation year is shorter than 365 days, prorate the CCA claim.

Note 4. Ontario recapture should be included in net income after deducting the federal recapture and the Ontario terminal loss is deducted from net income after including the federal terminal loss.



Corporation's Legal Name BURLINGTON HYDRO INC.	Ontario Corporations Tax Account No. (MOF) 1800060	Taxation Year End 2008-12-31
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- For use by a corporation that has eligible capital property.
- A separate cumulative eligible capital account must be kept for each business.

**Part 1 – Calculation of current year deduction and carry-forward**

Ontario Cumulative eligible capital – balance at end of preceding taxation year (if negative, enter zero) ..... = + 125,668 **A**

**Add:** Cost of eligible capital property acquired during the taxation year + ..... **B**  
 Other adjustments ..... + ..... **C**  
**B + C** ..... = ..... x 3 / 4 = ..... **D**

Non-taxable portion of a non-arm's length transferor's gain realized on the transfer of an eligible capital property to the corporation after December 20, 2002 ..... x 1 / 2 = - ..... **E**  
**D minus E** (if negative, enter zero) ..... = ..... ▷ + ..... **F**  
 Amount transferred on amalgamation or wind-up of subsidiary ..... + ..... **G**

**Subtotal A + F + G** ..... = 125,668 **H**

**Deduct:** Ontario proceeds of sales (less outlays and expenses not otherwise deductible) from the disposition of all eligible capital property during the taxation year ..... + ..... **I**  
 The gross amount of a reduction in respect of a forgiven debt obligation as provided for in subsection 80(7) of the *Income Tax Act*(Canada) ..... + ..... **J**  
 Other adjustments ..... + ..... **K**  
**I + J + K** ..... = ..... x 3 / 4 ..... = - ..... **L**

**Ontario cumulative eligible capital balance H minus L** ..... = 125,668 **M**

*If M is negative, enter zero at line Q and proceed to Part 2, page 2.*

Cumulative eligible capital for a property no longer owned after ceasing to carry on that business ..... **N**  
     From **M** 125,668  
     From **N** - .....

**Current year deduction M minus N** ..... = 125,668 x 7 % = + 8,797 **O**  
**N + O** ..... = 8,797 ▷ - 8,797 **P**

**Note:** The maximum current year deduction is 7%. Any amount up to the maximum deduction of 7% may be claimed.  
 For taxation years starting after December 21, 2000, the deduction may not exceed the maximum amount prorated for the number of days in the taxation year divided by 365 or 366 days. Enter amount in box 651 of the CT23

**Ontario cumulative eligible capital - closing balance M minus P** (if negative, enter zero) ..... = 116,871 **Q**

See page 2 - Part 2

**Ontario Cumulative Eligible Capital Deduction  
Schedule 10 Page 2 of 2**

Corporation's Legal Name BURLINGTON HYDRO INC.	Ontario Corporations Tax Account No. (MOF) 1800060	Taxation Year End 2008-12-31
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**Part 2 – Amount to be included in income arising from disposition**

*Complete this part only if the amount at line M is negative.*

Amount from line M above. <i>Show this as a positive amount; not negative.</i>	.....			_____ <b>R</b>
Total cumulative eligible capital deductions from income for taxation years beginning after June 30, 1988	.....	+	_____ <b>1</b>	
Total of all amounts which reduced cumulative eligible capital in the current or prior years under subsection 80(7) of the ITA	.....	+	_____ <b>2</b>	
Total of cumulative eligible capital deductions claimed for taxation years beginning before July 1, 1988	.....	+	_____ <b>3</b>	
Negative balances in the cumulative eligible capital account that were included in income for taxation years beginning before July 1, 1988	.....	-	_____ <b>4</b>	
<b>Deduct line 4 from line 3 (if negative, enter zero)</b>	.....	=	_____	▷ + _____ <b>5</b>
<b>Total lines 1 + 2 + 5</b>	.....	=	_____ <b>6</b>	
Amounts included in income under paragraph 14(1)(b), as that paragraph applied to taxation years ending after June 30, 1988 and before February 28, 2000, to the extent that it is for an amount described at line 1	.....			_____ <b>7</b>
Amounts at <b>Line Z</b> from Ontario Schedule 10 of previous taxation years ending after February 27, 2000 <i>(This will be Line T in earlier versions of this schedule.)</i>	.....	+	_____ <b>8</b>	
<b>Total lines 7 + 8</b>	.....	=	_____	▷ - _____ <b>9</b>
<b>Deduct line 9 from line 6 (if negative, enter zero)</b>	.....	=	_____	▷ - _____ <b>S</b>
<b>R minus S (if negative, enter zero)</b>	.....			= _____ <b>T</b>
From <b>Line 5</b> _____ x 1 / 2	.....			= - _____ <b>U</b>
<b>T minus U (if negative, enter zero)</b>	.....			= _____ <b>V</b>
From <b>V</b> _____ x 2 / 3	.....			= _____ <b>W</b>
<b>Lesser of R and S</b>	.....			= + _____ <b>Z</b>
<b>Amount to be included in income W + Z</b>	.....			= _____

Corporation's Legal Name BURLINGTON HYDRO INC.	Ontario Corporations Tax Account No. (MOF) 1800060	Taxation Year End 2008-12-31
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**For use by a corporation to provide a continuity of all reserves claimed which are allowed for tax purposes.**

**Part 1 – Capital gains reserves**

Description of property	Ontario balance at the beginning of the year \$	Transfer on amalgamation or wind-up of subsidiary \$	Add	Deduct	Ontario balance at the end of the year \$
1					
<b>Totals</b>	<b>A</b>	<b>B</b>			<b>C</b>

The total capital gains reserve at the beginning of the taxation year **A** plus the total capital gains reserve transfer on amalgamation or wind-up of subsidiary **B**, should be entered on Schedule 6; and the total capital gains reserve at the end of the taxation year **C**, should also be entered on Schedule 6.

**Part 2 – Other reserves**

Description	Ontario balance at the beginning of the year \$	Transfer on amalgamation or wind-up of subsidiary \$	Add	Deduct	Ontario balance at the end of the year \$
Reserve for doubtful debts					
Reserve for undelivered goods and services not rendered					
Reserve for prepaid rent					
Reserve for December 31, 1995 income					
Reserve for refundable containers					
Reserve for unpaid amounts					
Other tax reserves					
<b>Totals</b>	<b>D</b>	<b>E</b>			<b>F</b>

The amount from **D** plus the amount from **E** should be entered in  of the CT23.

The amount from **F** should be entered in  of the CT23.

**Part 3 – Continuity of non-deductible reserves**

Reserve	Ontario opening balance	Transfers	Ontario additions	Ontario deductions	Other adjustments	Ontario closing balance
LIABILITY FOR FUTURE BENEFIT	2,508,078		172,980			2,681,058
Reserves from Part 2						
<b>Totals</b>	2,508,078		172,980			2,681,058

Enter in box  of the CT23

Enter in box  of the CT23



Corporation's Legal Name BURLINGTON HYDRO INC.	Ontario Corporations Tax Account No. (MOF) 1800060	Taxation Year End 2008-12-31
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**Instructions for completing the CETC Claim Form**

- Enter the relevant details for each qualifying work placement, including the amount of tax credit.
- Your total tax credit for the taxation year is equal to the sum of the tax credits for each qualifying work placement.
- Enter the total tax credit claimed on line 192, page 7 of the CT23 Long, or page 4 of the CT23 Short, or page 4 of the CT8.
  - The maximum amount of credit that can be claimed in respect of each work placement is \$1,000.
- Ensure you have the following documentation (Do not include with the form or tax return.):
  - a letter of certification from the Ontario college, university other post-secondary institution, containing information as specified by the Minister, stating that the student is enrolled in a qualifying education program; or
  - a voucher for leading-edge technology programs, other than an apprenticeship, stating that the educational program meets the definition of a qualifying program in leading-edge technology and that the work performed by that student during the work placement is in a related field.
- The credit is **considered government assistance** and is therefore **to be included in income** in the year the credit is claimed.

**Summary of Co-operative Education Tax Credit Claimed**

Complete a separate entry for each student work placement which ended during the corporation's taxation year. The tax credit is for co-op work placements and leading-edge technology work placements. A work placement is generally considered to be a full-time work assignment for up to 4 months in duration.

Example: If a corporation, with a December 31, 2001 taxation year end, hires an eligible student from September 1, 2001 until April 30, 2002, this would be considered 2 work placements. The first work placement is September 1, 2001 to December 31, 2001 and would be claimed in the 2001 taxation year. The second placement is January 1, 2002 to April 30, 2002 and must be claimed in the 2002 taxation year.

**Qualifying Work Placements**

Name of University/ College and Education Program	Name of Student	Social Insurance No. of Student	Work Placement Start and End Dates			Eligible Costs of Placement (ECP)	* Credit Claimed (See notes below) (max. \$1,000 per work placement)
			year	month	day		
University of Toronto  Engineering	Tristan Francis	552 202 392	From	2008-05-06	8,021	802	
			To	2008-08-15			
			From				
			To				
			From				
			To				
<b>Totals</b>						<span style="border: 1px solid black; padding: 0 2px;">5774</span>	<span style="border: 1px solid black; padding: 0 2px;">5798</span>
						8,021	802

*If insufficient space, attach schedule*

Transfer to 192 on Page 7 of the CT23 Long  
 or Page 4 of the CT23 Short,  
 or Page 4 of the CT8

**Note:** Enter corporation's salaries & wages paid in the preceding taxation year A \$ 1,000,000 •

If A is \$600,000 or greater use 10%. If A is \$400,000 or less use 15%.

If A is over \$400,000 but less than \$600,000 use the following formula to calculate the rate:

Rate = .15 - [ .05 (From A 1,000,000 • - \$400,000) ÷ \$200,000]

Indicate rate used: 10.0000%. \*Credit claimed equals ECP multiplied by rate.

## **EXHIBIT 5 – COST OF CAPITAL AND RATE OF RETURN**

### **Tab 1 – Capital Structure**

### **Tab 2 – Cost of Capital**

Schedule 1 - Cost of Capital

Schedule 2 - Promissory Note with City of Burlington

### **Tab 3 – Calculation of ROE and Cost of Debt**

Schedule 1 - Capitalization and Cost of Capital

1    **CAPITAL STRUCTURE**

2    The purpose of this evidence is to summarize the method and cost of financing capital  
3    requirements for the 2010 test year.

4    **Capital Structure:**

5    Burlington Hydro has a current deemed capital structure of 56.7% debt with a return of 7.25%,  
6    and 43.3% equity with a return of 9% as approved in the 2009 IRM Rate Decision EB-2008-  
7    0163.

8    Burlington Hydro has prepared this rate application with a deemed capital structure of 56% Long  
9    Term Debt, 4% Short Term Debt, and 40% Equity to comply with the Report of the Board on  
10   Cost of Capital and 2<sup>nd</sup> Generation Incentive Regulation for Ontario Electricity Distributors  
11   dated December 20, 2006 (the “Cost of Capital Report”).

1     **COST OF CAPITAL**

2     The following section outlines Burlington Hydro's assumptions with respect to long term debt,  
3     short term debt and return on equity.

4     **Cost of Debt: Long Term**

5     Burlington Hydro has a promissory note with the City of Burlington, its municipal shareholder,  
6     for \$47,878,608. Burlington Hydro has no other long term debt as of the time of filing. The  
7     promissory note was issued April 10, 2002. A copy of the promissory note is included at Tab 2,  
8     Schedule 1 this Exhibit.

9     Since the promissory note is with an affiliate and is callable Burlington Hydro is requesting a  
10    return on Long Term Debt for the 2010 Test Year of 7.62% in accordance with the Cost of  
11    Capital Report. Burlington Hydro understands, the debt rate of 7.62% reflects the Cost of  
12    Capital Parameter Updates for 2009 Cost of Service Applications issued by the OEB on February  
13    24, 2009 and that the OEB will be finalizing a equivalent debt rate for 2010 rates based on  
14    January 2010 market interest rate information. It is Burlington Hydro's understanding that the  
15    OEB's updated long term debt rate would be applied to the deemed long term debt component of  
16    rate base.

17    **Cost of Debt: Short Term**

18    Burlington Hydro is requesting a return on Short Term Debt for the 2010 Test year of 1.33% in  
19    accordance with the Cost of Capital Parameter Updates for 2009 Cost of Service Applications  
20    issued by the OEB on February 24, 2009. Burlington Hydro understands that the OEB will be  
21    finalizing the return on short term debt for 2010 rates based on January 2010 market interest rate  
22    information. Burlington Hydro's use of a Return on Short Term Debt of 1.33% is without  
23    prejudice to any revised rate of return that may be adopted by the OEB in early 2009.

24    **Return on Equity:**

25    Burlington Hydro is requesting a return on equity ("ROE") for the 2010 Test year of 8.01% in  
26    accordance with the Cost of Capital Parameter Updates for 2009 Cost of Service Applications

1 issued by the OEB on February 24, 2009. Burlington Hydro understands that the OEB will be  
2 finalizing the ROE for 2010 rates based on January 2010 market interest rate information, and in  
3 conjunction with the Cost of Capital Consultation (EB-2009-0084). Burlington Hydro's use of  
4 an ROE of 8.01% is without prejudice to any revised ROE that may be adopted by the OEB in  
5 early 2010.

**PROMISSORY NOTE WITH CITY OF BURLINGTON**

## PROMISSORY NOTE

Principal Sum: C\$47,878,608.00\*

**FOR VALUE RECEIVED**, the undersigned hereby unconditionally promises to pay to the order of the City of Burlington (the "City") on demand by the City the principal sum of **FORTY-SEVEN MILLION, EIGHT HUNDRED AND SEVENTY-EIGHT THOUSAND, SIX HUNDRED AND EIGHT DOLLARS\* (\$47,878,608.00\*)** (\*this "Principal Sum" to be adjusted to the maximum "deemed amount" in keeping with the latest rate application to the Ontario Energy Board) in lawful money of Canada at 426 Brant Street, P.O. Box 5013, Burlington, Ontario or such other place as the City may designate by notice in writing to the undersigned and to pay interest on the Principal Sum at the rate of 7.25% \*\*per annum (\*\*or as deemed from time to time by the Ontario Energy Board) calculated and accruing on the principal amount remaining unpaid and overdue interest, if any, from April 1, 2002, or such other date as agreed by the City and the undersigned, until the Principal Sum is repaid to the City.

Effective April 1, 2002, the interest rate will be 7.25% per annum. Interest shall be calculated and payable quarterly in arrears on the last day of March, June, September and December at the same address with the first interest payable at the end of the quarter following market opening or such other earlier agreed date. Interest both before and after default and judgement on the principal amount and overdue interest shall accrue or be payable at the aforementioned rate.

The payment of the Principal Sum and all interest on this Promissory Note is subordinated to debt issued by Burlington Hydro Inc. from time to time to a financial institution or other third party for the purpose of Burlington Hydro Inc. or its subsidiaries, and the City shall execute such documents as may reasonably be required by Burlington Hydro Inc. to evidence such subordination.

All payments or any part thereof may be extended, rearranged, renewed or postponed by the City. No delay or failure by the City to exercise any right or remedy against the undersigned shall be construed as a waiver of that or any right or remedy nor shall any waiver hereunder be deemed to be a waiver of subsequent default. The City may, at any time, in accordance with the provisions of City By-Law 123-1999 and the applicable Ontario Energy Board Directives and after consultation with the undersigned, replace this promissory note for one or more debt instruments of the undersigned with any change to any provision hereunder, including reducing or increasing the rate of interest payable on the principal amount owing at the time of replacement, setting a date on which the principal amount hereunder is due and payable or adjusting the principal sum payable hereunder, all as evidenced by the written acceptance by said debt instrument or instruments by the Treasurer of the City.

The undersigned hereby waives presentment, demand, protest of other notice of every kind in the enforcement of the promissory note. All amounts owing hereunder will be paid by the undersigned without regard for any equities between the undersigned and the City or any right of set-off or cross-claim.

In the event of default hereunder, the undersigned agrees to pay all expenses, including without limitation, reasonable legal fees (on a solicitor and his own client basis), incurred by the City in endeavoring to enforce its rights hereunder. All such amounts shall bear interest at the rate mentioned above.



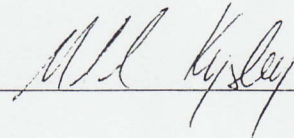
This Promissory Note is non-negotiable and non-assignable without the prior written consent of the undersigned.

This Promissory Note replaces the Promissory Note that was dated June 27, 2001 in the amount of \$47,878,608.00.

DATED at Burlington, Ontario as of the 10th day of April, 2002.

**BURLINGTON HYDRO INC.**

By:  President

By:  Secretary-Treasurer



1    **CALCULATION OF ROE AND COST OF DEBT**

2    **Rate Base and Rate of Return**

3    The table attached at Schedule 1 details Burlington Hydro's rate base, deemed debt/equity ratios  
4    and deemed rates of return for 2006 Actual, 2007 Actual, 2008 Actual, 2009 Bridge Year  
5    Forecast, and 2010 Test Year Forecast. The proposed distribution rates in this application assume  
6    the 2010 Test Year rate of return on rate base is 7.52%.

## DEEMED CAPITAL STRUCTURE

(Filing Guidelines Appendix 2-O)

Particulars	Capitalization Ratio		Cost Rate	Return
<b>2010 Test Year</b>				
	(%)	(\$)	(%)	(\$)
<b>Debt</b>				
Long Term Debt	56.00%	\$ 58,654,433	7.62%	\$ 4,469,468
Short Term Debt	4.00%	\$ 4,189,602	1.33%	\$ 4,189,602
Total Debt	60.00%	\$ 62,844,035	7.20%	\$ 8,659,070
<b>Equity</b>				
Common Equity	40.00%	\$ 41,896,023	8.01%	\$ 3,355,871
Preferred Shares	0.00%	\$ -	0.00%	\$ -
Total Equity	40.00%	\$ 41,896,023	8.01%	\$ 3,355,871
<b>Total</b>	100.00%	\$ 104,740,059	7.52%	\$ 12,014,942
<b>2009 Bridge Year</b>				
	(%)	(\$)	(%)	(\$)
<b>Debt</b>				
Long Term Debt	56.70%	\$ 58,583,045	7.25%	\$ 4,247,271
Short Term Debt	0.00%	\$ -	0.00%	\$ -
Total Debt	56.70%	\$ 58,583,045	7.25%	\$ 4,247,271
<b>Equity</b>				
Common Equity	43.30%	\$ 44,738,022	9.00%	\$ 4,026,422
Preferred Shares	0.00%	\$ -	0.00%	\$ -
Total Equity	43.30%	\$ 44,738,022	9.00%	\$ 4,026,422
<b>Total</b>	100.00%	\$ 103,321,067	8.01%	\$ 8,273,693
<b>2008 Actual</b>				
	(%)	(\$)	(%)	(\$)
<b>Debt</b>				
Long Term Debt	53.30%	\$ 52,895,763	7.25%	\$ 3,834,943
Short Term Debt	0.00%	\$ -	0.00%	\$ -
Total Debt	53.30%	\$ 52,895,763	7.25%	\$ 3,834,943
<b>Equity</b>				
Common Equity	46.70%	\$ 46,345,819	9.00%	\$ 4,171,124
Preferred Shares	0.00%	\$ -	0.00%	\$ -
Total Equity	46.70%	\$ 46,345,819	9.00%	\$ 4,171,124
<b>Total</b>	100.00%	\$ 99,241,582	8.07%	\$ 8,006,067

**DEEMED CAPITAL STRUCTURE (continued)**

*(Filing Guidelines Appendix 2-O)*

Particulars	Capitalization Ratio		Cost Rate	Return
<b>2007 Actual</b>				
	(%)	(\$)	(%)	(\$)
<b>Debt</b>				
Long Term Debt	50.00%	\$ 48,936,599	7.25%	\$ 3,547,903
Short Term Debt	0.00%	\$ -	0.00%	\$ -
Total Debt	50.00%	\$ 48,936,599	7.25%	\$ 3,547,903
<b>Equity</b>				
Common Equity	50.00%	\$ 48,936,599	9.00%	\$ 4,404,294
Preferred Shares	0.00%	\$ -	0.00%	\$ -
Total Equity	50.00%	\$ 48,936,599	9.00%	\$ 4,404,294
Total	100.00%	\$ 97,873,198	8.13%	\$ 7,952,197
<b>2006 Actual</b>				
	(%)	(\$)	(%)	(\$)
<b>Debt</b>				
Long Term Debt	50.00%	\$ 48,783,429	7.25%	\$ 3,536,799
Short Term Debt	0.00%	\$ -	0.00%	\$ -
Total Debt	50.00%	\$ 48,783,429	7.25%	\$ 3,536,799
<b>Equity</b>				
Common Equity	50.00%	\$ 48,783,429	9.00%	\$ 4,390,509
Preferred Shares	0.00%	\$ -	0.00%	\$ -
Total Equity	50.00%	\$ 48,783,429	9.00%	\$ 4,390,509
Total	100.00%	\$ 97,566,857	8.13%	\$ 7,927,307
<b>2006 Board Approved</b>				
	(%)	(\$)	(%)	(\$)
<b>Debt</b>				
Long Term Debt	50.00%	\$ 48,204,674	7.25%	\$ 3,494,839
Short Term Debt	0.00%	\$ -	0.00%	\$ -
Total Debt	50.00%	\$ 48,204,674	7.25%	\$ 3,494,839
<b>Equity</b>				
Common Equity	50.00%	\$ 48,204,674	9.00%	\$ 4,338,421
Preferred Shares	0.00%	\$ -	0.00%	\$ -
Total Equity	50.00%	\$ 48,204,674	9.00%	\$ 4,338,421
Total	100.00%	\$ 96,409,348	8.13%	\$ 7,833,260

**EXHIBIT 6 – CALCULATION OF REVENUE DEFICIENCY OR SURPLUS**

**Tab 1 – Revenue Deficiency Overview**

Schedule 1 - Revenue Deficiency

1 **REVENUE DEFICIENCY - OVERVIEW:**

2 Burlington Hydro has provided detailed calculations supporting its 2010 revenue deficiency.  
3 Burlington Hydro's net revenue deficiency is \$2,246,221 and when grossed up for PILs  
4 Burlington Hydro's revenue deficiency is \$3,255,392.

5 The main driver of Burlington Hydro's revenue deficiency is related to incremental OM&A  
6 requirements since the time of the last rebasing of rates in 2006. As discussed in more detail in  
7 Exhibit 4 of this evidence, Burlington Hydro has had increased needs from 2006 actuals to 2010  
8 test year due to:

- 9 • An increase in Operation costs of \$1,011,404 from 2006 Actual to 2010 Test year, due  
10 primarily to the need to hire and train apprentices in the trades group to prepare for future  
11 retirements in an aging workforce;
- 12 • An increase in Maintenance costs of \$242,606 from 2006 Actual to 2010 Test Year, due  
13 to continued aging of the infrastructure as outlined in the Asset Management Plan, along  
14 with required maintenance calls within the OEB defined parameters;
- 15 • An increase in Administrative and General costs of \$1,461,328 from 2006 Actual to 2010  
16 Test year due primarily to employee compensation and benefits charges experienced over  
17 a four period, in conjunction with an increase to the role, responsibilities and  
18 requirements LDCs via regulatory and environmental changes.

19 Burlington Hydro has described these changes to OM&A needs in Exhibit 4 of this evidence  
20 package, along with supporting material on changes to Rate Base requirements in Exhibit 2 of  
21 this evidence. Together, these sections provide the basis for the need of the revenue requirement  
22 as defined above.

23 The table at Schedule 1 of this Tab provides the revenue deficiency calculations for the 2010  
24 Test Year at Existing 2009 OEB-approved rates and the 2010 Test Year Revenue Requirement.

Calculation of Revenue Deficiency or Surplus	2010 Test Existing Rates	2010 Test Proposed Rates
<b>Revenue</b>		
Suff/ Def From Below.		\$3,255,392
Distribution Revenue	\$26,479,520	\$26,479,520
Other Operating Revenue (Net)	\$1,582,902	\$1,582,902
<b>Total Revenue</b>	<b>\$28,062,422</b>	<b>\$31,317,814</b>
<b>Distribution Costs</b>		
Operation, Maintenance, and Administration	\$14,800,994	\$14,800,994
Depreciation & Amortization	\$6,694,092	\$6,694,092
Property & Capital Taxes	\$296,305	\$296,305
Interest- Deemed Interest	\$4,525,189	\$4,525,189
<b>Total Costs and Expenses</b>	<b>\$26,316,581</b>	<b>\$26,316,581</b>
Utility Income Before Income Taxes	\$1,745,841	\$5,001,233
Net Adjustments per 2009 Pils	\$306,385	\$306,385
<b>Taxable Income</b>	<b>\$2,052,226</b>	<b>\$5,307,618</b>
Tax Rate	31.0%	31.0%
<b>Income Tax</b>	<b>\$636,190</b>	<b>\$1,645,362</b>
<b>Utility Income</b>	<b>\$1,109,651</b>	<b>\$3,355,871</b>
<b>Rate Base</b>	<b>\$104,740,059</b>	<b>\$104,740,059</b>
<b>Equity</b>	<b>40.00%</b>	<b>40.00%</b>
<b>Equity Component Rate Base</b>	<b>\$41,896,023</b>	<b>\$41,896,023</b>
Income / Equity Rate Base %	2.65%	8.01%
<b>Target Return -Equity on Rate Base</b>	<b>8.01%</b>	<b>8.01%</b>
Return- Equity on Rate Base	\$3,355,871	\$3,355,871
Revenue Deficiency	\$2,246,221	
Revenue Deficiency (Gross-up)	\$3,255,392	

## **EXHIBIT 7 – COST ALLOCATION**

### **Tab 1 – Cost Allocation Overview**

Schedule 1 - Updated Cost Allocation Model

### **Tab 2 – Treatment of the Transformer Ownership Allowance**

Schedule 1 - Initial Cost Allocation Model

Schedule 2 - Initial Cost Allocation Model Revised to Exclude Transformer Allowance

### **Tab 3 – Revenue to Cost Ratios and Proposed Changes**

Schedule 1 - Cost Allocation Summary

1 **COST ALLOCATION OVERVIEW**

2 On September 29, 2006, the OEB issued its directions on Cost Allocation Methodology for  
3 Electricity Distributors (the “Directions”). On November 15, 2006, the Board issued the Cost  
4 Allocation Information Filing Guidelines for Electricity Distributors (“the Guidelines”), the Cost  
5 Allocation Model (the “Model”) and User Instructions (the “Instructions”) for the Model.  
6 Burlington Hydro prepared a cost allocation information filing consistent with Burlington  
7 Hydro’s understanding of the Directions, the Guidelines, the Model and the Instructions.  
8 Burlington Hydro submitted this filing to the OEB on January 15, 2007.

9 One of the main objectives of the filing was to provide information on any apparent cross-  
10 subsidization among a distributor’s rate classifications. It was felt that this would give an  
11 indication of cross-subsidization from one class to another and this information would be useful  
12 as a tool in future rate applications.

13 For the purposes of this Application, Burlington Hydro has updated the cost allocation study  
14 previously filed to reflect 2010 test year costs, customer numbers and demand values. The 2010  
15 demand values are based on the weather normalized load forecast used to design rates.

16 The data used in the updated cost allocation study is consistent with Burlington Hydro’s cost  
17 data that supports the proposed 2010 revenue requirement outlined in this application.  
18 Consistent with the Guidelines, Burlington Hydro’s assets were broken out into primary and  
19 secondary distribution functions using breakout percentages consistent with the original cost  
20 allocation informational filing. The breakout of assets, capital contributions, depreciation,  
21 accumulated depreciation, customer data and load data by primary, line transformer and  
22 secondary categories were developed from the best data available to Burlington Hydro, its  
23 engineering records, and its customer and financial information systems.

24 Capital contributions, depreciation and accumulated depreciation by USoA is consistent with the  
25 information provided in the 2010 continuity statement shown in Exhibit 2, Tab 3. The rate class  
26 customer data used in the updated cost allocation study is consistent with the 2010 customer  
27 forecast outlined in Exhibit 3, Tab 2. The load profiles for each rate class are the same as those



1 used in the original information filing but have been scaled to match the load forecast. The  
2 following outlines the scaling factors used by rate class:

Class	2004 Weather Normal Values used in Information Filing (kWh)	2010 Weather Normal Values (kWh)	Scaling Factor
Residential	538,341,366	520,407,965	96.67%
GS < 50 kW	168,259,857	171,414,280	101.87%
GS >50	1,008,506,987	910,133,799	90.25%
Street Lighting	9,342,795	9,421,002	100.84%
Unmetered Scattered Load	4,514,615	3,918,008	86.78%
<b>TOTAL</b>	<b>1,728,965,619</b>	<b>1,615,295,054</b>	<b>93.43%</b>

3  
4 The results of a cost allocation study are typically presented in the form of revenue to cost ratios.  
5 The ratio is shown by rate classification and is the percentage of distribution revenue collected  
6 by rate classification compared to the costs allocated to the classification. The percentage  
7 identifies the rate classifications that are being subsidized and those that are over-contributing.  
8 A percentage of less than 100% means the rate classification is under-contributing and is being  
9 subsidized by other classes of customers. A percentage of greater than 100% indicates the rate  
10 classification is over-contributing and is subsidizing other classes of customers.

11

## **2010 Cost Allocation Study**



**2010 COST ALLOCATION STUDY**  
**Burlington Hydro Inc.**  
**EB-2009-0259**  
**Friday, August 28, 2009**  
**Sheet I2 Class Selection -**

**Instructions:**

- Step 1:** Please input your existing classes
- Step 2:** If this is your first run, select "First Run" in the drop-down menu below
- Step 3:** After all classes have been entered, Click the "Update" button in row E41

Click for Drop-Down Menu →

If desired, provide a summary of this run  
(40 characters max.)

Second Run

		Utility's Class Definition	Current
1	Residential		YES
2	GS <50		YES
3	GS>50-Regular		YES
4	GS> 50-TOU		NO
5	GS >50-Intermediate		NO
6	Large Use >5MW		NO
7	Street Light		YES
8	Sentinel		NO
9	Unmetered Scattered Load		YES
10	Embedded Distributor		NO
11	Back-up/Standby Power		NO
12	Rate Class 1		NO
13	Rate class 2		NO
14	Rate class 3		NO
15	Rate class 4		NO
16	Rate class 5		NO
17	Rate class 6		NO
18	Rate class 7		NO
19	Rate class 8		NO
20	Rate class 9		NO

**Update**

**\*\* Space available for additional information about this run**



2010 COST ALLOCATION STUDY

**Burlington Hydro Inc.**

**EB-2009-0259**

**Friday, August 28, 2009**

**Sheet I4 Break Out Worksheet**

**Instructions:**

This is an input sheet for the Break Out of Distribution Assets, Contributed Capital, Amortization, and Amortization Expenses.

**\*\*Please see Handbook for detailed instructions\*\***

Enter Proposed Net Fixed Assets	\$83,223,317
---------------------------------	--------------

RATE BASE AND DISTRIBUTION ASSETS		BALANCE SHEET ITEMS								
Account	Description	Break out Functions	BREAK OUT (%)	BREAK OUT (\$)	After BO	Contributed Capital - 1995	Accumulated Depreciation - 2105 Capital Contribution	Accumulated Depreciation - 2105 Fixed Assets Only	Accumulated Depreciation - 2120	Asset net of Accumulated Depreciation and Contributed Capital
1565	Conservation and Demand Management	\$0		-	-					-
1805	Land	\$202,703		(\$202,703)	-					
1805-1	Land Station >50 kV			\$0	-					-
1805-2	Land Station <50 kV		100.00%	\$202,703	202,703	\$ (9)				202,694
1806	Land Rights	\$189,351		(\$189,351)	-					
1806-1	Land Rights Station >50 kV			\$0	-			\$ -		-
1806-2	Land Rights Station <50 kV		100.00%	\$189,351	189,351			(\$19,445)		169,906
1808	Buildings and Fixtures	\$2,212,246		(\$2,212,246)	-					
1808-1	Buildings and Fixtures > 50 kV			\$0	-			\$ -		-
1808-2	Buildings and Fixtures < 50 kV		100.00%	\$2,212,246	2,212,246			(\$985,312)		1,226,934
1810	Leasehold Improvements	\$0		\$0	-					
1810-1	Leasehold Improvements >50 kV			\$0	-			\$ -		-
1810-2	Leasehold Improvements <50 kV		100.00%	\$0	-			\$0		-
1815	Transformer Station Equipment - Normally Primary above 50 kV	\$0		\$0	-					-
1820	Distribution Station Equipment - Normally Primary below 50 kV	\$13,239,645		(\$13,239,645)	-					-
1820-1	Distribution Station Equipment - Normally Primary below 50 kV (Bulk)			\$0	-			\$ -		-
1820-2	Distribution Station Equipment - Normally Primary below 50 kV (Primary)		97.61%	\$12,922,581	12,922,581			(\$8,016,914)		4,905,667
1820-3	Distribution Station Equipment - Normally Primary below 50 kV (Wholesale Meters)		2.39%	\$317,064	317,064			(\$196,701)		120,364
1825	Storage Battery Equipment	\$0		\$0	-					
1825-1	Storage Battery Equipment > 50 kV			\$0	-			\$ -		-
1825-2	Storage Battery Equipment <50 kV		100.00%	\$0	-			\$0		-
1830	Poles, Towers and Fixtures	\$25,094,933		(\$25,094,933)	-					
1830-3	Poles, Towers and Fixtures - Subtransmission Bulk Delivery		0.00%	\$0	-			\$ -		-
1830-4	Poles, Towers and Fixtures - Primary		65.60%	\$16,462,276	16,462,276	\$ (259,682)	\$ 30,007	(\$8,114,828)		8,117,773





**2010 COST ALLOCATION STUDY**  
**Burlington Hydro Inc.**  
**EB-2009-0259**  
**Friday, August 28, 2009**  
**Sheet I4 Break Out Worksheet**

**Instructions:**

This is an input sheet for the Break Out of Distribution Assets, Contributed Capital, Amortization, and Amortization Expenses.

**\*\*Please see Handbook for detailed instructions\*\***

Enter Proposed Net Fixed Assets	\$83,223,317
---------------------------------	--------------

RATE BASE AND DISTRIBUTION ASSETS		BALANCE SHEET ITEMS								
Account	Description	Break out Functions	BREAK OUT (%)	BREAK OUT (\$)	After BO	Contributed Capital - 1995	Accumulated Depreciation - 2105 Capital Contribution	Accumulated Depreciation - 2105 Fixed Assets Only	Accumulated Depreciation - 2120	Asset net of Accumulated Depreciation and Contributed Capital
General Plant		Break out Functions				Contributed Capital - 1995	Accumulated Depreciation - 2105 Capital Contribution	Accumulated Depreciation - 2105 Fixed Assets Only	Accumulated Depreciation - 2120	Net Asset
1905	Land	\$96,300			96,300			\$ -		\$ 96,300
1906	Land Rights	\$0			-			\$ -		\$ -
1908	Buildings and Fixtures	\$8,058,713			8,058,713			\$ (3,330,371)		\$ 4,728,342
1910	Leasehold Improvements	\$0			-			\$ -		\$ -
1915	Office Furniture and Equipment	\$1,333,202			1,333,202			\$ (1,048,379)		\$ 284,823
1920	Computer Equipment - Hardware	\$1,922,832			1,922,832			\$ (1,780,317)		\$ 142,515
1925	Computer Software	\$4,285,452			4,285,452			\$ (3,263,697)		\$ 1,021,755
1930	Transportation Equipment	\$4,020,584			4,020,584			\$ (2,765,896)		\$ 1,254,689
1935	Stores Equipment	\$292,425			292,425			\$ (292,458)		\$ 33
1940	Tools, Shop and Garage Equipment	\$1,354,599			1,354,599			\$ (1,140,252)		\$ 214,347
1945	Measurement and Testing Equipment	\$375,448			375,448			\$ (334,147)		\$ 41,300
1950	Power Operated Equipment	\$0			-			\$ -		\$ -
1955	Communication Equipment	\$191,861			191,861			\$ (191,861)		\$ -
1960	Miscellaneous Equipment	\$0			-			\$ -		\$ -
1970	Load Management Controls - Customer Premises	\$0			-			\$ -		\$ -
1975	Load Management Controls - Utility Premises	\$0			-			\$ -		\$ -
1980	System Supervisory Equipment	\$2,964,678			2,964,678			\$ (2,585,270)		\$ 379,407
1990	Other Tangible Property	\$0			-			\$ -		\$ -
2005	Property Under Capital Leases	\$0			-			\$ -		\$ -
2010	Electric Plant Purchased or Sold	\$0			-			\$ -		\$ -
<b>Total</b>		<b>\$24,896,093</b>		<b>\$0</b>	<b>\$24,896,093</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$16,732,649)</b>	<b>\$0</b>	<b>\$8,163,445</b>
SUB TOTAL from I3		\$24,896,093								
I3 Directly Allocated		\$0								
<b>Grand Total</b>		<b>\$225,061,399</b>		<b>\$0</b>	<b>\$225,061,399</b>	<b>(\$20,642,065)</b>	<b>\$3,389,325</b>	<b>(\$124,585,342)</b>	<b>\$0</b>	<b>\$83,223,317</b>



**2010 COST ALLOCATION STUDY**

**Burlington Hydro Inc.**

**EB-2009-0259**

**Friday, August 28, 2009**

**Sheet I4 Break Out Worksheet**

**Instructions:**

This is an input sheet for the Break Out of Distribution Assets, Contributed Capital, Amortization, and Amortization Expenses.

**\*\*Please see Handbook for detailed instructions\*\***

Enter Proposed Net Fixed Assets	\$83,223,317
---------------------------------	--------------

RATE BASE AND DISTRIBUTION ASSETS		BALANCE SHEET ITEMS								
		Break out Functions	BREAK OUT (%)	BREAK OUT (\$)	After BO	Contributed Capital - 1995	Accumulated Depreciation - 2105 Capital Contribution	Accumulated Depreciation - 2105 Fixed Assets Only	Accumulated Depreciation - 2120	Asset net of Accumulated Depreciation and Contributed Capital
<b>To be Prorated</b>										
1995	Contributed Capital - 1995					\$20,642,065	Balanced			
2105	Accumulated Depreciation - 2105							\$121,196,017	Balanced	
2120	Accumulated Depreciation - 2120								\$0	Balanced
<b>Total</b>										
<b>Net Assets</b>						\$83,223,317				Net Fixed Assets Match

**Amortization Expenses**

5705	Amortization Expense - Property, Plant, and Equipment	\$6,694,092
5710	Amortization of Limited Term Electric Plant	\$0
5715	Amortization of Intangibles and Other Electric Plant	\$0
5720	Amortization of Electric Plant Acquisition Adjustments	\$0
<b>Total Amortization Expense</b>		<b>\$6,694,092</b>



**2010 COST ALLOC**  
**Burlington Hydro**  
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**Friday, August 21**  
**Sheet I4 Break**

**Instructions:**

This is an input sheet for the Break Out  
 \*\*Please see Handbook for detailed instructions

Enter Proposed Net Fixed Assets

RATE BASE AND DISTRIBUTION ASSETS		EXPENSE ITEMS			
		5705	5710	5715	5720
Account	Description	Amortization Expense - Property, Plant, and Equipment	Amortization of Limited Term Electric Plant	Amortization of Intangibles and Other Electric Plant	Amortization of Electric Plant Acquisition Adjustments
1565	Conservation and Demand Management				
1805	Land				
1805-1	Land Station >50 kV	\$0			
1805-2	Land Station <50 kV	\$0			
1806	Land Rights				
1806-1	Land Rights Station >50 kV	\$0			
1806-2	Land Rights Station <50 kV	\$2,310			
1808	Buildings and Fixtures				
1808-1	Buildings and Fixtures > 50 kV	\$0			
1808-2	Buildings and Fixtures < 50 KV	\$50,878			
1810	Leasehold Improvements				
1810-1	Leasehold Improvements >50 kV	\$0			
1810-2	Leasehold Improvements <50 kV	\$0			
1815	Transformer Station Equipment - Normally Primary above 50 kV				
1820	Distribution Station Equipment - Normally Primary below 50 kV				
1820-1	Distribution Station Equipment - Normally Primary below 50 kV (Bulk)	\$0			
1820-2	Distribution Station Equipment - Normally Primary below 50 kV (Primary)	\$290,195			
1820-3	Distribution Station Equipment - Normally Primary below 50 kV (Wholesale Meters)	\$7,120			
1825	Storage Battery Equipment				
1825-1	Storage Battery Equipment > 50 kV	\$0			
1825-2	Storage Battery Equipment <50 kV	\$0			
1830	Poles, Towers and Fixtures				
1830-3	Poles, Towers and Fixtures - Subtransmission Bulk Delivery	\$0			
1830-4	Poles, Towers and Fixtures - Primary	\$477,425			





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**Burlington Hydro**  
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**Sheet I4 Break**

**Instructions:**

This is an input sheet for the Break Out  
 \*\*Please see Handbook for detailed instructions

Enter Proposed Net Fixed Assets

RATE BASE AND DISTRIBUTION ASSETS		EXPENSE ITEMS			
		5705	5710	5715	5720
Account	Description	Amortization Expense - Property, Plant, and Equipment	Amortization of Limited Term Electric Plant	Amortization of Intangibles and Other Electric Plant	Amortization of Electric Plant Acquisition Adjustments
1830-5	Poles, Towers and Fixtures - Secondary	\$250,357			
1835	Overhead Conductors and Devices				
1835-3	Overhead Conductors and Devices - Subtransmission Bulk Delivery	\$0			
1835-4	Overhead Conductors and Devices - Primary	\$954,670			
1835-5	Overhead Conductors and Devices - Secondary	\$120,409			
1840	Underground Conduit				
1840-3	Underground Conduit - Bulk Delivery	\$0			
1840-4	Underground Conduit - Primary	\$311,584			
1840-5	Underground Conduit - Secondary	\$49,463			
1845	Underground Conductors and Devices				
1845-3	Underground Conductors and Devices - Bulk Delivery	\$0			
1845-4	Underground Conductors and Devices - Primary	\$616,612			
1845-5	Underground Conductors and Devices - Secondary	\$110,525			
1850	Line Transformers	\$1,256,273			
1855	Services	\$735,690			
1860	Meters	\$433,156			
<b>Total</b>		<b>\$5,666,667</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>SUB TOTAL from I3</b>					
		<b>5705</b>	<b>5710</b>	<b>5715</b>	<b>5720</b>



**2010 COST ALLOC**  
**Burlington Hydro**  
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**Friday, August 20**  
**Sheet I4 Break**

**Instructions:**  
 This is an input sheet for the Break Out  
 \*\*Please see Handbook for detailed instructions

Enter Proposed Net Fixed Assets

RATE BASE AND DISTRIBUTION ASSETS		EXPENSE ITEMS			
		5705	5710	5715	5720
Account	Description	Amortization Expense - Property, Plant, and Equipment	Amortization of Limited Term Electric Plant	Amortization of Intangibles and Other Electric Plant	Amortization of Electric Plant Acquisition Adjustments
General Plant		Amortization Expense - Property, Plant, and Equipment	Amortization of Limited Term Electric Plant	Amortization of Intangibles and Other Electric Plant	Amortization of Electric Plant Acquisition Adjustments
1905	Land	\$0			
1906	Land Rights	\$0			
1908	Buildings and Fixtures	\$161,600			
1910	Leasehold Improvements	\$0			
1915	Office Furniture and Equipment	\$38,226			
1920	Computer Equipment - Hardware	\$61,895			
1925	Computer Software	\$311,300			
1930	Transportation Equipment	\$262,419			
1935	Stores Equipment	\$0			
1940	Tools, Shop and Garage Equipment	\$33,415			
1945	Measurement and Testing Equipment	\$5,350			
1950	Power Operated Equipment	\$0			
1955	Communication Equipment	\$0			
1960	Miscellaneous Equipment	\$0			
1970	Load Management Controls - Customer Premises	\$0			
1975	Load Management Controls - Utility Premises	\$0			
1980	System Supervisory Equipment	\$153,220			
1990	Other Tangible Property	\$0			
2005	Property Under Capital Leases	\$0			
2010	Electric Plant Purchased or Sold	\$0			
<b>Total</b>		<b>\$1,027,426</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
SUB TOTAL from I3					
I3 Directly Allocated					
<b>Grand Total</b>		<b>\$6,694,092</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>



**2010 COST ALLOC**  
**Burlington Hydro**  
**EB-2009-0259**  
**Friday, August 21, 2009**  
**Sheet I4 Break**

**Instructions:**

This is an input sheet for the Break Out of  
 \*\*Please see Handbook for detailed instructions

Enter Proposed Net Fixed Assets

RATE BASE AND DISTRIBUTION ASSETS		EXPENSE ITEMS			
		5705	5710	5715	5720
Account	Description	Amortization Expense - Property, Plant, and Equipment	Amortization of Limited Term Electric Plant	Amortization of Intangibles and Other Electric Plant	Amortization of Electric Plant Acquisition Adjustments
<b>To be Prorated</b>					
1995	Contributed Capital - 1995				
2105	Accumulated Depreciation - 2105				
2120	Accumulated Depreciation - 2120				
	<b>Total</b>				
	<b>Net Assets</b>				
<b>Amortization Expenses</b>					
5705	Amortization Expense - Property, Plant, and Equipment	(\$6,694,092)	Balanced		
5710	Amortization of Limited Term Electric Plant		\$0	Balanced	
5715	Amortization of Intangibles and Other Electric Plant			\$0	Balanced
5720	Amortization of Electric Plant Acquisition Adjustments				\$0
	<b>Total Amortization Expense</b>				



**2010 COST ALLOCATION STUDY**

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**Friday, August 28, 2009**

**Sheet 15 Miscellaneous Data Worksheet**

kMs of Roads in Service Area Where  
Distribution Lines Exist

754

Deemed Equity Component  
of Rate Base (%)

40%

	1	2	3	7	9
	Residential	GS <50	GS>50-Regular	Street Light	Unmetered Scattered Load
Insert Proposed Monthly Service Charge	11.55	20.98	65.82	0.11	10.50
Insert Smart Meter Adder Included in Proposed Monthly Service Charge	1.00	1.00	1.00		

**Instructions (Cont'd):**

Insert Proposed Monthly Service Charge

Insert Smart Meter Adder Included in Proposed Monthly Service Charge



2010 COST ALLOCATION STUDY

**Burlington Hydro Inc.**

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**Friday, August 28, 2009**

**Sheet 16 Customer Data Worksheet**

Total kWhs	1,624,070,837
------------	---------------

Total kW	2,379,182
----------	-----------

Total Approved Distribution Revenue (\$)	\$29,734,912
--	--------------

Billing Data	ID	Total	1	2	3	7	9
			Residential	GS <50	GS>50-Regular	Street Light	Unmetered Scattered Load
kWh from load forecasting model	<b>CEN</b>	1,624,070,837	525,074,536	171,794,967	914,058,878	9,223,186	3,919,270
kW from load forecasting model	<b>CDEM</b>	2,379,182			2,353,610	25,572	
kW, included in CDEM, from customers with line transformer allowance from approved EDR model, Sheet 6-3, Col P		995,119			995,119		
Optional - kWh, included in CEN, from customers that receive a line transformation allowance on a kWh basis. In most cases this will not be applicable and will be left blank.		-					
KWh excluding KWh from Wholesale Market Participants	<b>CEN EWMP</b>	1,624,070,837	525,074,536	171,794,967	914,058,878	9,223,186	3,919,270
kWh - weather normalized amount from load forecast		1,624,070,837	525,074,536	171,794,967	914,058,878	9,223,186	3,919,270
Proposed Distribution Rev	<b>CREV</b>	\$29,734,912	\$18,360,505	\$4,231,901	\$6,947,136	\$45,077	\$150,293

Bad Debt	<b>BDHA</b>	\$400,000	\$226,578	\$63,542	\$109,880	\$0	\$0
Late Payment 3 Year Historical Average	<b>LPHA</b>	\$202,800	\$123,525	\$25,854	\$52,914	\$51	\$456
Weighting Factor - Services			1.0	2.0	10.0	1.0	1.0
Weighting Factor - Billings			1.0	2.0	7.0	1.0	5.0
Number of Bills	<b>CNB</b>	424,904	351,859	60,340	12,357	36	312
Number of Connections (Unmetered)	<b>CCON</b>	2,183				1,581	602
Total Number of Customer from Approved EDR, Sheet 7-1, Col H excluding connections	<b>CCA</b>	64,730	58,643	5,028	1,030	3	26
Bulk Customer Base	<b>CCB</b>	-					
Primary Customer Base	<b>CCP</b>	64,730	58,643	5,028	1,030	3	26
Line Transformer Customer Base	<b>CCLT</b>	64,633	58,643	5,028	932	3	26
Secondary Customer Base	<b>CCS</b>	54,405	51,568	2,715	92	3	26
Weighted - Services	<b>CWCS</b>	60,102	51,568	5,431	920	1,581	602
Weighted Meter -Capital	<b>CWMC</b>	10,682,570	6,022,850	2,548,139	2,111,582	-	-
Weighted Meter Reading	<b>CWMR</b>	847,706	458,750	184,679	204,277	-	-
Weighted Bills	<b>CWNB</b>	560,633	351,859	120,681	86,497	36	1,560
<b>Data Mismatch Analysis</b>							
<b>Revenue with 30 year weather normalized kWh</b>		29,734,912	18,360,505	4,231,901	6,947,136	45,077	150,293

### Weather Normalized Data from Hydro

	Total	Residential	GS <50	GS>50-Regular	Street Light	Unmetered Scattered Load
kWh - weather normalized amount from load forecast	1,728,965,619	538,341,366	168,259,857	1,008,506,987	9,342,795	4,514,615
2006 EDR Distribution Loss Factor		1.0429	1.0429	1.0429	1.0429	1.0429

### Bad Debt Data from EDR 2006

Sheet ADJ5 rows 26 - 32, column E	100,033	63,173	25,133	11,727	-	-
Sheet ADJ5 rows 26 - 32, column F	157,149	107,376	30,120	19,653	-	-
Sheet ADJ5 rows 26 - 32, column G	305,585	148,227	34,146	123,212	-	-
Three-year average	187,589	106,259	29,800	51,531	-	-



**2010 COST ALLOCATION STUDY**  
**Burlington Hydro Inc.**  
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**Sheet I7.1 Meter Capital Worksheet**

	Residential			GS <50			GS>50-Regular		
	1	2	3	1	2	3	1	2	3
	Number of Meters	Weighted Metering Costs	Weighted Average Costs	Number of Meters	Weighted Metering Costs	Weighted Average Costs	Number of Meters	Weighted Metering Costs	Weighted Average Costs
Allocation Percentage Weighted Factor			56.38%			24%			20%
Cost Relative to Residential Average Cost			1.00			4.93			19.97
<b>Total</b>	<b>58,643</b>	<b>6022849.64</b>	<b>102.703355</b>	<b>5028</b>	<b>2548139.115</b>	<b>506.7527962</b>	<b>1,030</b>	<b>2111581.62</b>	<b>2050.617534</b>

**Meter Types**

**Cost per Meter (Installed)**

Single Phase 200 Amp - Urban	95	54,995	5224509.628	1,353	128555.641			0
Single Phase 200 Amp - Rural Central Meter	192	0	42873.37728	75	14324.13195			0
Network Meter (Costs to be updated)	218	3,415	744476.1106	94	20517.48259			0
Three-phase - No demand Smart Meters	382	1	424.3788899	483	184586.1818			0
Demand without IT (usually three-phase)	417	0	0	0	0			0
Demand with IT	1,652	3	1389.785318	2,267	945272.1933	228	95145.82675	
Demand with IT and Interval Capability - Secondary	1,926	6	9176.36029	737	1217303.298	345	570315.4542	
Demand with IT and Interval Capability - Primary	24,797		0	20	37580.18657	432	831134.6586	
Demand with IT and Interval Capability -Special (WMP)			0		0	25	614985.6808	
LDC Specific 1			0		0		0	
LDC Specific 2			0		0		0	
LDC Specific 3			0		0		0	



**2010 COST ALLOCATION STUDY**  
**Burlington Hydro Inc.**  
**EB-2009-0259**  
**Friday, August 28, 2009**  
**Sheet I7.1 Meter Capital Wor**

	Street Light			Unmetered Scattered Load			TOTAL		
	1	2	3	1	2	3	1	2	3
	Number of Meters	Weighted Metering Costs	Weighted Average Costs	Number of Meters	Weighted Metering Costs	Weighted Average Costs	Number of Meters	Weighted Metering Costs	Weighted Average Costs
Allocation Percentage Weighted Factor			0%			0%			100%
Cost Relative to Residential Average Cost			-			-			1.61
<b>Total</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>64,701</b>	<b>10682570.38</b>	<b>165.1060633</b>
<b>Meter Types</b>	<b>Cost per Meter (Installed)</b>								
Single Phase 200 Amp - Urban	95		0		0		56,348	5353065.269	
Single Phase 200 Amp - Rural Central Meter	192		0		0		0	0	
Network Meter (Costs to be updated)	218		0		0		298	57197.50923	
Three-phase - No demand Smart Meters	382		0		0		3,509	764993.5932	
Demand without IT (usually three-phase)	417		0		0		484	185010.5607	
Demand with IT	1,652		0		0		0	0	
Demand with IT and Interval Capability - Secondary	1,926		0		0		2,498	1041807.805	
Demand with IT and Interval Capability - Primary	24,797		0		0		1,088	1796795.113	
Demand with IT and Interval Capability -Special (WMP)			0		0		451	868714.8452	
LDC Specific 1			0		0		25	614985.6808	
LDC Specific 2			0		0		0	0	
LDC Specific 3			0		0		0	0	





2010 COST ALLOCATION STUDY

**Burlington Hydro Inc.**

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**Sheet I7.2 Meter Reading Worksheet**

Weighting Factors based on  
Contractor Pricing

Description		1			2			3		
		Residential			GS <50			GS>50-Regular		
		Units	Weighted Factor	Weighted Average Costs	Units	Weighted Factor	Weighted Average Costs	Units	Weighted Factor	Weighted Average Costs
	Allocation Percentage	54.12%			21.79%			24.10%		
	Weighted Factor									
	Cost Relative to Residential Average Cost	1.00			2.35			12.68		
	<b>Total</b>	<b>351,859</b>	<b>458,750</b>	<b>1.30</b>	<b>60,340</b>	<b>184,679</b>	<b>3.06</b>	<b>12,357</b>	<b>204,277</b>	<b>16.53</b>
	<b>Factor</b>									
Residential - Urban - Outside	1.00		0		0			0		
Residential - Urban - Outside with other services	1.00	203,051	203,051		0			0		
Residential - Urban - Inside	1.67		0		0			0		
Residential - Urban - Inside - with other services	1.67	139,932	233,686		0			0		
Residential - Rural - Outside	2.48		0		0			0		
Residential - Rural - Outside with other services	2.48	8,876	22,012		0			0		
LDC Specific 1			0		0			0		
LDC Specific 2			0		0			0		
GS - Walking	2.48		0		0			0		
GS - Walking - with other services	2.48		0		16,547	41,036		2,304	5,715	
GS - Vehicle with other services --- TOU Read	3.28		0			0		0	0	
GS - Vehicle with other services	3.28		0		43,794	143,643		7,026	23,046	
LDC Specific 3			0			0		0	0	
LDC Specific 4	0.00		0			0		0	0	
Interval	58.00		0			0		3,026	175,516	
LDC Specific 5			0			0			0	
LDC Specific 6			0			0			0	



**2010 COST ALLOCATION STU**  
**Burlington Hydro Inc.**  
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**Sheet I7.2 Meter Reading**

Weighting Factors based on  
Contractor Pricing

Description		7			9			TOTAL		
		Street Light			Unmetered Scattered Load					
		Units	Weighted Factor	Weighted Average Costs	Units	Weighted Factor	Weighted Average Costs	Units	Weighted Factor	Weighted Average Costs
	Allocation Percentage		0.00%		0.00%		100.00%			
	Weighted Factor									
	Cost Relative to Residential Average Cost		0.00		0.00		16.03			
	Total	-	-	0	-	-	0	424,556	847,706	21
	Factor									
Residential - Urban - Outside	1.00	0			0			-	-	
Residential - Urban - Outside with other services	1.00	0			0			203,051	203,051	
Residential - Urban - Inside	1.67	0			0			-	-	
Residential - Urban - Inside - with other services	1.67	0			0			139,932	233,686	
Residential - Rural - Outside	2.48	0			0			-	-	
Residential - Rural - Outside with other services	2.48	0			0			8,876	22,012	
LDC Specific 1		0			0			-	-	
LDC Specific 2		0			0			-	-	
GS - Walking	2.48	0			0			-	-	
GS - Walking - with other services	2.48	0			0			18,851	46,751	
GS - Vehicle with other services --- TOU Read	3.28	0			0			-	-	
GS - Vehicle with other services	3.28	0			0			50,820	166,689	
LDC Specific 3		0			0			-	-	
LDC Specific 4	0.00	0			0			-	-	
Interval	58.00	0			0			3,026	175,516	
LDC Specific 5		0			0			-	-	
LDC Specific 6		0			0			-	-	



**2010 COST ALLOCATION STUDY**

**Burlington Hydro Inc.**

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**Sheet I7.2 Meter Reading**

Weighting Factors based on  
Contractor Pricing

Description	Allocation Percentage
	Weighted Factor Cost Relative to Residential Average Cost
	Total
	Factor
Residential - Urban - Outside	1.00
Residential - Urban - Outside with other services	1.00
Residential - Urban - Inside	1.67
Residential - Urban - Inside - with other services	1.67
Residential - Rural - Outside	2.48
Residential - Rural - Outside with other services	2.48
LDC Specific 1	
LDC Specific 2	
GS - Walking	2.48
GS - Walking - with other services	2.48
GS - Vehicle with other services --- TOU Read	3.28
GS - Vehicle with other services	3.28
LDC Specific 3	
LDC Specific 4	0.00
Interval	58.00
LDC Specific 5	
LDC Specific 6	



**2010 COST ALLOCATION STUDY**

**Burlington Hydro Inc.**

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**Friday, August 28, 2009**

**Sheet 18 Demand Data Worksheet**

This is an input sheet for demand allocators.

<b>CP TEST RESULTS</b>	<b>4 CP</b>
<b>NCP TEST RESULTS</b>	<b>4 NCP</b>

<b>Co-incident Peak</b>	<b>Indicator</b>
1 CP	CP 1
4 CP	CP 4
12 CP	CP 12

<b>Non-co-incident Peak</b>	<b>Indicator</b>
1 NCP	NCP 1
4 NCP	NCP 4
12 NCP	NCP 12

<b>Customer Classes</b>	<b>Total</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>7</b>	<b>9</b>
		<b>Residential</b>	<b>GS &lt;50</b>	<b>GS&gt;50-Regular</b>	<b>Street Light</b>	<b>Unmetered Scattered Load</b>
<b>CO-INCIDENT PEAK</b>						
<b>1 CP</b>						
Transformation CP TCP1	317,746	133,416	40,200	144,116	-	14
Bulk Delivery CP BCP1	317,746	133,416	40,200	144,116	-	14
Total Sytem CP DCP1	317,746	133,416	40,200	144,116	-	14
<b>4 CP</b>						
Transformation CP TCP4	1,136,870	435,168	134,710	566,935	-	57
Bulk Delivery CP BCP4	1,136,870	435,168	134,710	566,935	-	57
Total Sytem CP DCP4	1,136,870	435,168	134,710	566,935	-	57
<b>12 CP</b>						
Transformation CP TCP12	2,993,710	1,124,794	326,238	1,520,958	15,668	6,051
Bulk Delivery CP BCP12	2,993,710	1,124,794	326,238	1,520,958	15,668	6,051
Total Sytem CP DCP12	2,993,710	1,124,794	326,238	1,520,958	15,668	6,051
<b>NON CO_INCIDENT PEAK</b>						
<b>1 NCP</b>						
Classification NCP from Load Data Provider DNCP1	340,869	139,253	42,492	155,666	2,226	1,232
Primary NCP PNCP1	340,869	139,253	42,492	155,666	2,226	1,232
Line Transformer NCP LTNCP1	326,095	139,253	42,492	140,892	2,226	1,232
Secondary NCP SNCP1	162,765	122,453	22,946	13,908	2,226	1,232
<b>4 NCP</b>						
Classification NCP from Load Data Provider DNCP4	1,248,130	484,789	151,701	598,258	8,871	4,511
Primary NCP PNCP4	1,248,130	484,789	151,701	598,258	8,871	4,511
Line Transformer NCP LTNCP4	1,191,351	484,789	151,701	541,478	8,871	4,511
Secondary NCP SNCP4	575,055	426,302	81,920	53,451	8,871	4,511
<b>12 NCP</b>						
Classification NCP from Load Data Provider DNCP12	3,301,415	1,231,856	370,810	1,661,414	26,231	11,104
Primary NCP PNCP12	3,301,415	1,231,856	370,810	1,661,414	26,231	11,104
Line Transformer NCP LTNCP12	3,143,733	1,231,856	370,810	1,503,732	26,231	11,104
Secondary NCP SNCP12	1,469,252	1,083,239	200,241	148,437	26,231	11,104



**2010 COST ALLOCATION STUDY**  
**Burlington Hydro Inc.**  
**EB-2009-0259**  
**Friday, August 28, 2009**

**Sheet 19 Direct Allocation Worksheet**

USoA Account #	Accounts	Direct Allocation	Total Allocated to Rate Classifications?	1	2	3	7	9
				Residential	GS <50	GS-50-Regular	Street Light	metered Scattered Load

**Instructions:**  
 To Allocate Capital Contributions by Rate Classification, Input Allocation on Next Line

1995	Contributions and Grants - Credit	\$0	Yes					
------	-----------------------------------	-----	-----	--	--	--	--	--

**Instructions:**  
 The Following is Used to Allocate Directly Allocated Costs from 13 to Rate Classifications

1805	Land	\$0	Yes					
1806	Land Rights	\$0	Yes					
1808	Buildings and Fixtures	\$0	Yes					
1810	Leasehold Improvements	\$0	Yes					
1815	Transformer Station Equipment - Normally Primary above 50 kV	\$0	Yes					
1820	Distribution Station Equipment - Normally Primary below 50 kV	\$0	Yes					
1825	Storage Battery Equipment	\$0	Yes					
1830	Poles, Towers and Fixtures	\$0	Yes					
1835	Overhead Conductors and Devices	\$0	Yes					
1840	Underground Conduit	\$0	Yes					
1845	Underground Conductors and Devices	\$0	Yes					
1850	Line Transformers	\$0	Yes					
1855	Services	\$0	Yes					
1860	Meters	\$0	Yes					
1905	Land	\$0	Yes					
1906	Land Rights	\$0	Yes					
1908	Buildings and Fixtures	\$0	Yes					
1910	Leasehold Improvements	\$0	Yes					
1915	Office Furniture and Equipment	\$0	Yes					
1920	Computer Equipment - Hardware	\$0	Yes					
1925	Computer Software	\$0	Yes					
1930	Transportation Equipment	\$0	Yes					
1935	Stores Equipment	\$0	Yes					
1940	Tools, Shop and Garage Equipment	\$0	Yes					
1945	Measurement and Testing Equipment	\$0	Yes					
1950	Power Operated Equipment	\$0	Yes					
1955	Communication Equipment	\$0	Yes					
1960	Miscellaneous Equipment	\$0	Yes					
1970	Load Management Controls - Customer Premises	\$0	Yes					
1975	Load Management Controls - Utility Premises	\$0	Yes					
1980	System Supervisory Equipment	\$0	Yes					
1990	Other Tangible Property	\$0	Yes					
2005	Property Under Capital Leases	\$0	Yes					
2010	Electric Plant Purchased or Sold	\$0	Yes					
2050	Completed Construction Not Classified- Electric	\$0	Yes					
2105	Accum. Amortization of Electric Utility Plant - Property, Plant, & Equipment	\$0	Yes					
2120	Accumulated Amortization of Electric Utility Plant - Intangibles	\$0	Yes					
	<b>Directly Allocated Net Fixed Assets</b>			\$0	\$0	\$0	\$0	\$0
5005	Operation Supervision and Engineering	\$0	Yes					
5010	Load Dispatching	\$0	Yes					
5012	Station Buildings and Fixtures Expense	\$0	Yes					
5014	Transformer Station Equipment - Operation Labour	\$0	Yes					
5015	Transformer Station Equipment - Operation Supplies and Expenses	\$0	Yes					
5016	Distribution Station Equipment - Operation Labour	\$0	Yes					
5017	Distribution Station Equipment - Operation Supplies and Expenses	\$0	Yes					
5020	Overhead Distribution Lines and Feeders - Operation Labour	\$0	Yes					
5025	Overhead Distribution Lines & Feeders - Operation Supplies and Expenses	\$0	Yes					
5030	Overhead Subtransmission Feeders - Operation	\$0	Yes					
5035	Overhead Distribution Transformers- Operation	\$0	Yes					
5040	Underground Distribution Lines and Feeders - Operation Labour	\$0	Yes					
5045	Underground Distribution Lines & Feeders - Operation Supplies & Expenses	\$0	Yes					
5050	Underground Subtransmission Feeders Operation	\$0	Yes					
5055	Underground Distribution Transformers- Operation	\$0	Yes					
5065	Meter Expense	\$0	Yes					
5070	Customer Premises - Operation Labour	\$0	Yes					
5075	Customer Premises - Materials and Expenses	\$0	Yes					

5085	Miscellaneous Distribution Expense	\$0	Yes					
5090	Underground Distribution Lines and Feeders - Rental Paid	\$0	Yes					
5095	Overhead Distribution Lines and Feeders - Rental Paid	\$0	Yes					
5096	Other Rent	\$0	Yes					
5105	Maintenance Supervision and Engineering	\$0	Yes					
5110	Maintenance of Buildings and Fixtures - Distribution Stations	\$0	Yes					
5112	Maintenance of Transformer Station Equipment	\$0	Yes					
5114	Maintenance of Distribution Station Equipment	\$0	Yes					
5120	Maintenance of Poles, Towers and Fixtures	\$0	Yes					
5125	Maintenance of Overhead Conductors and Devices	\$0	Yes					
5130	Maintenance of Overhead Services	\$0	Yes					
5135	Overhead Distribution Lines and Feeders - Right of Way	\$0	Yes					
5145	Maintenance of Underground Conduit	\$0	Yes					
5150	Maintenance of Underground Conductors and Devices	\$0	Yes					
5155	Maintenance of Underground Services	\$0	Yes					
5160	Maintenance of Line Transformers	\$0	Yes					
5175	Maintenance of Meters	\$0	Yes					
5305	Supervision	\$0	Yes					
5310	Meter Reading Expense	\$508	Yes				\$508	
5315	Customer Billing	\$0	Yes					
5320	Collecting	\$0	Yes					
5325	Collecting- Cash Over and Short	\$0	Yes					
5330	Collection Charges	\$0	Yes					
5335	Bad Debt Expense	\$0	Yes					
5340	Miscellaneous Customer Accounts Expenses	\$0	Yes					
5405	Supervision	\$0	Yes					
5410	Community Relations - Sundry	\$0	Yes					
5415	Energy Conservation	\$0	Yes					
5420	Community Safety Program	\$0	Yes					
5425	Miscellaneous Customer Service and Informational Expenses	\$0	Yes					
5505	Supervision	\$0	Yes					
5510	Demonstrating and Selling Expense	\$0	Yes					
5515	Advertising Expense	\$0	Yes					
5520	Miscellaneous Sales Expense	\$0	Yes					
5605	Executive Salaries and Expenses	\$0	Yes					
5610	Management Salaries and Expenses	\$0	Yes					
5615	General Administrative Salaries and Expenses	\$0	Yes					
5620	Office Supplies and Expenses	\$0	Yes					
5625	Administrative Expense Transferred Credit	\$0	Yes					
5630	Outside Services Employed	\$0	Yes					
5635	Property Insurance	\$0	Yes					
5640	Injuries and Damages	\$0	Yes					
5645	Employee Pensions and Benefits	\$0	Yes					
5650	Franchise Requirements	\$0	Yes					
5655	Regulatory Expenses	\$0	Yes					
5660	General Advertising Expenses	\$0	Yes					
5665	Miscellaneous General Expenses	\$0	Yes					
5670	Rent	\$0	Yes					
5675	Maintenance of General Plant	\$0	Yes					
5680	Electrical Safety Authority Fees	\$0	Yes					
5705	Amortization Expense - Property, Plant, and Equipment	\$0	Yes					
5710	Amortization of Limited Term Electric Plant	\$0	Yes					
5715	Amortization of Intangibles and Other Electric Plant	\$0	Yes					
5720	Amortization of Electric Plant Acquisition Adjustments	\$0	Yes					
6105	Taxes Other Than Income Taxes	\$0	Yes					
6205	Donations	\$0	Yes					
6210	Life Insurance	\$0	Yes					
6215	Penalties	\$0	Yes					
6225	Other Deductions	\$0	Yes					
	Total Expenses			\$0	\$0	\$0	\$508	\$0
	Depreciation Expense			\$0	\$0	\$0	\$0	\$0

<b>Total Net Fixed Assets Excluding Gen Plant</b>	<b>\$200,165,306</b>	<b>Allocated</b>	<b>Residential</b>	<b>GS &lt;50</b>	<b>GS&gt;50-Regular</b>	<b>Street Light</b>	<b>etered Scattered Load</b>
Approved Total PILs	\$1,712,667	\$0	\$0	\$0	\$0	\$0	\$0
Approved Total Return on Debt	\$4,525,189	\$0	\$0	\$0	\$0	\$0	\$0
Approved Total Return on Equity	\$3,355,871	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$508</b>	<b>\$0</b>



2010 COST ALLOCATION STUDY

Burlington Hydro Inc.

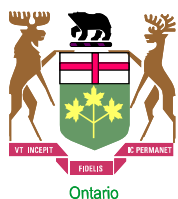
EB-2009-0259

Friday, August 28, 2009

Sheet 01 Revenue to Cost Summary Worksheet

Class Revenue, Cost Analysis, and Return on Rate Base

		1	2	3	7	9
		Residential	GS <50	GS>50-Regular	Street Light	Unmetered Scattered Load
<b>Rate Base</b>	<b>Total</b>					
<b>Assets</b>						
<b>crev</b>	Distribution Revenue (sale)	\$18,360,505	\$4,231,901	\$6,947,136	\$45,077	\$150,293
<b>mi</b>	Miscellaneous Revenue (mi)	\$958,573	\$286,898	\$327,865	\$4,436	\$5,131
	<b>Total Revenue</b>	<b>\$19,319,078</b>	<b>\$4,518,798</b>	<b>\$7,275,001</b>	<b>\$49,514</b>	<b>\$155,424</b>
	<b>Expenses</b>					
<b>di</b>	Distribution Costs (di)	\$3,686,496	\$756,745	\$2,178,612	\$82,920	\$36,510
<b>cu</b>	Customer Related Costs (cu)	\$1,850,495	\$613,019	\$541,430	\$4,444	\$6,029
<b>ad</b>	General and Administration (ad)	\$2,990,522	\$732,795	\$1,477,838	\$48,327	\$23,306
<b>dep</b>	Depreciation and Amortization (dep)	\$3,910,014	\$799,359	\$1,861,629	\$86,115	\$36,975
<b>INPUT</b>	PILs (INPUT)	\$938,348	\$210,556	\$536,375	\$18,961	\$8,427
<b>INT</b>	Interest	\$2,479,292	\$556,328	\$1,417,205	\$50,098	\$22,266
	<b>Total Expenses</b>	<b>\$15,855,166</b>	<b>\$3,668,801</b>	<b>\$8,013,089</b>	<b>\$290,865</b>	<b>\$133,513</b>
	<b>Direct Allocation</b>	<b>\$508</b>	<b>\$0</b>	<b>\$0</b>	<b>\$508</b>	<b>\$0</b>
<b>NI</b>	Allocated Net Income (NI)	\$1,838,638	\$412,572	\$1,050,996	\$37,152	\$16,513
	<b>Revenue Requirement (includes NI)</b>	<b>\$17,693,804</b>	<b>\$4,081,373</b>	<b>\$9,064,085</b>	<b>\$328,525</b>	<b>\$150,026</b>
	Revenue Requirement Input equals Output					
	<b>Rate Base Calculation</b>					
	<b>Net Assets</b>					
<b>dp</b>	Distribution Plant - Gross	\$116,288,365	\$23,898,514	\$56,323,748	\$2,556,096	\$1,098,583
<b>gp</b>	General Plant - Gross	\$14,549,748	\$2,949,321	\$6,936,962	\$321,909	\$138,153
<b>accum dep</b>	Accumulated Depreciation	(\$70,137,217)	(\$14,543,399)	(\$34,320,017)	(\$1,535,016)	(\$660,368)
<b>co</b>	Capital Contribution	(\$14,805,703)	(\$2,109,463)	(\$3,158,704)	(\$406,459)	(\$161,736)
	<b>Total Net Plant</b>	<b>\$45,895,193</b>	<b>\$10,194,973</b>	<b>\$25,781,989</b>	<b>\$936,531</b>	<b>\$414,632</b>
	<b>Directly Allocated Net Fixed Assets</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>COP</b>	Cost of Power (COP)	\$41,517,536	\$13,583,793	\$72,274,448	\$729,275	\$309,896
	OM&A Expenses	\$8,527,512	\$2,102,558	\$4,197,879	\$135,691	\$65,845
	Directly Allocated Expenses	\$0	\$0	\$0	\$508	\$0
	<b>Subtotal</b>	<b>\$50,045,048</b>	<b>\$15,686,351</b>	<b>\$76,472,327</b>	<b>\$865,475</b>	<b>\$375,741</b>
	<b>Working Capital</b>	<b>\$7,506,757</b>	<b>\$2,352,953</b>	<b>\$11,470,849</b>	<b>\$129,821</b>	<b>\$56,361</b>
	<b>Total Rate Base</b>	<b>\$53,401,950</b>	<b>\$12,547,926</b>	<b>\$37,252,838</b>	<b>\$1,066,352</b>	<b>\$470,994</b>
	Rate Base Input equals Output					
	<b>Equity Component of Rate Base</b>	<b>\$21,360,780</b>	<b>\$5,019,170</b>	<b>\$14,901,135</b>	<b>\$426,541</b>	<b>\$188,397</b>
	<b>Net Income on Allocated Assets</b>	<b>\$3,463,912</b>	<b>\$849,997</b>	<b>(\$738,088)</b>	<b>(\$241,860)</b>	<b>\$21,910</b>
	<b>Net Income on Direct Allocation Assets</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
	<b>Net Income</b>	<b>\$3,463,912</b>	<b>\$849,997</b>	<b>(\$738,088)</b>	<b>(\$241,860)</b>	<b>\$21,910</b>
	<b>RATIOS ANALYSIS</b>					
	REVENUE TO EXPENSES %	109.19%	110.72%	80.26%	15.07%	103.60%
	EXISTING REVENUE MINUS ALLOCATED COSTS	\$1,625,274	\$437,425	(\$1,789,084)	(\$279,012)	\$5,398
	RETURN ON EQUITY COMPONENT OF RATE BASE	8.01%	16.22%	-4.95%	-56.70%	11.63%



**2010 COST ALLOCATION STUDY**

**Burlington Hydro Inc.**

**EB-2009-0259**

**Friday, August 28, 2009**

**Sheet 02 Monthly Fixed Charge Min. & Max. Worksheet**

Output sheet showing minimum and maximum level for Monthly Fixed Charge

**Summary**

Customer Unit Cost per month - Avoided Cost  
 Customer Unit Cost per month - Directly Related  
 Customer Unit Cost per month - Minimum System with PLCC Adjustment  
 Fixed Charge per approved 2006 EDR

	1	2	3	7	9
	Residential	GS <50	GS>50-Regular	Street Light	Unmetered Scattered Load
Customer Unit Cost per month - Avoided Cost	\$3.33	\$11.48	\$38.55	\$0.17	\$0.43
Customer Unit Cost per month - Directly Related	\$4.41	\$15.76	\$55.54	\$0.29	\$0.75
Customer Unit Cost per month - Minimum System with PLCC Adjustment	\$13.89	\$26.51	\$76.89	\$9.77	\$10.24
Fixed Charge per approved 2006 EDR	\$11.55	\$20.98	\$65.82	\$0.11	\$10.50

**Information to be Used to Allocate PILs, ROD, ROE and A&G**

		1	2	3	7	9
	Total	Residential	GS <50	GS>50-Regular	Street Light	Unmetered Scattered Load
General Plant - Gross Assets	\$24,896,093	\$14,549,748	\$2,949,321	\$6,936,962	\$321,909	\$138,153
General Plant - Accumulated Depreciation	(\$16,732,649)	(\$9,778,877)	(\$1,982,237)	(\$4,662,328)	(\$216,355)	(\$92,853)
General Plant - Net Fixed Assets	\$8,163,445	\$4,770,872	\$967,084	\$2,274,634	\$105,554	\$45,300
General Plant - Depreciation	\$1,027,426	\$600,447	\$121,714	\$286,278	\$13,285	\$5,701
<b>Total Net Fixed Assets Excluding General Plant</b>	<b>\$75,059,873</b>	<b>\$41,124,321</b>	<b>\$9,227,889</b>	<b>\$23,507,354</b>	<b>\$830,976</b>	<b>\$369,332</b>
<b>Total Administration and General Expense</b>	<b>\$5,272,787</b>	<b>\$2,990,522</b>	<b>\$732,795</b>	<b>\$1,477,838</b>	<b>\$48,327</b>	<b>\$23,306</b>
<b>Total O&amp;M</b>	<b>\$9,756,699</b>	<b>\$5,536,990</b>	<b>\$1,369,764</b>	<b>\$2,720,042</b>	<b>\$87,364</b>	<b>\$42,539</b>



1    **TREATMENT OF TRANSFORMER ALLOWANCE**

2    As per the Filing Guidelines, Burlington Hydro has updated the original filing to remove the  
3    “cost” associated with the transformer ownership allowance from the revenue requirement  
4    (Worksheet I3), and the “revenue” associate with the transformer ownership allowance  
5    (Worksheet I6).

6    The output sheets O1 from the original Cost Allocation filing, and the revised O1 output sheet  
7    with transformer allowance removed are included at Schedule 1 and Schedule 2 of this Tab,  
8    respectively.



2006 COST ALLOCATION INFORMATION FILING

**Burlington Hydro Inc.**  
**EB-2005-0356 EB-2007-0001**  
**Monday, January 15, 2007**

**Sheet O1 Revenue to Cost Summary Worksheet - Second Run PUBLIC**

Class Revenue, Cost Analysis, and Return on Rate Base

			1	2	3	7	9
		Total	Residential	GS <50	GS>50-Regular	Street Light	Unmetered Scattered Load
<b>Rate Base</b>							
<b>Assets</b>							
crev	Distribution Revenue (sale)	\$26,880,280	\$15,838,659	\$3,501,777	\$7,365,631	\$38,790	\$135,423
mi	Miscellaneous Revenue (mi)	\$2,181,427	\$1,334,243	\$335,908	\$487,410	\$12,802	\$11,064
	<b>Total Revenue</b>	<b>\$29,061,707</b>	<b>\$17,172,902</b>	<b>\$3,837,685</b>	<b>\$7,853,041</b>	<b>\$51,592</b>	<b>\$146,487</b>
	<b>Expenses</b>						
di	Distribution Costs (di)	\$5,322,605	\$2,988,476	\$573,830	\$1,655,275	\$70,908	\$34,115
cu	Customer Related Costs (cu)	\$2,428,247	\$1,496,705	\$471,464	\$449,167	\$2,759	\$8,153
ad	General and Administration (ad)	\$3,525,238	\$2,040,500	\$474,817	\$957,028	\$33,638	\$19,255
dep	Depreciation and Amortization (dep)	\$5,715,922	\$3,434,690	\$656,384	\$1,506,952	\$80,448	\$37,447
INPUT	PILs (INPUT)	\$3,850,926	\$2,265,728	\$447,197	\$1,062,186	\$51,538	\$24,278
INT	Interest	\$3,494,839	\$2,056,221	\$405,845	\$963,967	\$46,772	\$22,033
	<b>Total Expenses</b>	<b>\$24,337,777</b>	<b>\$14,282,322</b>	<b>\$3,029,537</b>	<b>\$6,594,574</b>	<b>\$286,063</b>	<b>\$145,281</b>
	<b>Direct Allocation</b>	<b>\$385,508</b>	<b>\$225,000</b>	<b>\$32,000</b>	<b>\$128,000</b>	<b>\$508</b>	<b>\$0</b>
NI	Allocated Net Income (NI)	\$4,338,421	\$2,552,551	\$503,808	\$1,196,649	\$58,062	\$27,351
	<b>Revenue Requirement (includes NI)</b>	<b>\$29,061,706</b>	<b>\$17,059,873</b>	<b>\$3,565,345</b>	<b>\$7,919,223</b>	<b>\$344,634</b>	<b>\$172,632</b>
	Revenue Requirement Input equals Output						
	<b>Rate Base Calculation</b>						
	<b>Net Assets</b>						
dp	Distribution Plant - Gross	\$145,581,124	\$86,678,116	\$16,731,178	\$39,207,795	\$2,020,441	\$943,593
gp	General Plant - Gross	\$19,337,136	\$11,545,319	\$2,219,807	\$5,177,368	\$269,111	\$125,531
accum dep	Accumulated Depreciation	(\$83,114,113)	(\$49,381,923)	(\$9,560,275)	(\$22,482,739)	(\$1,151,100)	(\$538,076)
co	Capital Contribution	(\$4,604,790)	(\$3,356,677)	(\$435,564)	(\$668,215)	(\$101,353)	(\$42,981)
	<b>Total Net Plant</b>	<b>\$77,199,357</b>	<b>\$45,484,835</b>	<b>\$8,955,146</b>	<b>\$21,234,209</b>	<b>\$1,037,099</b>	<b>\$488,067</b>
	<b>Directly Allocated Net Fixed Assets</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
COP	Cost of Power (COP)	\$116,840,330	\$36,333,063	\$11,147,140	\$68,546,514	\$597,004	\$216,609
	OM&A Expenses	\$11,276,090	\$6,525,682	\$1,520,111	\$3,061,469	\$107,305	\$61,523
	Directly Allocated Expenses	\$385,508	\$225,000	\$32,000	\$128,000	\$508	\$0
	<b>Subtotal</b>	<b>\$128,501,929</b>	<b>\$43,083,745</b>	<b>\$12,699,252</b>	<b>\$71,735,983</b>	<b>\$704,816</b>	<b>\$278,133</b>
	<b>Working Capital</b>	<b>\$19,275,289</b>	<b>\$6,462,562</b>	<b>\$1,904,888</b>	<b>\$10,760,397</b>	<b>\$105,722</b>	<b>\$41,720</b>
	<b>Total Rate Base</b>	<b>\$96,474,646</b>	<b>\$51,947,397</b>	<b>\$10,860,034</b>	<b>\$31,994,607</b>	<b>\$1,142,821</b>	<b>\$529,787</b>
	Rate Base Input equals Output						
	<b>Equity Component of Rate Base</b>	<b>\$48,237,323</b>	<b>\$25,973,699</b>	<b>\$5,430,017</b>	<b>\$15,997,303</b>	<b>\$571,411</b>	<b>\$264,894</b>
	<b>Net Income on Allocated Assets</b>	<b>\$4,338,421</b>	<b>\$2,665,580</b>	<b>\$776,148</b>	<b>\$1,130,467</b>	<b>(\$234,979)</b>	<b>\$1,206</b>
	<b>Net Income on Direct Allocation Assets</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
	<b>Net Income</b>	<b>\$4,338,421</b>	<b>\$2,665,580</b>	<b>\$776,148</b>	<b>\$1,130,467</b>	<b>(\$234,979)</b>	<b>\$1,206</b>
	<b>RATIOS ANALYSIS</b>						
	REVENUE TO EXPENSES %	100.00%	100.66%	107.64%	99.16%	14.97%	84.86%
	EXISTING REVENUE MINUS ALLOCATED COSTS	\$0	\$113,029	\$272,340	(\$66,183)	(\$293,041)	(\$26,145)
	RETURN ON EQUITY COMPONENT OF RATE BASE	8.99%	10.26%	14.29%	7.07%	-41.12%	0.46%



2006 COST ALLOCATION INFORMATION FILING

**Burlington Hydro Inc.**  
**EB-2005-0356 EB-2007-0001**  
**Friday, August 28, 2009**

**Sheet OI Revenue to Cost Summary Worksheet - Second Run - No Trans Allowan**

Class Revenue, Cost Analysis, and Return on Rate Base

		1	2	3	7	9	
		Total	Residential	GS <50	GS>50-Regular	Street Light	Unmetered Scattered Load
<b>Rate Base</b>							
<b>Assets</b>							
crev	Distribution Revenue (sale)	\$26,217,157	\$15,838,659	\$3,501,777	\$6,702,508	\$38,790	\$135,423
mi	Miscellaneous Revenue (mi)	\$2,181,427	\$1,334,244	\$335,912	\$487,408	\$12,801	\$11,063
	<b>Total Revenue</b>	<b>\$28,398,584</b>	<b>\$17,172,903</b>	<b>\$3,837,689</b>	<b>\$7,189,916</b>	<b>\$51,591</b>	<b>\$146,486</b>
	<b>Expenses</b>						
di	Distribution Costs (di)	\$4,659,483	\$2,605,758	\$488,399	\$1,472,836	\$62,558	\$29,931
cu	Customer Related Costs (cu)	\$2,428,247	\$1,496,705	\$471,464	\$449,167	\$2,759	\$8,153
ad	General and Administration (ad)	\$3,525,238	\$2,040,999	\$476,789	\$955,847	\$32,628	\$18,976
dep	Depreciation and Amortization (dep)	\$5,715,922	\$3,434,697	\$656,410	\$1,506,936	\$80,435	\$37,444
INPUT	PILs (INPUT)	\$3,850,926	\$2,265,732	\$447,211	\$1,062,177	\$51,531	\$24,276
INT	Interest	\$3,494,839	\$2,056,225	\$405,858	\$963,960	\$46,766	\$22,031
	<b>Total Expenses</b>	<b>\$23,674,655</b>	<b>\$13,900,116</b>	<b>\$2,946,131</b>	<b>\$6,410,923</b>	<b>\$276,677</b>	<b>\$140,809</b>
	<b>Direct Allocation</b>	<b>\$385,508</b>	<b>\$225,000</b>	<b>\$32,000</b>	<b>\$128,000</b>	<b>\$508</b>	<b>\$0</b>
NI	Allocated Net Income (NI)	\$4,338,421	\$2,552,555	\$503,824	\$1,196,640	\$58,054	\$27,349
	<b>Revenue Requirement (includes NI)</b>	<b>\$28,398,585</b>	<b>\$16,677,670</b>	<b>\$3,481,955</b>	<b>\$7,735,562</b>	<b>\$335,239</b>	<b>\$168,158</b>
	Revenue Requirement Input equals Output						
	<b>Rate Base Calculation</b>						
	<b>Net Assets</b>						
dp	Distribution Plant - Gross	\$145,581,124	\$86,678,182	\$16,731,438	\$39,207,640	\$2,020,308	\$943,557
gp	General Plant - Gross	\$19,337,136	\$11,545,336	\$2,219,875	\$5,177,327	\$269,077	\$125,521
accum dep	Accumulated Depreciation	(\$83,114,113)	(\$49,381,933)	(\$9,560,317)	(\$22,482,714)	(\$1,151,079)	(\$538,070)
co	Capital Contribution	(\$4,604,790)	(\$3,356,677)	(\$435,564)	(\$668,215)	(\$101,353)	(\$42,981)
	<b>Total Net Plant</b>	<b>\$77,199,357</b>	<b>\$45,484,907</b>	<b>\$8,955,431</b>	<b>\$21,234,039</b>	<b>\$1,036,953</b>	<b>\$488,027</b>
	<b>Directly Allocated Net Fixed Assets</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>COP</b>	<b>Cost of Power (COP)</b>	<b>\$116,840,330</b>	<b>\$36,333,063</b>	<b>\$11,147,140</b>	<b>\$68,546,514</b>	<b>\$597,004</b>	<b>\$216,609</b>
	OM&A Expenses	\$10,612,968	\$6,143,462	\$1,436,652	\$2,877,850	\$97,945	\$57,060
	Directly Allocated Expenses	\$385,508	\$225,000	\$32,000	\$128,000	\$508	\$0
	<b>Subtotal</b>	<b>\$127,838,807</b>	<b>\$42,701,525</b>	<b>\$12,615,792</b>	<b>\$71,552,363</b>	<b>\$695,457</b>	<b>\$273,669</b>
	<b>Working Capital</b>	<b>\$19,175,821</b>	<b>\$6,405,229</b>	<b>\$1,892,369</b>	<b>\$10,732,855</b>	<b>\$104,318</b>	<b>\$41,050</b>
	<b>Total Rate Base</b>	<b>\$96,375,178</b>	<b>\$51,890,136</b>	<b>\$10,847,800</b>	<b>\$31,966,893</b>	<b>\$1,141,272</b>	<b>\$529,077</b>
	Rate Base Input equals Output						
	<b>Equity Component of Rate Base</b>	<b>\$48,187,589</b>	<b>\$25,945,068</b>	<b>\$5,423,900</b>	<b>\$15,983,447</b>	<b>\$570,636</b>	<b>\$264,539</b>
	<b>Net Income on Allocated Assets</b>	<b>\$4,338,420</b>	<b>\$3,047,787</b>	<b>\$859,558</b>	<b>\$650,993</b>	<b>(\$225,594)</b>	<b>\$5,677</b>
	<b>Net Income on Direct Allocation Assets</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
	<b>Net Income</b>	<b>\$4,338,420</b>	<b>\$3,047,787</b>	<b>\$859,558</b>	<b>\$650,993</b>	<b>(\$225,594)</b>	<b>\$5,677</b>
	<b>RATIOS ANALYSIS</b>						
	REVENUE TO EXPENSES %	100.00%	102.97%	110.22%	92.95%	15.39%	87.11%
	EXISTING REVENUE MINUS ALLOCATED COSTS	(\$1)	\$495,232	\$355,734	(\$545,647)	(\$283,648)	(\$21,672)
	RETURN ON EQUITY COMPONENT OF RATE BASE	9.00%	11.75%	15.85%	4.07%	-39.53%	2.15%

1 **REVENUE TO COST RATIOS AND PROPOSED CHANGES:**

2 The revenue to cost ratios and test year revenue impacts (Appendix 2-P) are provided at  
3 Schedule 1 of this Tab.

4 The data included in Schedule 1 provides the revenue to cost ratios from the initial cost  
5 allocation study and the initial cost allocation study revised to remove the "cost" and "revenue"  
6 associated with transformer ownership allowance, as well as the updated revenue to cost ratios  
7 from the cost allocation model reflecting 2010 forecasted information. In addition, this schedule  
8 provides Burlington Hydro's proposed 2010 revenue to cost ratios. The proposed revenue to  
9 cost ratios reflect adjustments to revenue to address cross subsidization and the movement of  
10 classes towards the OEB established appropriate ranges of revenue to cost ratios.

11 Burlington Hydro is proposing in this application to re-align its revenue to cost ratios by  
12 adjusting the allocations of revenue among rate classes in order to reduce some of the cross-  
13 subsidization that is occurring. The re-alignment will move the street light class to 50% between  
14 their current ratio and the target ratio. The current revenue to cost ratio for street lights is 15.07%  
15 moving the ratio to 42.54% means the proposed ratio is half way between current level and 70%.  
16 The 70% being the low end of the OEB target range.

17 The updated cost allocation model has indicated that the General Service > 50 kW class has had  
18 movement of the cost to revenue ratio further away from the target of one, and very close to the  
19 lower threshold identified by the OEB. Burlington Hydro is proposing to increase the General  
20 Service > 50 kW class from 80.30% to 85%, which is approximately half way between current  
21 levels and the level at the original cost allocation filing, with the transformer allowance credit  
22 removed.

23 The additional revenue from the under contributing classes will be distributed to the Residential  
24 and General Service < 50 kW rate classes since the revenue to cost ratio for these classes had  
25 both increased from the original cost allocation filing.

1 Cost Allocation Summary  
 2 (Appendix 2-P from Filing Requirements)

3

Revenue to Cost Ratio (%)					
Customer Class	(1) From Cost Allocation Model	(2) Column 1 Revised (Transformer Ownership Allowance)	(3) Updated Cost Allocation Model	(4) Proposed for Test Year	Board Target Range
Residential	100.66%	102.97%	109.19%	107.10%	85-115
GS<50 kW	107.64%	110.22%	110.72%	107.03%	80-123
GS>50 kW	99.16%	92.95%	80.26%	85.00%	80-180
Street Lights	14.97%	15.39%	15.07%	42.54%	70-120
USL	84.86%	87.11%	103.60%	103.60%	80-120

4

Test Year Revenue Impacts			
Customer Class	Current Revenue	Test Year Revenue Assuming Current Revenue to Cost Ratios	Test Year Revenue Assuming Proposed Revenue to Cost Ratios
Residential	17,308,961	19,319,078	18,950,064
GS<50 kW	4,055,488	4,518,798	4,368,113
GS>50 kW	6,514,425	7,275,001	7,704,472
Street Lights	44,578	49,514	139,741
USL	138,969	155,424	155,424
Total	28,062,422	31,317,814	31,317,814

**EXHIBIT 8 – RATE DESIGN**

**Tab 1 – Rate Design Overview**

**Tab 2 –Fixed/Variable Proportion**

**Tab 3 – Retail Transmission Service Rates**

- Schedule 1 - Review of Variance Account Activities
- Schedule 2 - Summary of Changes to RTSR Rates

**Tab 4 – Low Voltage Charges**

**Tab 5 – Loss Adjustment Factors**

- Schedule 1 - Burlington Hydro Loss Factors

**Tab 6 – LRAM/SSM**

- Schedule 1 - Third Party Report
- Schedule 2 - Rate Rider Calculation

**Tab 7 – Rate Schedules and Bill Impact Information**

- Schedule 1 - Proposed Rate Schedule
- Schedule 2 - Bill Impact Tables

**Tab 8 – Reconciliation of Rate Class Revenue**

1 **RATE DESIGN OVERVIEW:**

2 The purpose of this Exhibit is to document the calculation of Burlington Hydro's proposed  
 3 distribution rates, by rate class, for the 2010 test year, based on the rate design as proposed in  
 4 this Exhibit.

5 Included in this Exhibit are the following sections:

- 6 Tab 2 – Fixed/Variable Proportion
- 7 Tab 3 – Retail Transmission Service Rates
- 8 Tab 4 – Low Voltage Charges
- 9 Tab 5 – Loss Adjustment Factors
- 10 Tab 6 – LRAM/SSM
- 11 Tab 7 – Rate Schedules and Bill Impact Information
- 12 Tab 8 – Reconciliation of Rate Class Revenue

13 Burlington Hydro has determined its total 2010 service revenue requirement to be  
 14 \$31,144,197. The total revenue offsets in the amount of \$1,582,902 reduce Burlington  
 15 Hydro's total service revenue requirement to a base revenue requirement to \$29,561,295  
 16 which is used to determine the proposed distribution rates. The base revenue requirement is  
 17 derived from Burlington Hydro's 2010 capital and operating forecasts, weather normalized  
 18 usage, forecasted customer counts, and regulated return on rate base.

19 The outstanding base revenue requirement is allocated to the various rate classes using the  
 20 proposed revenue to cost ratios outlined in Exhibit 7 – Cost Allocation. The following table  
 21 shows how the base revenue requirement has been allocated to the rate classes.

Class	Total Revenue Requirement - 2010 Cost Allocation	Proposed Revenue to Cost Ratio	2010 Proposed Service Revenue Requirement	2010 Proposed Miscellaneous Revenue per Cost Allocation Model	2010 Proposed Base Revenue Requirement
Residential	17,693,804	107.1%	18,950,064	958,573	17,991,492
GS < 50 kW	4,081,373	107.0%	4,368,113	286,898	4,081,216
GS >50	9,064,085	85.0%	7,704,472	327,865	7,376,608
Street Lighting	328,525	42.5%	139,741	4,436	135,305
Unmetered Scattered Load	150,026	103.6%	155,424	5,131	150,293
<b>TOTAL</b>	<b>31,317,814</b>		<b>31,317,814</b>	<b>1,582,902</b>	<b>29,734,912</b>

1 The following table provides the movement in revenue at existing rates for base revenue  
2 requirement to the proposed base revenue requirement which reflects the proposed revenue to  
3 cost ratios.

<b>Class</b>	<b>2010 Total Base Revenue with 2009 Approved Rates</b>	<b>2010 Base Revenue Allocated based on Proportion of Revenue at Existing Rates</b>	<b>2010 Proposed Base Revenue Requirement</b>
<b>Residential</b>	16,350,388	18,360,505	17,991,492
<b>GS &lt; 50 kW</b>	3,768,590	4,231,901	4,081,216
<b>GS &gt;50</b>	6,186,560	6,947,136	7,376,608
<b>Street Lighting</b>	40,142	45,077	135,305
<b>Unmetered Scattered Load</b>	133,839	150,293	150,293
<b>TOTAL</b>	<b>26,479,520</b>	<b>29,734,912</b>	<b>29,734,912</b>

4



1 **FIXED VARIABLE PROPORTION**

2 The purpose of this section is to describe the determination of the fixed and variable  
3 proportion by rate class, and calculation of the proposed fixed and variable distribution rates  
4 for the 2010 Test year.

5 **Proposed Fixed Charges**

6 In its November 28, 2007 Report on Application of Cost Allocation for Electricity  
7 Distributors, the OEB addressed a number of “Other Rate Matters”, including the treatment of  
8 the fixed rate component (the Monthly Service Charge, or ‘MSC’) of the bill. At page 12 of  
9 the Report, the OEB determined that the floor amount for the MSC should be the avoided  
10 costs, as that term is defined in the September 29, 2006 report of the OEB entitled “Cost  
11 Allocation: Board Directions on Cost Allocation Methodology for Electricity Distributors”.  
12 Burlington Hydro’s MSCs exceed that floor amount by rate class. With respect to the upper  
13 bound for the MSC, the OEB considered it to be inappropriate to make changes to the MSC  
14 ceiling at this time, given the number of issues that remain to be examined within the scope of  
15 the OEB’s Rate Review proceeding (EB-2008-0031). The OEB indicated that for the time  
16 being, it does not expect distributors to make changes to the MSC that result in a charge that is  
17 greater than the ceiling as defined in the Methodology for the MSC; and that distributors that  
18 are currently above that value are not required to make changes to their current MSC to bring  
19 it to or below that level at this time.

20 The fixed rate based on the current Burlington Hydro fixed/variable revenue proportions  
21 results in MSC charges that are both below and above the MSC ceiling. For consistency,  
22 Burlington Hydro is proposing to set all MSC rates at the ceiling amount, with the exception  
23 of the Street Lighting class, which will be increased to the level resulting in the same  
24 fixed/variable split for this class.

25 The following table provides the current approved fixed charge, fixed charge calculated to  
26 reflect the current fixed/variable revenue proportions, the proposed fixed rates, and the floor  
27 and ceiling values from the cost allocation study.

1

Customer Class	2009 Fixed Rates From OEB Approved Tariff	Fixed Rate Based on Current Fixed/Variable Revenue Proportions	Proposed Fixed Rates	Customer Unit Cost per month - Avoided Cost	Minimum System with PLCC Adjustment (Ceiling Fixed Charge From Cost Allocation Model)
Residential	11.55	12.71	13.89	3.33	13.89
GS < 50 kW	20.98	22.72	26.51	11.48	26.51
GS >50	65.82	78.48	76.89	38.55	76.89
Street Lighting	0.11	0.37	0.37	0.17	9.77
Unmetered Scattered Load	10.50	11.79	10.24	0.43	10.24

2

### 3 Proposed Fixed/Variable Proportion

4 The following table provides a summary of the proposed fixed rate and resulting fixed revenue  
 5 proportion, based on forecasted customers/connections for the 2010 Test Year.

Class	2010 Total Base Revenue	Proposed Fixed Distribution Charge	Annualized Customers / Connections	2010 Fixed Base Revenue with 2010 Proposed Rates
Residential	17,991,492	13.89	703,718	9,774,642
GS < 50 kW	4,081,216	26.51	60,340	1,599,624
GS >50	7,376,608	76.89	12,357	950,111
Street Lighting	135,305	0.37	176,080	65,285
Unmetered Scattered Load	150,293	10.24	7,224	73,974
<b>TOTAL</b>	<b>29,734,912</b>			<b>12,463,636</b>

6

7 Burlington Hydro is proposing to change the fixed/variable proportions for the 2010 Test year  
 8 for all customer classifications, with the exception of the Street Lighting rate class. The  
 9 following table outlines the proposed fixed/variable proportions.

Class	2010 Total Base Revenue with 2010 Proposed Rates	2010 Fixed Base Revenue with 2010 Proposed Rates	2010 Variable Base Revenue with 2010 Proposed Rates	Proposed Fixed Revenue Proportion	Proposed Variable Revenue Proportion
Residential	17,991,492	9,774,642	8,216,849	54.3%	45.7%
GS < 50 kW	4,081,216	1,599,624	2,481,591	39.2%	60.8%
GS >50	7,376,608	950,111	6,426,497	12.9%	87.1%
Street Lighting	135,305	65,285	70,020	48.3%	51.7%
Unmetered Scattered Load	150,293	73,974	76,319	49.2%	50.8%
<b>TOTAL</b>	<b>29,734,912</b>	<b>12,463,636</b>	<b>17,271,275</b>		

10

11 Based on applying the existing approved monthly service charges, excluding the smart meter  
 12 adder, to the forecasted number of customers for 2010 and applying the existing approved  
 13 distribution volumetric charge, excluding the adjustment transformation allowance, to 2010  
 14 forecasted volumes the following table outlines Burlington Hydro's current split between  
 15 fixed and variable distribution revenue.

Class	2010 Total Base Revenue with 2009 Approved Rates	2010 Fixed Base Revenue with 2009 Approved Rates	2010 Variable Base Revenue with 2009 Approved Rates	Fixed Revenue Proportion	Variable Revenue Proportion
Residential	16,350,388	8,127,942	8,222,446	49.7%	50.3%
GS < 50 kW	3,768,590	1,265,942	2,502,648	33.6%	66.4%
GS >50	6,186,560	813,322	5,373,239	13.1%	86.9%
Street Lighting	40,142	19,369	20,773	48.3%	51.7%
Unmetered Scattered Load	133,839	75,852	57,987	56.7%	43.3%
<b>TOTAL</b>	<b>26,479,520</b>	<b>10,302,427</b>	<b>16,177,093</b>		

1

2 **Proposed Volumetric Charges:**

3 The variable distribution charge is calculated by dividing the variable distribution portion of  
 4 the base revenue requirement by the appropriate 2010 Test Year usage, kWh or kW, as the  
 5 class charge determinant.

6 The following Table provides Burlington Hydro's calculations of its proposed variable  
 7 distribution charges for the 2010 Test Year which utilizes the proposed fixed/variable split as  
 8 described above.

Class	2010 Total Base Revenue	Fixed Revenue	Variable Revenue	Annualized kWh or kW as required	Unit of Measure	Proposed Variable Charge before Transformer Allowance
Residential	17,991,492	9,774,642	8,216,849	520,407,965	kWh	\$0.0158
GS < 50 kW	4,081,216	1,599,624	2,481,591	171,414,280	kWh	\$0.0145
GS >50	7,376,608	950,111	6,426,497	2,343,504	kW	\$2.7423
Street Lighting	135,305	65,285	70,020	26,120	kW	\$2.6807
Unmetered Scattered Load	150,293	73,974	76,319	3,918,008	kWh	\$0.0195
<b>TOTAL</b>	<b>29,734,912</b>	<b>12,463,636</b>	<b>17,271,275</b>			

9

10

11 **Proposed Adjustment for Transformer Allowance:**

12 Currently, Burlington Hydro provides a Transformer Allowance to those customers that own  
 13 their transformation facilities. Burlington Hydro proposes to maintain the current approved  
 14 transformer ownership allowance of \$0.60 per kW. The Transformer Allowance is intended to  
 15 reflect the costs to a distributor of providing step down transformation facilities to the  
 16 customer's utilization voltage level. Since the distributor provides electricity at utilization  
 17 voltage, the cost of this transformation is captured in and recovered through the distribution  
 18 rates. Therefore, when a customer provides its own step down transformation from primary to  
 19 secondary, it should receive a credit of these costs already included in the distribution rates.

20 The amount of Transformer Allowance expected to be provided to those General Service > 50  
 21 kW customers that own their transformers has been included in the volumetric charge for this

1 class. This means the General Service > 50 kW volumetric charge of \$2.7423 per kW will  
2 increase by \$0.2548 per kW to a total of \$2.9970 per kW to recover the amount of the  
3 Transformer Allowance over all kW's in the General Service > 50.

1 **RETAIL TRANSMISSION SERVICE RATES**

2 On July 21, 2009, the OEB issued “Revision to Guideline G-2008-0001 – Electricity  
3 Distribution Retail Transmission Service Rates. This guideline outlined required information  
4 to adjust retail transmission service rates to reflect changes in the Ontario Uniform  
5 Transmission Rates (“UTRs”). The Retail Transmission Service Rates (“RTSRs”) are charges  
6 that Burlington Hydro applies to end use customers to recover costs associated with the  
7 payment of wholesale transmission line connection, transformation and network rates.  
8 Updating RTSRs to more closely match the current UTRs should reduce future balances in the  
9 deferral accounts related to the differences in rates collected from end use customers by  
10 Burlington Hydro, and those paid by Burlington Hydro.

11 As per the Guidelines, Burlington Hydro has completed a variance analysis using two full  
12 years of historical data (2007 and 2008), plus activity to June 2009, for Account 1584 – RSVA  
13 Retail Transmission Network Charges Account, and Account 1586 – RSVA Retail  
14 Transmission Connection Charge Account. The details of the account activities are in  
15 Schedule 1 of this Tab.

16 Based on a review of this data, Burlington Hydro does not find that there is an ongoing trend  
17 in the growth of the balances. The reoccurring credit entries in Account 1584 from December  
18 2007 to June 2008 were related to the timing difference between an increase in UTRs  
19 (November 1, 2007) and the Burlington Hydro RTSR rates (May 1, 2008), and would not be  
20 indicative of an ongoing trend.

21 Accordingly, Burlington Hydro is requesting to change the existing RTSRs by the same  
22 proportion as the changes in the UTRs. Specifically, based on the Decision and Rate Order of  
23 the Board in the EB-2008-0272 Burlington Hydro would propose that:

- 24
- The “Retail Transmission Rate - Network Service Rate” for each rate class be  
25 increased by 3.5% (based on the UTR Network Service rate increase from \$2.57 to  
26 \$2.66 per kW per month); and

- 1           • The “Retail Transmission Rate – Connection Service Rate” for each rate class be  
2           decreased by 2.2% (based on the UTR Line Connection Service Rate remaining  
3           unchanged at \$0.70 per kW per month and the Transformation Connection Service  
4           Rate decreasing from \$1.62 to \$1.57 per kW per month).

5   Details on the calculation of Burlington Hydro’s proposed RTSRs are included at Schedule 2  
6   of this Tab.

**Review of Variance Account Activities**  
**Account 1584 – RSVA Retail Transmission Network Charges Account**

Month	2007 Actuals	2008 Actuals	2009 Actuals
<b>Opening Balance</b>	<b>153,961.85</b>	<b>(168,804.96)</b>	<b>(1,003,791.36)</b>
January	(59,149.29)	(214,602.34)	(2,194.49)
February	(34,957.05)	(147,217.55)	53,616.44
March	(142,676.63)	(243,735.33)	(15,758.86)
April	(96,426.67)	(219,672.08)	1,040.56
May	39,365.41	(132,665.42)	(28,213.23)
June	203,308.09	104,526.98	128,011.55
July	41,972.25	30,976.91	
August	74,626.07	46,539.55	
September	114,337.13	52,487.83	
October	(114,651.78)	(81,684.55)	
November	(155,044.97)	(48,890.35)	
December	(193,469.37)	18,949.95	
<b>Annual Activity</b>	<b>(322,766.81)</b>	<b>(834,986.40)</b>	<b>136,501.97</b>
<b>Closing Balance</b>	<b>(168,804.96)</b>	<b>(1,003,791.36)</b>	<b>(867,289.39)</b>

**Review of Variance Account Activities**  
**1586 – RSVA Retail Transmission Connection Charge Account**

Month	2007 Actuals	2008 Actuals	2009 Actuals
<b>Opening Balance</b>	<b>(80,283.92)</b>	<b>69,258.92</b>	<b>(301,032.42)</b>
January	(66,086.69)	(101,557.84)	(16,928.23)
February	(17,329.13)	(12,379.05)	35,362.67
March	(106,742.23)	(96,354.39)	(36,093.61)
April	(57,536.34)	(116,712.13)	3,621.05
May	63,008.29	(56,796.49)	(64,604.29)
June	152,798.46	138,220.44	84,351.34
July	76,228.70	48,456.16	
August	35,718.00	19,493.84	
September	95,629.73	17,279.73	
October	(26,499.34)	(68,646.88)	
November	42,078.82	(53,887.42)	
December	(41,725.43)	(87,407.31)	
<b>Annual Activity</b>	<b>149,542.84</b>	<b>(370,291.34)</b>	<b>5,708.93</b>
<b>Closing Balance</b>	<b>69,258.92</b>	<b>(301,032.42)</b>	<b>(295,323.49)</b>

## Summary of Changes to RTSR Rates

Customer Class	Existing Rate		% Change	Proposed Rate	
<b>Residential</b>					
- Retail Transmission Rate - Network Service Rate	0.0053	\$/kWh	3.50%	0.0055	\$/kWh
- Retail Transmission Rate - Line Transformation Connection	0.0051	\$/kWh	-2.20%	0.0050	\$/kWh
<b>General Service &lt; 50 kW</b>					
- Retail Transmission Rate - Network Service Rate	0.0049	\$/kWh	3.50%	0.0051	\$/kWh
- Retail Transmission Rate - Line Transformation Connection	0.0045	\$/kWh	-2.20%	0.0044	\$/kWh
<b>General Service &gt; 50 kW</b>					
- Retail Transmission Rate - Network Service Rate	2.0273	\$/kW	3.50%	2.0983	\$/kW
- Retail Transmission Rate - Line Transformation Connection	1.8611	\$/kW	-2.20%	1.8202	\$/kW
<b>General Service &gt; 50 kW (Interval Metered)</b>					
- Retail Transmission Rate - Network Service Rate	2.0567	\$/kW	3.50%	2.1287	\$/kW
- Retail Transmission Rate - Line Transformation Connection	1.9647	\$/kW	-2.20%	1.9215	\$/kW
<b>Unmetered Scattered Loads</b>					
- Retail Transmission Rate - Network Service Rate	0.0049	\$/kWh	3.50%	0.0051	\$/kWh
- Retail Transmission Rate - Line Transformation Connection	0.0045	\$/kWh	-2.20%	0.0044	\$/kWh
<b>Street Lighting</b>					
- Retail Transmission Rate - Network Service Rate	1.5031	\$/kW	3.50%	1.5557	\$/kW
- Retail Transmission Rate - Line Transformation Connection	1.3982	\$/kW	-2.20%	1.3674	\$/kW



1    **LOW VOLTAGE CHARGES**

2    On June 22, 2007, Hydro One Networks filed an application with the OEB for an order  
3    granting the sale of assets to Burlington Hydro. This application was given file number EB-  
4    2007-0668. The assets purchased by Burlington Hydro generally consisted of feeder lines off  
5    Hydro One Networks Palermo Transformer Station. This application was approved by the  
6    OEB September 21, 2007. As a result of this approval and sale, Burlington Hydro is not  
7    incurring any LV charges, and will not be seeking a rate adder as part of this application.

8

1 **LOSS ADJUSTMENT FACTORS:**

2 **Total Loss Factor:**

3 Burlington Hydro is not an embedded distributor, nor has Burlington Hydro been required to  
4 complete any loss studies as a result of previous decisions.

5 Burlington Hydro has calculated the total loss factor to be applied to customers' consumption  
6 based on the average wholesale and retail kWh for the five historical years 2004 to 2008. As a  
7 result of this analysis, Burlington Hydro is proposing the Total Loss Factor for 2010 be set a  
8 1.0405. This is a decrease from the current approved Total Loss Factor of 1.0429. The  
9 calculations are summarized at Schedule 1 of this Tab.

10 **Supply Facility Loss Factor:**

11 The supply facility loss factor (the "SFLF") calculation is shown in Schedule 1 and represents  
12 the losses on supply to Burlington Hydro. The SFLF is calculated on the measured quantities  
13 between the transformer stations and the wholesale meter points. The SFLF is used in the  
14 calculations of the total loss factor above. The SLFL average of the five historical years 2004  
15 to 2008 is 1.0047

16 **Materiality Analysis on Distribution Losses:**

17 Burlington Hydro's Distribution Loss Adjustment factor is 4.05%. Pursuant to the Filing  
18 Requirements, as the Distribution Loss Adjustment factor is less than 5%, Burlington Hydro is  
19 not required to provide a explanation of, or justification for, its loss adjustment factor.

**Burlington Hydro Loss Factors**  
*(Filing Requirements Appendix 2-Q)*

		2004	2005	2006	2007	2008	5 Year Average
	<b>Losses in Distributor's System</b>						
A (1)	"Wholesale" kWh delivered to distributor (higher value)	1,712,265,190	1,803,801,203	1,740,504,463	1,768,767,708	1,716,667,999	1,748,401,313
A (2)	"Wholesale" kWh delivered to distributor (lower value)	1,706,437,415	1,792,205,472	1,730,485,378	1,761,771,141	1,709,843,561	1,740,148,593
B	Portion of "Wholesale" kWh delivered to distributor for Large Use Customer(s)	-	-	-	-	-	-
C	Net "Wholesale" kWh delivered to distributor (A(2)-B)	1,706,437,415	1,792,205,472	1,730,485,378	1,761,771,141	1,709,843,561	1,740,148,593
D	"Retail" kWh delivered by distributor	1,638,103,135	1,731,460,885	1,669,550,279	1,707,754,602	1,654,981,841	1,680,370,149
E	Portion of "Retail" kWh delivered by distributor for Large Use Customer(s)	-	-	-	-	-	-
F	Net "Retail" kWh delivered by distributor (D-E)	1,638,103,135	1,731,460,885	1,669,550,279	1,707,754,602	1,654,981,841	1,680,370,149
G	Loss Factor in distributor's system(C/F)	1.0417	1.0351	1.0365	1.0316	1.0331	1.0356
	<b>Losses Upstream of Distributor's System</b>						
H	Supply Facility Loss Factor	1.0034	1.0064	1.0058	1.0040	1.0040	1.0047
	<b>Total Losses</b>						
I	Total Loss Factor	1.0453	1.0418	1.0425	1.0357	1.0373	1.0405

1 **LRAM/SSM**

2 On May 31, 2004, the Minister of Energy granted approval to all distributors in Ontario to  
3 apply to the Board for an increase to their 2005 rates in the amount of the third installment of  
4 their incremental market adjusted revenue requirement (“MARR”). The approval was  
5 conditional on a commitment to reinvest an equivalent amount in CDM initiatives.

6 On February 17, 2005, the OEB granted final approval to Burlington Hydro to proceed with a  
7 Conservation and Demand Management Plan, with a total budget of \$2,157,862 (RP-2004-  
8 0203/EB-2004-0525). As a result of interest of residents and businesses of Burlington in  
9 conservation initiatives, Burlington Hydro requested and received approval for an incremental  
10 \$400,000 as part of the 2006 EDR Decision (RP-2005-0020/EB-2005-0356), for additional  
11 CDM projects. Burlington Hydro has also been participating in Ontario Power Authority  
12 funded conservation programs since 2007.

13 As a result of the successful implementation of these various conservation programs,  
14 Burlington Hydro has experienced loss of distribution revenue, and is therefore applying to the  
15 OEB for recovery through the LRAM and for approval of funds through the SSM.

16 LRAM amounts being applied for pertain to OEB approved program funded through  
17 distribution rates for the period of 2005 to 2007 inclusive, as well as OPA sponsored programs  
18 for the years 2006 to 2008 inclusive. SSM amounts pertain to OEB approved programs only.

19 Burlington Hydro is requesting an LRAM amount of \$724,398 and SSM amount of \$164,820  
20 respectively. Detail for these amounts are described in the “Third Party Review of Burlington  
21 Hydro Inc.’s LRAM/SSM”, attached at Schedule 1 of this Tab.

22 Burlington Hydro is requesting an LRAM/SSM specific rate rider be established to collect the  
23 total claim amount. This rate rider would be allocated to the Residential, General Service > 50  
24 kW, General Service > 50 kW and Unmetered Scattered Load rate classes according to the  
25 breakdown as identified at Table 8 in the “Third Party Review of Burlington Hydro Inc.’s  
26 LRAM/SSM”. Burlington Hydro is requesting to collect the total amount as determined in the

- 1 LRAM/SSM application over a four year period, consistent with the time frame identified for
- 2 clearance of the variance and deferral accounts, as described in Exhibit 9. Details of the
- 3 calculation of the rate riders is attached at Schedule 2 of this Tab.

**THIRD PARTY REVIEW**  
**OF BURLINGTON HYDRO INC'S**  
**LRAM/SSM**

# **Third Party Review of Burlington Hydro Inc.'s LRAM/SSM**







# Third party review: Burlington Hydro LRAM and SSM claims



INDECO 

This document was prepared for Burlington Hydro Incorporated by IndEco Strategic Consulting Inc.

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IndEco report A9512

21 August 2009

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## Executive summary

A third party review of the Conservation and Demand Management (CDM) programs run by Burlington Hydro Inc. (BHI) was required as part of its application to the Ontario Energy Board (OEB) for collection of Lost Revenue Adjustment Mechanism (LRAM) and Shared Savings Mechanism (SSM) claims.

IndEco Strategic Consulting Inc. (IndEco) acted as third party reviewer by examining the participant rates, program costs, equipment specifications, and calculations that enter into the energy savings and Total Resource Costs (TRC) submitted by BHI to the OEB. The review was completed as detailed in the OEB *Guidelines for Electricity Distributor Conservation and Demand Management*.

The third party review included BHI's CDM activities in 2005, 2006, 2007 and 2008 supported through Third Tranche of Market Adjustment Revenue Requirement (MARR) funding, post-Third Tranche funding and Ontario Power Authority (OPA) funding.

It was found that TRC inputs used by prescriptive programs were taken from either the OPA *Measures and Assumptions List* or the OEB *Total Resource Cost Guide*. TRC inputs for custom programs were compiled from sources such as the OEB, the OPA, manufacturer specifications and customer information about usage patterns.

After a recalculation of energy savings to reflect new free ridership rates of 30% for custom programs, the findings of this review are that the net TRC benefits and energy savings reported by BHI to the OEB are accurate and sufficiently documented. In the span of four years, these savings totalled over 34 GWh in the residential and general services less than 50 kW rate classes (combined) and 744 kW in the general services greater than 50 kW rate class. Net TRC benefits totalled over 3.2 million dollars.

IndEco concludes that BHI electricity rates should be adjusted to reflect LRAM and SSM claims of \$724,398 and \$164,820, respectively.



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# 1 Introduction

Combined Lost Revenue Adjustment Mechanism (LRAM) and Shared Savings Mechanism (SSM) claims can benefit a local distribution company (LDC) by removing the disincentive for energy conservation, and by providing it with a portion of net economic benefits from conservation and demand management (CDM) activities, respectively.

LRAM is designed to ensure that the LDC does not have a disincentive to promote energy efficiency and energy conservation by compensating the LDC for revenues lost as a result of their conservation initiatives. It requires the calculation of electricity savings over the period between the last rate application, and the time of the application. In turn, this calculation requires information on what the electricity use would have been in the absence of the LDC initiatives, and what it was with the LDC initiative. Some of the inputs to the calculation include: hours the equipment is used, wattage rating of the old and new equipment, and lifetime of the equipment if it is less than the period over which the LRAM is being claimed. Also required are the number of participants, or pieces of equipment installed, and an estimate of the free-rider rate, which is the fraction of the savings that would have occurred anyway, in the absence of the program. These savings are estimated by rate class, and revenue losses are determined by multiplying those losses by the cost of distribution per unit for each rate class. Calculations are converted to constant dollars using the utility's weighted-average cost of capital.

The SSM rewards the LDC for its CDM initiatives by sharing a percentage of the net economic benefits that result from the initiatives over their lifetime. For CDM activities by Ontario electricity distributors, that percentage has been set at five percent by the Ontario Energy Board (OEB). Key inputs to the calculation of SSM include all of the LRAM inputs, and in addition, the total lifetime of each technology installed, equipment costs, program costs, projected electricity costs (and water and natural gas if relevant) over that lifetime, and the discount rate to convert future benefits and costs into present dollars.

Although these input data requirements are sometimes measured, they sometimes use values from published sources, or assumptions provided by the Ontario Energy Board, or other reputable agencies. Collectively all these data are sometimes referred to as "TRC inputs" after the Total Resource Cost test (TRC) that is used to calculate total economic costs and benefits to society. For some types of programs, such as large scale distribution of compact fluorescent bulbs, it would be impractical to measure the hours each bulb is used, and therefore these published sources provide an average value that is typical for this equipment type.

The CDM programs undertaken by Burlington Hydro Incorporated (BHI) between 2005 and 2008 have included:

- Optimization of BHI's energy distribution system;
- In-house, municipal and multi-unit residential lighting retrofits;
- Public and general services education and outreach programs;
- Customer-based equipment upgrade programs supporting switches to more energy efficient technologies;
- Financial support towards the construction of a wind turbine;
- The education of BHI staff members on additional knowledge of CDM activities; and
- Seventeen OPA-funded programs, including Every Kilowatt Counts (EKC), **peaksaver**®, and the Electricity Retrofit Incentive Program (ERIP).

In the span of four years, these programs led to savings of over 34 GWh in the residential and general services less than 50 kW rate classes (combined) and 744 kW in the general services greater than 50 kW rate class. Net TRC benefits totalled over 3.2 million dollars.



---

## 2 Scope

This review examines the measure specifications, energy savings, program costs and net TRC benefits for the twelve programs in BHI's third tranche CDM portfolio and three programs in BHI's post-third tranche portfolio. These programs ran from 2006 until their completion as of December 31, 2007. It also includes programs run under contract to the Ontario Power Authority (OPA) in 2006, 2007 and 2008.<sup>1</sup>

Two programs omitted from this review are BHI's involvement in the installation of smart meters for general service customers and the implementation of a smart meter pilot program for residential customers. These programs were omitted from CDM cost recovery assessment since cost recovery of smart meter programs is done under a separate OEB variance account.<sup>2</sup>

As LRAM and SSM savings were calculated for each year between 2006 and 2008 inclusive, their dollar values were projected into the year 2010 (2010\$) through use of discount rates. These rates reflect BHI's weighted-average cost of capital.

Discount rates provided by BHI are as follows:

- 2005: 8.57%
- 2006-2009: 6.82%

All LRAM and SSM values in this report are thus presented in 2010\$.

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<sup>1</sup> The results of the 2008 OPA programs are based on preliminary numbers provided by the OPA.

<sup>2</sup> See OEB Smart Metering Funding and Cost Recovery (File no: G-2008-002).

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## 3 TRC inputs, and requested SSM and LRAM amounts

### 3.1 TRC inputs

Inputs used to calculate energy savings, TRC costs and TRC benefits for each prescriptive and custom measure were reviewed to ensure accuracy and suitability. The majority of BHI's CDM programs was custom based since they used measures not found on either the OPA or OEB measure assumption lists.

IndEco has found that appropriate measure specifications were used to calculate program energy savings and net TRC benefits; prescriptive measures used values provided by the OEB, and custom measures were substantiated through documentation such as invoices of equipment type, wattage, cost and savings provided by a professional lighting expert.

The majority of programs used custom inputs for measure life and annual operating time. The custom nature of these inputs reflects the efforts of both BHI and its professional lighting expert to gauge what specific function each measure would have and for how long they would last in that capacity. For instance, annual operating times are from on-site inspections, and discussions with users of the equipment. Custom values for equipment cost were provided directly from pricing estimates provided by the lighting expert. All custom inputs were examined for their suitability in comparison to default prescriptive values.

The majority of programs also used default energy savings. Default values refer to the savings that can be calculated from the difference in wattage between the existing measure and the proposed replacement. For a few measures, custom energy savings were used. Custom energy savings generally occur for custom measures whose wattage values are specific to a particular project.

For most programs in the BHI portfolio, a 10% default free ridership was used to calculate net TRC benefits and a 30% default free ridership was used to calculate energy savings. The OEB states that for the calculation of LRAM (from energy savings), assumptions in place at the time of the third party review should be used. For the calculation of SSM (from net TRC benefits), assumptions in place in the year immediately prior to the start of the program should be used.<sup>3</sup>

A custom free ridership of 0% was used for five BHI CDM programs. The 2005 and 2006 BHI Lighting Retrofit programs were in-house

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<sup>3</sup> Ontario Energy Board. 2008. *Guidelines for Electricity Distributor Conservation and Demand Management* (File no: EB-2008-0037). p.26

lighting retrofits at its own facilities and 31 substations in the BHI distribution area. The 2006 Municipal Construction program and the 2006 Municipal Building Retrofit program were programs initiated by BHI at the Halton Regional Police Services and Burlington City Hall. Free ridership of 0% is justified for these four programs since they were in-house and municipal infrastructure retrofits that would not have been initiated without BHI's efforts. The 2007 Municipal New Construction program involved the construction of a 10kW wind turbine on the Burlington Pier. Due to the unique nature of this program, a free ridership of 0% was applied.

Summary lists of the sources for each TRC input are provided by year in Table 1 below and in Table 2 and Table 3 on the following two pages. Values for these inputs can be found in Appendix A.

**Table 1 – Source of TRC inputs for 2005 third-tranche CDM programs**

<b>Program</b>	<b>Measure(s)</b>	<b>Measure Life</b>	<b>Operating Time</b>	<b>Energy Savings</b>	<b>Equipment Cost</b>
BHI Lighting Retrofit	2 lamp T8s	Custom	Custom	Default	Custom
	CFLs	Custom	Custom	Default	Custom
	6 lamp fluorescents	Custom	Custom	Default	Custom
Public Education and Outreach	CFLs	OEB	Custom	Custom	OEB
	LED Christmas lights	OEB	Custom	Custom	OEB
	Programmable thermostats	OEB	Custom	Custom	OEB
	Outdoor timers	OEB	Custom	Custom	OEB
	Indoor timers: lights and A/C	Custom	Custom	Default	Custom
	Ceiling fans	Custom	Custom	Default	Custom
	EnerGuide for existing homes	Custom	Custom	Custom	Custom

**Table 2– Source of TRC inputs for 2006 CDM programs**

<b>Funding Source</b>	<b>Program</b>	<b>Measure(s)</b>	<b>Measure Life</b>	<b>Operating Time</b>	<b>Energy Savings</b>	<b>Equipment Cost</b>
Third Tranche	BHI Lighting Retrofit	1 and 2 lamp T8s	Custom	Custom	Default	Custom
		CFLs	Custom	Custom	Default	Custom
	Municipal New Construction	20W halogens	Custom	Custom	Default	Custom
		PH and 94W metal halides	Custom	Custom	Default	Custom
		1, 2 and 3 lamp T8s	Custom	Custom	Default	Custom
		12W CF EXIT signs	Custom	Custom	Default	Custom
		CFLs	Custom	Custom	Default	Custom
	Municipal Building Retrofit	CFL fixture w/EM ballasts	Custom	Custom	Default	Custom
		3W LED EXIT signs	Custom	OEB	Default	OEB
		1, 2, 3, 4 and 6 lamp T8s	Custom	Custom	Default	Custom
		Traffic and pedestrian lights	Custom	Custom	Default	Custom
		65W metal halides	Custom	Custom	Default	Custom
		10lamp T5-HO	Custom	Custom	Default	Custom
	CFLs	Custom	Custom	Default	OEB/Custom	
Post-Third Tranche	Multi-unit Res. Lighting Retrofit	1, 2 and 4 lamp T8s	Custom	Custom	Default	Custom
		CFLs	Custom	Custom	Default	Custom
	Residential Coupon Program - Spring EKC	CFLs	OEB	OEB	OEB	OEB
		Ceiling fans	OEB	OEB	OEB	OEB
		Timers	OEB	OEB	OEB	OEB
		Programmable thermostats	OEB	OEB	OEB	OEB
	Residential Coupon Program - Fall EKC	Programmable thermostats	OEB	OEB	OEB	OEB
		Dimmers	OEB	OEB	OEB	OEB
		Energy Star CFLs	OEB	OEB	OEB	OEB
		Motion sensor light switch	OEB	OEB	OEB	OEB
		Seasonal LED lights	OEB	OEB	OEB	OEB
	General Service Lighting	3W LED EXIT signs	Custom	OEB	Default	OEB
		1, 2, 4 and 6 lamp T8s	Custom	OEB/Custom	Default	Custom
CFLs		OEB/Custom	OEB/Custom	Default	Custom	

**Table 3 – Source of TRC inputs for 2007 CDM programs**

<b>Funding Source</b>	<b>Program</b>	<b>Measure(s)</b>	<b>Measure Life</b>	<b>Operating Time</b>	<b>Energy Savings</b>	<b>Equipment Cost</b>
Third Tranche	Municipal Building Retrofit	CFLs	OEB	OEB	Default	OEB
	Public Education and Outreach	CFLs	Custom	Custom	Default	Custom
	Home Developers	1, 2 and 4 lamp T8s	Custom	Custom	Default/Custom	Custom
		2.4W LED EXIT signs	Custom	Custom	Default	Custom
		CFLs	Custom	Custom	Default	Custom
	Staff Development	CFLs	OEB	OEB	Default	OEB
	Municipal New Construction	Wind Turbine	Custom	Custom	Custom	Custom
Post-Third Tranche	Multi-unit Residential Lighting Retrofit	1,2 and 4 lamp T8s	Custom	Custom	Default	Custom
		CFLs	Custom	Custom	Default	OEB/Custom
	General Service Lighting	2, 4 and 8 lamp T5s	Custom	Custom	Default	Custom
		2, 3, 4 and 6 lamp T8s	OEB/Custom	Custom	Default	Custom
		2.4W LED EXIT signs	Custom	Custom	Default	Custom
		Fixture removals	Custom	Custom	Default	0
		CFLs	Custom	Custom	Default	Custom
	Residential Coupon Program - Spring EKC	Energy Star Ceiling Fan	OEB	OEB	OEB	OEB
		Furnace Filter	OEB	OEB	OEB	OEB
		Solar Lights	OEB	OEB	OEB	OEB
		Outdoor Motion Sensor	OEB	OEB	OEB	OEB
		Dimmer Switch	OEB	OEB	OEB	OEB
		EStar Light Fixtures	OEB	OEB	OEB	OEB
		SLEDs	OEB	OEB	OEB	OEB
		T8	OEB	OEB	OEB	OEB
		PStats	OEB	OEB	OEB	OEB
		Power Bar with Timer	OEB	OEB	OEB	OEB
Lighting Control Devices	OEB	OEB	OEB	OEB		

### 3.2 Requested SSM amounts

Program costs, equipment costs and benefits reported by BHI to the OEB were examined by IndEco to certify that they are consistent with the costs and benefits found in the original TRC calculations presented in BHI's annual reports to the OEB on CDM programs. Additionally, measure specifications were input into the IndEco TRC Calculator for at least 10% of the measures in each program to ensure the accuracy of reported net TRC benefits. The findings of these examinations found the net TRC values reported by BHI to be valid.

The net TRC benefits reported by BHI were then used to calculate requested SSM amounts for each year of every program. Net TRC benefits and SSM amounts were projected forward into 2010\$ by using the appropriate discount rates. Proposed SSM amounts are shown in Table 4.

**Table 4 – Summary of Net TRC benefits and requested SSM amounts in 2010\$**

Funding Source	Program	Net TRC benefits				Four-year Net TRC	SSM amount
		2005	2006	2007	2008		
Third tranche	Appliance replacement	\$0	(\$16,768)	(\$158)	\$0	(\$16,927)	(\$846)
	BHI lighting retrofit	\$161,319	(\$33,204)	(\$210)	\$0	\$127,906	\$6,395
	CCIW showcase	(\$18,712)	(\$14,623)	(\$158)	\$0	(\$33,493)	(\$1,674)
	Distribution system improvements	(\$134,977)	(\$721,203)	(\$626,531)	\$0	(\$1,482,711)	(\$74,135)
	Education and outreach – general service	(\$11,242)	(\$24,819)	(\$3,679)	\$0	(\$39,739)	(\$1,987)
	Home developers program	(\$52,834)	(\$837)	\$152,841	\$0	\$99,170	\$4,959
	Municipal building retrofit	\$0	\$41,840	\$70,150	\$0	\$111,990	\$5,600
	Municipal new construction	\$0	\$46,848	(\$240,561)	\$0	(\$193,713)	(\$9,686)
	Planning, administration and monitoring	(\$98,402)	(\$30,258)	(\$12,300)	\$0	(\$140,960)	(\$7,048)
	Public education and outreach	\$231,573	(\$26,471)	\$9,411	\$0	\$214,513	\$10,726
	Staff development program	(\$2,115)	(\$393)	\$597	\$0	(\$1,911)	(\$96)
Voluntary demand management	(\$84,533)	(\$33,926)	(\$16,727)	\$0	(\$135,186)	(\$6,759)	
<i>Third tranche total</i>		<i>(\$9,923)</i>	<i>(\$813,814)</i>	<i>(\$667,324)</i>	<i>\$0</i>	<i>(\$1,491,061)</i>	<i>(\$74,553)</i>
Post-third tranche	Residential coupon program and 2008 EKC	\$0	\$1,976,406	\$1,159,346	\$353,455	\$3,489,207	\$174,460
	Multi-unit residential lighting retrofit	\$0	\$118,439	\$48,248	\$0	\$166,687	\$8,334
	General service lighting	\$0	\$677,178	\$454,384	\$0	\$1,131,563	\$56,578
<i>Post-third tranche total</i>		<i>\$0</i>	<i>\$2,772,023</i>	<i>\$1,661,978</i>	<i>\$353,455</i>	<i>\$4,787,456</i>	<i>\$239,373</i>
<i>Grand Total</i>		<i>(\$9,923)</i>	<i>\$1,958,209</i>	<i>\$994,654</i>	<i>\$353,455</i>	<i>\$3,296,395</i>	<b><i>\$164,820</i></b>

### 3.3 Proposed LRAM amounts

LRAM calculations are to be completed with the best information available at the time of the third party review. As such, the energy savings for programs in BHI's CDM portfolio were recalculated with the most current list of measure assumptions. For BHI programs, the one relevant change requires that energy savings of custom projects be calculated with a free ridership of 30%.<sup>4</sup>

Energy savings for all BHI custom projects were adjusted to reflect the new free ridership level. Again, exceptions were the 2005 and 2006 BHI Lighting Retrofit program, the 2006 and 2007 Municipal Construction program and the 2006 Municipal Building Retrofit program which all remained at a 0% free ridership.

Energy savings reported by BHI to the OEB were examined by IndEco to certify that they are consistent with those found in the BHI annual reports. Additionally, measure specifications were input into the IndEco TRC Calculator for at least 10% of measures in each program to ensure the accuracy of reported energy savings. The findings of these examinations found the savings reported by BHI to the OEB to be correct. The energy savings were then recalculated to reflect the new free ridership level.

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<sup>4</sup> See OEB Inputs and Assumptions for Calculating Total Resource Costs – March 28, 2008.



Table 5 shows the energy savings of each program by rate class. OPA program energy savings in Table 5 and LRAM amounts (in Table 7) were acquired directly from spreadsheets provided by the OPA.

**Table 5 – Energy savings by rate class**

<b>Funding Source</b>	<b>Program</b>	<b>Year</b>	<b>Residential (kWh)</b>	<b>GS &lt; 50kW (kWh)</b>	<b>GS 50-4,999kW (kW)<sup>1</sup></b>
Third tranche	BHI lighting retrofit	2005			48
		2006			8
	Home developers program	2007		631,023	99
	Municipal building retrofit	2006		423,107	52
		2007	554,400		
	Municipal new construction	2006		585,308	
	Public education and outreach	2005	1,359,325		
		2007	210,560		
	Staff development program	2007	65,520		
Post-third tranche	Residential coupon program	2006	14,725,242		
		2007	5,727,198		
		2008	616,415		
	Multi-unit residential lighting retrofit	2006		482,953	41
		2007			167
	General service lighting	2006		841,808	208
		2007		213,819	79
	OPA <sup>2</sup>	Cool Savings Rebate	2006	428,000	
2007			834,000		
2008			246,498		
Electricity Retrofit Incentive Program (ERIP)		2007		32,400	42
		2008		341,174	
Renewable Energy Standard Offer Program (RESOP)		2007		12,000	
Social housing		2007	328,000		
The Great Refrigerator Roundup		2007	348,000		
		2008	384,747		
Summer Savings/Sweepstakes		2007	4,306,000		
Secondary fridge retirement pilot		2006	229,889		
High performance new construction		2008		4,170	
Power Savings Blitz		2008		382,972	
<i>Total kWh saved</i>			<b>34,314,526</b>		
<i>Total kW saved</i>					<b>744</b>

1. Rates for the general service rate class of customers rated at greater than 50kW are on a power basis, (kW) not an energy one (kWh).
2. 2008 OPA program results are preliminary.

By applying the monthly BHI energy rates in Table 6 to the energy savings within each rate class, LRAM is calculated.

**Table 6 – Energy rates per rate class**

Rate Class	2005	2006	2007	2008
Residential (\$/kWh)	0.0176	0.0163	0.016	0.0159
GS < 50 kW (\$/kWh)	0.0162	0.0149	0.0148	0.0147
GS 50-4,999 kW (\$/kW)	2.7466	2.6389	2.6101	2.5918

The requested LRAM is presented in Table 7.

**Table 7 – Summary of requested LRAM amounts in 2010\$**

Funding Source	Program	2005	2006	2007	2008	Program Total
Third tranche	BHI lighting retrofit	\$7,831	\$918	\$0	\$0	\$8,749
	Home developers program	\$0	\$0	\$15,783	\$0	\$15,783
	Municipal building retrofit	\$0	\$13,647	\$10,435	\$0	\$24,082
	Municipal new construction	\$0	\$10,789	\$0	\$0	\$10,789
	Public education and outreach	\$28,787	\$0	\$3,963	\$0	\$32,751
	Staff development program	\$0	\$0	\$1,233	\$0	\$1,233
<i>Third tranche total</i>		<i>\$36,619</i>	<i>\$25,354</i>	<i>\$31,415</i>	<i>\$0</i>	<i>\$93,387</i>
Post-third tranche	Residential coupon program	\$0	\$290,338	\$108,077	\$11,183	\$409,599
	Multi-unit residential lighting retrofit	\$0	\$12,524	\$12,318	\$0	\$24,843
	General service lighting	\$0	\$37,174	\$9,517		\$46,690
<i>Post-third tranche total</i>		<i>\$0</i>	<i>\$340,036</i>	<i>\$129,912</i>	<i>\$11,183</i>	<i>\$481,132</i>
OPA <sup>1</sup>	The Great Refrigerator Roundup			\$6,550	\$6,980	\$13,531
	Cool Savings Rebate		\$8,398	\$15,698	\$4,472	\$28,568
	Social housing			\$6,174		\$6,174
	Electricity Retrofit Incentive Program (ERIP)			\$3,621	\$5,723	\$9,344
	Renewable Energy Standard Offer Program (RESOP)			\$209	\$0	\$209
	Summer Savings/Sweepstakes			\$81,049	\$0	\$81,049
	Secondary fridge retirement pilot		\$4,511			\$4,511
	High performance new construction				\$70	\$70
	Power Savings Blitz				\$6,424	\$6,424
	<i>OPA total</i>			<i>\$12,909</i>	<i>\$113,301</i>	<i>\$23,669</i>
<i>Grand total</i>		<i>\$36,619</i>	<i>\$378,299</i>	<i>\$274,628</i>	<i>\$34,852</i>	<b><i>\$724,398</i></b>

1. 2008 OPA LRAM amounts are based on preliminary energy savings provided by the OPA.

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## 4 Findings

The twelve third tranche programs and three post-third tranche programs in BHI's CDM portfolio were completed as of December 31, 2007. As such, future program evaluation and improvements to program performance do not apply.

IndEco has reviewed the input values and custom project justifications used to calculate the energy savings and net TRC benefits associated to BHI's portfolio as well and those associated with 2006, 2007 and 2008 OPA-funded programs.<sup>5</sup>

IndEco has concluded that sufficient detail and documentation exists to recommend increasing Burlington Hydro energy rates in order to collect \$724,398 in LRAM and \$164,820 in SSM amounts, divided into rate class as shown in Table 8.

**Table 8 – LRAM and SSM amounts by rate class in 2010\$**

<b>Rate Class</b>	<b>LRAM</b>	<b>SSM</b>
Residential	\$587,850	\$139,968
GS < 50 kW	\$70,526	-\$5,275
GS 50-4,999 kW	\$66,022	\$30,541
Unmetered Scattered Load	\$0	-\$415
<i>Total</i>	\$724,398	\$164,820

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<sup>5</sup> The results of the 2008 OPA programs are based on preliminary numbers provided by the OPA.

## Appendix A. List of inputs used for TRC and energy savings calculations

Table 9 – List of 2005 Third Tranche TRC inputs

Program	Energy efficient technology	Annual operating time OEB <sup>1</sup>	Annual operating time used <sup>1</sup>	Measure life OEB <sup>1</sup>	Measure life used <sup>1</sup>	Equipment cost OEB (\$)	Equipment cost used (\$) <sup>2</sup>	% Free ridership used <sup>3</sup>	Energy savings default <sup>4</sup>	Energy savings used <sup>4</sup>
Public education and outreach	15W CFL	2320	SeeLine	4	4	2	2	10 / 30	104	94
	LED Christmas lights	155	SeeLine	30	30	2	2	10 / 30	19	40
	LED Christmas lights	155	SeeLine	30	30	2	2	10 / 30	7	15
	Programmable thermostat - space heating, single family detached	--	--	18	18	60	60	10 / 30	1466	1326
	Programmable thermostat - space cooling, single family detached	--	--	18	18	60	60	10 / 30	159	143
	Timer – outdoor light	4380	SeeLine	20	20	20	20	10 / 30	292	263
	Timer –indoor light	none	SeeLine	none	20	none	7	10 / 30	--	88
	Timer –indoor air conditioners	none	SeeLine	none	20	none	7	10 / 30	--	98
	Ceiling fan	none	SeeLine	none	20	none	42	10 / 30	--	0
	EnerGuide for existing homes - space heating	none	SeeLine	none	25	none	150	10 / 30	--	78

Program	Energy efficient technology	Annual operating time OEB <sup>1</sup>	Annual operating time used <sup>1</sup>	Measure life OEB <sup>1</sup>	Measure life used <sup>1</sup>	Equipment cost OEB (\$)	Equipment cost used (\$) <sup>2</sup>	% Free ridership used <sup>3</sup>	Energy savings default <sup>4</sup>	Energy savings used <sup>4</sup>
BHI lighting retrofit	2 lamp T8 (58W)	4000	2600	5	15 <sup>5</sup>	53	79	0	255	255
	2 lamp T8 (58W)	4000	2600	5	15 <sup>5</sup>	53	62	0	182	182
	2 lamp T8 (51W)	none	2600	none	15 <sup>5</sup>	none	56	0	70	70
	2 lamp T8 (51W)	none	8760	none	15 <sup>5</sup>	none	56	0	237	237
	1 lamp T8 (31W)	none	2600	none	15 <sup>5</sup>	none	53	0	42	42
	23W CFL	none	1820	none	5	none	13	0	140	140
	16W CFL	none	1820	none	5	none	13	0	80	80
	6 lamp fluorescent (226W)	none	8760	none	15 <sup>5</sup>	none	322	0	2050	2050
	6 lamp fluorescent (174W)	none	8760	none	15 <sup>5</sup>	none	322	0	1060	1060

1. Differences between the annual operating time and measure life listed by the OEB and those used for TRC calculations reflect information from on-site inspections and discussions with users of the equipment.
2. The equipment cost used originates from pricing lists provided by a lighting expert.
3. Free Ridership rates were 10% for the calculation of SSM and 30% for the calculation of LRAM. As discussed in the main text, in-house and municipal retrofit programs had a free ridership of 0%.
4. Energy savings were calculated as  $(kW_{\text{Existing Technology}} - kW_{\text{Efficient Technology}}) \times \text{Annual operating hours}$ . Instances where the savings value used is different from the default savings value reflect information from on-site inspections, discussions with users of the equipment (e.g. operating hours), manufacturer specifications for the particular technology used (e.g. wattage rating), or a combination of these.
5. Measure life is the equipment fixture life.

**Table 10 – List of 2006 Third Tranche TRC inputs**

Program	Energy efficient technology	Annual operating time OEB <sup>1</sup>	Annual operating time used <sup>1</sup>	Measure life OEB <sup>1</sup>	Measure life used <sup>1</sup>	Equipment cost OEB (\$)	Equipment cost used (\$) <sup>2</sup>	% Free ridership used <sup>3</sup>	Energy savings default <sup>4</sup>	Energy savings used <sup>4</sup>
BHI lighting retrofit	2 lamp T8 32W (51W)	none	780	none	10	none	77	0	21	21
	16W CFL	none	780	none	2	none	10	0	34	34
	1 lamp 4' T8 (30W)	none	780	none	10	none	73	0	13	13
	2 lamp T8 32W (73-78W)	none	780	none	10	none	127	0	54	54
Municipal new construction	Halogen (20W)	none	8760	none	10	none	180	0	482	482
	PH metal halide (945W)	none	8760	none	10	none	180	0	1183	1183
	PH metal halide (450W)	none	8760	none	10	none	180	0	88	88
	PH metal halide (185W)	none	8760	none	10	none	180	0	964	964
	1lamp T8 (30W)	none	8760	none	10	none	68	0	149	149
	1lamp T8-3' (25W)	none	8760	none	10	none	68	0	114	114
	1lamp T8-2' (19W)	none	8760	none	10	none	68	0	88	88
	2lamp T8-3' (52W)	none	8760	none	10	none	76	0	210	210
	2lamp T8 4' (62W)	none	8760	none	10	none	70	0	140	140
	2lamp T8 4' (59W)	none	8760	none	10	none	70	0	166	166
	1lamp T8-4' (40W)	none	8760	none	10	none	68	0	61	61
	3lamp T8-4' (83W)	none	8760	none	10	none	81	0	394	394
	2lamp T8 4' (64W)	none	8760	none	10	none	70	0	123	123
	2lamp T8 2' (19W)	none	8760	none	10	none	70	0	88	88

Program	Energy efficient technology	Annual operating time OEB <sup>1</sup>	Annual operating time used <sup>1</sup>	Measure life OEB <sup>1</sup>	Measure life used <sup>1</sup>	Equipment cost OEB (\$)	Equipment cost used (\$) <sup>2</sup>	% Free ridership used <sup>3</sup>	Energy savings default <sup>4</sup>	Energy savings used <sup>4</sup>
Municipal building retrofit	12W CF EXIT sign	none	8760	none	10	none	180	0	158	158
	26W CFL	none	8760	none	1	none	20	0	648	648
	42W CFL	none	8760	none	1	none	24	0	946	946
	94W metal halide	none	8760	none	10	none	90	0	929	929
	56W CFL	none	8760	none	1	none	24	0	1261	1261
	91W CFL	none	8760	none	1	none	24	0	1831	1831
	94W CFL	none	8760	none	1	none	24	0	1805	1805
	26W CFL fixture w/EM ballast	4000	4380	3	10	75	140	0	324	324
	3W LED EXIT sign	8760	8760	25	15	95	95	0	237	237
	2lamp T8 32W (58W)	4000	2600	5	10	53	78	0	52	52
	2lamp T8 32W (73-78W)	none	2910	none	10	none	90	0	242	242
	4lamp T8 32W (112W)	4000	2080	5	10	65	114	0	250	250
	6lamp T8 32W (202-226W)	none	4160	none	10	none	310	0	1073	1073
	15W traffic light	none	8760	none	7	none	165	0	1183	1183
	7.5W pedestrianlight	none	8760	none	7	none	165	0	810	810
	65W metal halide	none	4380	none	10	none	220	0	372	372
	65W metal halide	none	4380	none	10	none	220	0	482	482
	28W CFL	none	4380	none	10	none	140	0	534	534
	1lamp T8 (30W)	none	2600	none	10	none	75	0	52	52
	2lamp T8-2' (50W)	none	2600	none	10	none	90	0	52	52

Program	Energy efficient technology	Annual operating time OEB <sup>1</sup>	Annual operating time used <sup>1</sup>	Measure life OEB <sup>1</sup>	Measure life used <sup>1</sup>	Equipment cost OEB (\$)	Equipment cost used (\$) <sup>2</sup>	% Free ridership used <sup>3</sup>	Energy savings default <sup>4</sup>	Energy savings used <sup>4</sup>
	2lamp T8 4' (59W)	none	2600	none	10	none	78	0	96	96
	3lamp T8-4' (87W)	none	4380	none	10	none	90	0	302	302
	2lamp T8 4' (59W)	none	2080	none	10	none	78	0	85	85
	10lamp T5-HO (fixture input 562W)	none	6550	none	10	none	550	0	3393	3393
	15W CFL	4000	8760	2	1	4	4	0	526	526
	65W metal halide	none	4380	none	10	none	90	0	153	153
	23W CFL	none	4380	none	2	none	20	0	337	337

1. Differences between the annual operating time and measure life listed by the OEB and those used for TRC calculations reflect information from on-site inspections and discussions with users of the equipment.
2. The equipment cost used originates from pricing lists provided by a lighting expert.
3. Free Ridership rates were 10% for the calculation of SSM and 30% for the calculation of LRAM. As discussed in the main text, in-house and municipal retrofit programs had a free ridership of 0%.
4. Energy savings were calculated as  $(kW_{\text{Existing Technology}} - kW_{\text{Efficient Technology}}) \times \text{Annual operating hours}$ . Instances where the savings value used is different from the default savings value reflect information from on-site inspections, discussions with users of the equipment (e.g. operating hours), manufacturer specifications for the particular technology used (e.g. wattage rating), or a combination of these.



**Table 11 – List of 2006 Post-third Tranche TRC inputs**

Program	Energy efficient technology	Annual operating time OEB <sup>1</sup>	Annual operating time used <sup>1</sup>	Measure life OEB <sup>1</sup>	Measure life used <sup>1</sup>	Equipment cost OEB (\$)	Equipment cost used (\$) <sup>2</sup>	% Free ridership used <sup>3</sup>	Energy savings default <sup>4</sup>	Energy savings used <sup>4</sup>
Multi-unit residential lighting retrofit	2lamp T8 32W (51W)	none	4000	none	10	none	56	10 / 30	108	108
	2lamp T8 32W (51W)	none	8760	none	10	none	56	10 / 30	237	237
	2lamp T8 32W (58-59W)	4000	728	5	10	53	79	10 / 30	71	71
	4lamp T8 32W (112W)	4000	8760	5	10	65	93	10 / 30	1051	1051
	1lamp T8 (30W)	none	4000	none	10	none	53	10 / 30	68	68
	1lamp T8 (30W)	none	8760	none	10	none	53	10 / 30	149	149
	2lamp T8 32W (51W)	none	8760	none	10	none	95	10 / 30	403	403
	1lamp T8-3' (24W)	none	4000	none	10	none	58	10 / 30	52	52
	1lamp T8-2' (14W)	none	4000	none	10	none	58	10 / 30	52	52
	13W CFL	none	4000	none	2	none	8	10 / 30	188	188
Residential coupon program - Spring and fall EKC	CFL	none	N/A	none	4	none	3	10 / 30	--	94
	Ceiling fan	none	N/A	none	20	none	25	10 / 30	--	127
	Timer	4380	N/A	20	20	20	13	10 / 30	292	164
	Programmable thermostat	--	N/A	18	18	60	65	10 / 30	159	196
	Baseboard programmable thermostat	--	N/A	18	18	60	54	10 / 30	1466	1320
	Dimmers	--	N/A	10	10	5	18	10 / 30	139	125
	Energy Star CFL	none	N/A	none	4	none	2	10 / 30	--	94
	Motion sensor light switch	none	N/A	none	20	none	6	10 / 30	--	188
	Programmable thermostat	--	N/A	18	18	60	17	10 / 30	159	146
	Seasonal LEDs	155	N/A	30	30	2	2	10 / 30	13	28

Program	Energy efficient technology	Annual operating time OEB <sup>1</sup>	Annual operating time used <sup>1</sup>	Measure life OEB <sup>1</sup>	Measure life used <sup>1</sup>	Equipment cost OEB (\$)	Equipment cost used (\$) <sup>2</sup>	% Free ridership used <sup>3</sup>	Energy savings default <sup>4</sup>	Energy savings used <sup>4</sup>
General service lighting	2 T8 32W (58W) reflectorized w/E	4000	4000	5	10	53	79	10 / 30	392	392
	3W LED EXIT sign	8760	8760	25	10	95	95	10 / 30	237	237
	2lamp T8 32W (51W)	none	4000	none	10	none	56	10 / 30	108	108
	2lamp T8 32W (58-59W)	4000	4000	5	10	53	79	10 / 30	392	392
	2lamp T8 32W (73-78W)	none	4000	none	10	none	85	10 / 30	332	332
	2lamp T8 32W (73-78W)	none	4000	none	10	none	85	10 / 30	240	240
	4lamp T8 32W (112W)	4000	4000	5	10	65	93	10 / 30	480	480
	6lamp T8 32W (174W)	none	4000	none	10	none	322	10 / 30	1144	1144
	6lamp T8 32W (202-226W)	none	4000	none	10	none	382	10 / 30	1032	1032
	4lamp T5-HO 54W (232W)	none	4000	none	10	none	424	10 / 30	912	912
	6lamp T8 32W (174W)	none	4000	none	10	none	359	10 / 30	484	484
	2lamp T8 32W (73-78W)	none	4000	none	10	none	88	10 / 30	292	292
	1lamp T8 (30W)	none	4000	none	10	none	53	10 / 30	68	68
	1lamp T8 (30W)	none	8760	none	10	none	53	10 / 30	149	149
	1lamp T8 (24W)	none	8760	none	10	none	54	10 / 30	88	88
	2lamp T8-3' (40W)	none	4000	none	10	none	61	10 / 30	108	108
	4lamp T8 (100W)	none	4000	none	10	none	65	10 / 30	224	224
	4lamp T8 (100W)	none	8760	none	10	none	65	10 / 30	429	429

Program	Energy efficient technology	Annual operating time OEB <sup>1</sup>	Annual operating time used <sup>1</sup>	Measure life OEB <sup>1</sup>	Measure life used <sup>1</sup>	Equipment cost OEB (\$)	Equipment cost used (\$) <sup>2</sup>	% Free ridership used <sup>3</sup>	Energy savings default <sup>4</sup>	Energy savings used <sup>4</sup>
	4lamp T8 (102W)	none	8760	none	10	none	93	10 / 30	1139	1139
	1lamp T8-2' (14W)	none	8760	none	10	none	58	10 / 30	114	114
	2lamp T8-2' (30W)	none	4000	none	10	none	61	10 / 30	96	96
	2lamp T8-2' (32W)	none	8760	none	10	none	67	10 / 30	403	403
	2lamp T8-4' (78W)	none	8760	none	10	none	63	10 / 30	-35	-35
	2lamp T8 4' (59W)	none	8760	none	10	none	165	10 / 30	596	596
	7W CFL	none	4000	none	2	none	12	10 / 30	132	132
	9W CFL	none	4000	none	2	none	12	10 / 30	124	124
	11W CFL	4000	4000	2	2	5	9	10 / 30	356	356
	13W CFL	none	4000	none	2	none	8	10 / 30	188	188
	15W CFL	4000	4000	2	2	4	10	10 / 30	240	240
	65W CFL	none	4000	none	3	none	65	10 / 30	1740	1740
	23W CFL	none	4000	none	3	none	10	10 / 30	308	308

1. Differences between the annual operating time and measure life listed by the OEB and those used for TRC calculations reflect information from on-site inspections and discussions with users of the equipment.
2. The equipment cost used originates from pricing lists provided by a lighting expert.
3. Free Ridership rates were 10% for the calculation of SSM and 30% for the calculation of LRAM. As discussed in the main text, in-house and municipal retrofit programs had a free ridership of 0%.
4. Energy savings were calculated as  $(kW_{\text{Existing Technology}} - kW_{\text{Efficient Technology}}) \times \text{Annual operating hours}$ . Instances where the savings value used is different from the default savings value reflect information from on-site inspections, discussions with users of the equipment (e.g. operating hours), manufacturer specifications for the particular technology used (e.g. wattage rating), or a combination of these.

**Table 12 – List of 2007 Third Tranche TRC inputs**

Program	Energy efficient technology	Annual operating time OEB <sup>1</sup>	Annual operating time used <sup>1</sup>	Measure life OEB <sup>1</sup>	Measure life used <sup>1</sup>	Equipment cost OEB (\$)	Equipment cost used (\$) <sup>2</sup>	% Free ridership used <sup>3</sup>	Energy savings default <sup>4</sup>	Energy savings used <sup>4</sup>
Home developers	2lamp 4' T8 (46W)	none	8760	none	3	none	57	10 / 30	263	263
	2lamp 2' T8 (27W)	none	8760	none	3	none	60	10 / 30	184	184
	1lamp 2' T8 (15W)	none	8760	none	3	none	54	10 / 30	105	105
	2lamp 4' T8 (59W)	none	8760	none	3	none	57	10 / 30	596	596
	2lamp 4' T8 (74W)	none	8760	none	3	none	65	10 / 30	972	1848
	2.4W LED EXIT sign	none	8760	none	25	none	38	10 / 30	242	242
	2.4W LED EXIT sign	none	8760	none	25	none	38	10 / 30	680	680
	13W CFL	none	4368	none	1	none	5	10 / 30	205	205
	14W CFL	none	4368	none	1	none	6	10 / 30	201	201
	9W CFL	none	4368	none	1	none	7	10 / 30	70	70
	7W CFL	none	4368	none	1	none	7	10 / 30	144	144
	23W CFL	none	4368	none	1	none	7	10 / 30	336	336
	4lamp 4' T8 (112W)	4000	8760	5	3	65	72	10 / 30	806	806
	4lamp 4' T8 (95W)	none	728	none	3	none	74	10 / 30	79	79
	4lamp 4' T8 (98W)	none	1450	none	3	none	74	10 / 30	84	84
	2lamp 4' T8 (51W)	none	8760	none	3	none	57	10 / 30	237	237
	1lamp 4' T8 (28W)	none	364	none	3	none	50	10 / 30	21	21
	1lamp 4' T8 (30W)	none	8760	none	3	none	50	10 / 30	149	79
	1lamp 3' T8 (22W)	none	8760	none	3	none	54	10 / 30	131	131

Program	Energy efficient technology	Annual operating time OEB <sup>1</sup>	Annual operating time used <sup>1</sup>	Measure life OEB <sup>1</sup>	Measure life used <sup>1</sup>	Equipment cost OEB (\$)	Equipment cost used (\$) <sup>2</sup>	% Free ridership used <sup>3</sup>	Energy savings default <sup>4</sup>	Energy savings used <sup>4</sup>
Staff development	9W CFL	none	728	none	1	none	7	10 / 30	30	30
	13W CFL	none	728	none	1	none	6	10 / 30	63	63
	15W CFL	4000	4000	2	2	4	4	10 / 30	180	180
Municipal new construction	Wind turbine	none	8760	none	30	none	218000	0	26280	26280
Municipal building retrofit	15W CFL	4000	4000	2	2	4	4	0	180	180
Public education & outreach	13W CFL	none	4000	none	2	none	4	10 / 30	188	188

1. Differences between the annual operating time and measure life listed by the OEB and those used for TRC calculations reflect information from on-site inspections and discussions with users of the equipment.
2. The equipment cost used originates from pricing lists provided by a lighting expert.
3. Free Ridership rates were 10% for the calculation of SSM and 30% for the calculation of LRAM. As discussed in the main text, in-house and municipal retrofit programs had a free ridership of 0%.
4. Energy savings were calculated as  $(kW_{\text{Existing Technology}} - kW_{\text{Efficient Technology}}) \times \text{Annual operating hours}$ . Instances where the savings value used is different from the default savings value reflect information from on-site inspections, discussions with users of the equipment (e.g. operating hours), manufacturer specifications for the particular technology used (e.g. wattage rating), or a combination of these.

**Table 13 – List of 2007 Post-third Tranche TRC inputs**

Program	Energy efficient technology	Annual operating time OEB <sup>1</sup>	Annual operating time used <sup>1</sup>	Measure life OEB <sup>1</sup>	Measure life used <sup>1</sup>	Equipment cost OEB (\$)	Equipment cost used (\$) <sup>2</sup>	% Free ridership used <sup>3</sup>	Energy savings default <sup>4</sup>	Energy savings used <sup>4</sup>	
General service lighting	8lamp T5	none	6400	none	9	none	475	10 / 30	3578	3578	
	2lamp T5	none	6400	none	9	none	210	10 / 30	717	717	
	4lamp T5	none	6400	none	9	none	300	10 / 30	4205	4205	
	2lamp 4' T8	none	5500	none	11	none	65	10 / 30	561	561	
	6lamp T8 HB	none	8760	none	11	none	315	10 / 30	1542	1542	
	3lamp T8 EB troffer	none	8760	none	9	none	150	10 / 30	556	556	
	2lamp 4' T8 EB	none	8760	none	9	none	135	10 / 30	162	162	
	6lamp 4' T8 (158W)	none	6240	none	10	none	310	10 / 30	1679	1679	
	6lamp 4' T8 (220W)	none	6240	none	10	none	310	10 / 30	1292	1292	
	6lamp 4' T8 (158W)	none	6240	none	10	none	310	10 / 30	1223	1223	
	2.4W EXIT sign	none	8760	none	25	none	38	10 / 30	242	242	
	Remove 4lamp T8	NA	6240	NA	5	NA	0	10 / 30	736	736	
	Remove 400W metal halide	NA	6240	NA	5	NA	0	10 / 30	2664	2664	
	2lamp 4' T851W	none	2912	none	5	none	57	10 / 30	79	79	
	4lamp 4' T8 (112W)	4000	8760	5	5	65	72	10 / 30	1051	1051	
	2.4W EXIT sign	none	8760	none	25	none	38	10 / 30	242	242	
	Residential coupon program - spring EKC	Ceiling fan	none	--	none	10	none	100	30	none	1
		CFL	none	--	none	6	none	2	30	44	44
Dimmers		--	--	10	10	5	5	30	139	24	
Furnace filters		none	--	none	1	none	10	30	none	105	
Outdoor motion sensors		--	--	10	10	25	25	30	209	161	
Solar lights		none	--	none	5	none	15	30	none	10	
13W CFL		none	4000	none	2	none	7	30	none	188	

Program	Energy efficient technology	Annual operating time OEB <sup>1</sup>	Annual operating time used <sup>1</sup>	Measure life OEB <sup>1</sup>	Measure life used <sup>1</sup>	Equipment cost OEB (\$)	Equipment cost used (\$) <sup>2</sup>	% Free ridership used <sup>3</sup>	Energy savings default <sup>4</sup>	Energy savings used <sup>4</sup>
Multi-unit residential lighting retrofit	4lamp 4' T8 (95W)	none	8760	none	5	none	74	10 / 30	745	745
	4lamp 4' T8 (95W)	none	520	none	5	none	74	10 / 30	32	32
	2lamp 4' T8 (51W)	none	520	none	5	none	57	10 / 30	14	14
	13W CFL	none	1092	none	2	none	5	10 / 30	51	51
	23W CFL	none	1092	none	2	none	7	10 / 30	84	84
	9W CFL	none	1092	none	2	none	7	10 / 30	34	34
	40W CFL	none	1092	none	2	none	7	10 / 30	120	120
	40W CFL	none	1092	none	2	none	7	10 / 30	175	175
	7W CFL	none	1092	none	2	none	7	10 / 30	36	36
	14W CFL	none	1092	none	2	none	6	10 / 30	50	50
	15W CFL	4000	1092	2	2	2	4	10 / 30	66	66
	2lamp 4' T8 (77W)	none	8760	none	5	none	65	10 / 30	114	114
	2lamp 4' T8 (59W)	none	8760	none	5	none	57	10 / 30	937	937
	1lamp 4' T8 (30W)	none	8760	none	5	none	50	10 / 30	149	149
	2lamp 3' T8 (40W)	none	1095	none	5	none	60	10 / 30	26	26
	1lamp 2' T8 (15W)	none	8760	none	5	none	54	10 / 30	105	105
	2lamp 2' T8 (32W)	none	2190	none	5	none	60	10 / 30	96	96
	13W CFL	none	1825	none	2	none	5	10 / 30	86	86
	14W CFL	none	1825	none	2	none	6	10 / 30	84	84
	23W CFL	none	1825	none	2	none	7	10 / 30	141	141
	7W CFL	none	1825	none	2	none	7	10 / 30	60	60
28W CFL	none	1825	none	2	none	7	10 / 30	131	131	
4lamp 4' T8 (110W)	none	8760	none	5	none	72	10 / 30	1296	1296	
13W CFL	none	364	none	2	none	5	10 / 30	17	17	

Program	Energy efficient technology	Annual operating time OEB <sup>1</sup>	Annual operating time used <sup>1</sup>	Measure life OEB <sup>1</sup>	Measure life used <sup>1</sup>	Equipment cost OEB (\$)	Equipment cost used (\$) <sup>2</sup>	% Free ridership used <sup>3</sup>	Energy savings default <sup>4</sup>	Energy savings used <sup>4</sup>
	15W CFL	4000	364	2	2	4	4	10 / 30	18	18
	15W CFL	4000	1092	2	2	4	4	10 / 30	66	66
	14W CFL	none	364	none	2	none	6	10 / 30	17	17
	14W CFL	none	364	none	2	none	6	10 / 30	13	13
	14W CFL	none	364	none	2	none	6	10 / 30	19	19
	4lamp 4' T8 (111W)	none	8760	none	5	none	72	10 / 30	1226	1226
	2lamp 4' T8 (74W)	none	8760	none	5	none	65	10 / 30	552	552
	2lamp 4' T8 (51W)	none	8760	none	5	none	57	10 / 30	237	237

1. Differences between the annual operating time and measure life listed by the OEB and those used for TRC calculations reflect information from on-site inspections and discussions with users of the equipment.
2. The equipment cost used originates from pricing lists provided by a lighting expert.
3. Free Ridership rates were 10% for the calculation of SSM and 30% for the calculation of LRAM. As discussed in the main text, in-house and municipal retrofit programs had a free ridership of 0%.
4. Energy savings were calculated as  $(kW_{\text{Existing Technology}} - kW_{\text{Efficient Technology}}) \times \text{Annual operating hours}$ . Instances where the savings value used is different from the default savings value reflect information from on-site inspections, discussions with users of the equipment (e.g. operating hours), manufacturer specifications for the particular technology used (e.g. wattage rating), or a combination of these.









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1 **RATE SCHEDULES AND BILL IMPACT INFORMATION**

2 The following table sets out Burlington Hydro’s proposed 2010 electricity distribution rates  
 3 based on the foregoing calculations, including adjustments for the recovery of transformer  
 4 allowance and low voltage charges. A proposed rate schedule is included in this Tab at  
 5 Schedule 1.

6 Burlington Hydro is not requesting any changes to the existing rate classes or specific service  
 7 charges.

Class	Proposed Monthly Service Charge Excl. Smart Meter Adder (\$)	Unit of Measure	Proposed Volumetric Distribution Charge Inc. Transformer Allowance Adjustment (\$)
Residential	13.89	kWh	0.0158
GS < 50 kW	26.51	kWh	0.0145
GS >50	76.89	kW	2.9970
Street Lighting	0.37	kW	2.6807
Unmetered Scattered Load	10.24	kWh	0.0195
Transformer Discount		kW	-0.0600

9

10 **RATE AND BILL IMPACTS:**

11 Schedule 2 to this Tab presents the results of the assessment of customer total bill impacts by  
 12 level of consumption by customer per rate class and per the total customer class.

13 Impacts are shown using the applicable current approved rates and the proposed 2010  
 14 distribution rates, including a Rate Rider for the recovery of Smart Meters and LRAM/SSM.

15 The total bill impacts are calculated for each rate class at various levels of consumption. The  
 16 rate impacts are assessed on the basis of moving to the proposed distribution rates.

17

1 **RATE MITIGATION:**

2 Burlington Hydro submits that the bill impacts of its proposed 2010 electricity distribution  
3 rates are reasonable and do not require rate mitigation.

4  
5 For the Street Light rate class the bill impacts are above 10% resulting from the  
6 implementation of the recent cost allocation study. Burlington Hydro has proposed to move  
7 this customer class significantly closer to the OEB's target range of acceptable Revenue to  
8 Cost ratio. As a result, it is expected this class will experience higher increases than the other  
9 customer classes.

**RATES SCHEDULE (Part 1)**  
*Schedule of Distribution Rates and Charges*  
*Effective May 1, 2010*

Customer Class	Item Description	Unit	Rate (\$)
<b>Residential</b>			
	Monthly Service Charge	per month	13.89
	Distribution Volumetric Rate	per kWh	0.0158
	LRAM and SSM Rate Rider	per kWh	0.0003
	Smart Meter Rate Rider	per month	1.0000
	Regulatory Assets Rate Rider	per kWh	(0.0011)
<b>GS &lt; 50 kW</b>			
	Monthly Service Charge	per month	26.51
	Distribution Volumetric Rate	per kWh	0.0145
	LRAM and SSM Rate Rider	per kWh	0.0001
	Smart Meter Rate Rider	per month	1.0000
	Regulatory Assets Rate Rider	per kWh	(0.0010)
<b>GS &gt;50</b>			
	Monthly Service Charge	per month	76.89
	Distribution Volumetric Rate	per kW	2.9970
	LRAM and SSM Rate Rider	per kW	0.0103
	Smart Meter Rate Rider	per month	1.0000
	Regulatory Assets Rate Rider	per kW	(0.0639)
<b>Street Lighting</b>			
	Monthly Service Charge	per month	0.37
	Distribution Volumetric Rate	per kW	2.6807
	Regulatory Assets Rate Rider	per kW	(0.0452)
<b>USL</b>			
	Monthly Service Charge	per month	10.24
	Distribution Volumetric Rate	per kWh	0.0195
	LRAM and SSM Rate Rider	per kWh	0.0000
	Regulatory Assets Rate Rider	per kWh	(0.0012)

## RATES SCHEDULE (Part 2)

### *Schedule of Distribution Rates and Charges*

*Effective May 1, 2010*

Item Description (Rate Code)	Calculation Basis	Rate (\$)
Arrears certificate (1)	Standard	15.00
Credit reference/credit check (plus credit agency costs) (2)	Standard	15.00
Statement of account (3)	Standard	15.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable) (4)	Standard	30.00
Returned cheque charge (plus bank charges) (5)	Standard	15.00
Collection of account charge - no disconnection (6)	Standard	30.00
Disconnect/Reconnect at meter - during regular hours (7)	Standard	65.00
Disconnect/Reconnect at meter - after regular hours (8)	Standard	185.00
Temporary service install & remove - overhead - no transformer (9)	Standard	500.00
Specific Charge for Access to the Power Poles \$/pole/year (10)	Standard	22.35
<b>Loss Factors</b>		
<b>Supply Facilities Loss Factor</b>		1.0047
<b>Distribution Loss Factor - Secondary Metered Customer &lt; 5,000 kW</b>		1.0356
<b>Distribution Loss Factor - Primary Metered Customer &lt; 5,000 kW</b>		1.0252
<b>Total Loss Factor - Secondary Metered Customer &lt; 5,000 kW</b>		1.0405
<b>Total Loss Factor - Primary Metered Customer &lt; 5,000 kW</b>		1.0301



**BILL IMPACT TABLES**

RESIDENTIAL										
		2009 BILL			2010 BILL			IMPACT		
		Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change \$	Change %	% of Total Bill
<b>Consumption</b>	Monthly Service Charge			11.55			13.89	2.34	20.26%	53.30%
<b>100 kWh</b>	Distribution (kWh)	100	0.0159	1.59	100	0.0158	1.58	(0.01)	(0.63%)	6.06%
	Smart Meter Rider (per month)			1.00			1.00	0.00	0.00%	3.84%
	LRAM & SSM Rider (kWh)	100			100	0.0003	0.03	0.03	0.00%	0.12%
	Regulatory Assets (kWh)	100	0.0000	0.00	100	(0.0011)	(0.11)	(0.11)	100.00%	(0.41%)
	<b>Sub-Total</b>			<b>14.14</b>			<b>16.39</b>	<b>2.25</b>	<b>15.93%</b>	<b>62.90%</b>
	Other Charges (kWh)	104	0.0239	2.49	104	0.0240	2.50	0.00	0.18%	9.58%
	Cost of Power Commodity (kWh)	104	0.0570	5.94	104	0.0570	5.93	(0.01)	(0.23%)	22.76%
	<b>Total Bill Before Taxes</b>			<b>22.58</b>			<b>24.82</b>	<b>2.24</b>	<b>9.93%</b>	<b>95.24%</b>
	GST		5.00%	1.13		5.00%	1.24	0.11	9.93%	4.76%
	<b>Total Bill</b>			<b>23.71</b>			<b>26.06</b>	<b>2.36</b>	<b>9.93%</b>	<b>100.00%</b>

RESIDENTIAL										
		2009 BILL			2010 BILL			IMPACT		
		Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	\$	%	% of Total Bill
<b>Consumption</b>	Monthly Service Charge			11.55			13.89	2.34	20.26%	33.31%
<b>250 kWh</b>	Distribution (kWh)	250	0.0159	3.98	250	0.0158	3.95	(0.02)	(0.63%)	9.47%
	Smart Meter Rider (per month)			1.00			1.00	0.00	0.00%	2.40%
	LRAM & SSM Rider (kWh)	250			250	0.0003	0.08	0.08	0.00%	0.18%
	Regulatory Assets (kWh)	250	0.0000	0.00	250	(0.0011)	(0.27)	(0.27)	100.00%	(0.65%)
	<b>Sub-Total</b>			<b>16.53</b>			<b>18.65</b>	<b>2.12</b>	<b>12.83%</b>	<b>44.71%</b>
	Other Charges (kWh)	261	0.0239	6.23	260	0.0240	6.24	0.01	0.18%	14.97%
	Cost of Power Commodity (kWh)	261	0.0570	14.86	260	0.0570	14.83	(0.03)	(0.23%)	35.55%
	<b>Total Bill Before Taxes</b>			<b>37.62</b>			<b>39.72</b>	<b>2.10</b>	<b>5.58%</b>	<b>95.24%</b>
	GST		5.00%	1.88		5.00%	1.99	0.10	5.58%	4.76%
	<b>Total Bill</b>			<b>39.50</b>			<b>41.70</b>	<b>2.10</b>	<b>5.31%</b>	<b>100.00%</b>

RESIDENTIAL										
		2009 BILL			2010 BILL			IMPACT		
		Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	\$	%	% of Total Bill
<b>Consumption</b>	Monthly Service Charge			11.55			13.89	2.34	20.26%	20.50%
<b>500 kWh</b>	Distribution (kWh)	500	0.0159	7.95	500	0.0158	7.90	(0.05)	(0.63%)	11.66%
	Smart Meter Rider (per month)			1.00			1.00	0.00	0.00%	1.48%
	LRAM & SSM Rider (kWh)	500			500	0.0003	0.15	0.15	0.00%	0.22%
	Regulatory Assets (kWh)	500	0.0000	0.00	500	(0.0011)	(0.54)	(0.54)	100.00%	(0.80%)
	<b>Sub-Total</b>			<b>20.50</b>			<b>22.40</b>	<b>1.90</b>	<b>9.27%</b>	<b>33.06%</b>
	Other Charges (kWh)	521	0.0239	12.46	520	0.0240	12.49	0.02	0.18%	18.42%
	Cost of Power Commodity (kWh)	521	0.0570	29.72	520	0.0570	29.65	(0.07)	(0.23%)	43.76%
	<b>Total Bill Before Taxes</b>			<b>62.69</b>			<b>64.54</b>	<b>1.85</b>	<b>2.96%</b>	<b>95.24%</b>
	GST		5.00%	3.13		5.00%	3.23	0.09	2.96%	4.76%
	<b>Total Bill</b>			<b>65.82</b>			<b>67.77</b>	<b>1.95</b>	<b>2.96%</b>	<b>100.00%</b>

RESIDENTIAL										
		2009 BILL			2010 BILL			IMPACT		
		Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	\$	%	% of Total Bill
<b>Consumption</b>	Monthly Service Charge			11.55			13.89	2.34	20.26%	13.72%
<b>800 kWh</b>	Distribution (kWh)	800	0.0159	12.72	800	0.0158	12.64	(0.08)	(0.63%)	12.48%
	Smart Meter Rider (per month)			1.00			1.00	0.00	0.00%	0.99%
	LRAM & SSM Rider (kWh)	800			800	0.0003	0.24	0.24	0.00%	0.24%
	Regulatory Assets (kWh)	800	0.0000	0.00	800	(0.0011)	(0.86)	(0.86)	100.00%	(0.85%)
	<b>Sub-Total</b>			<b>25.27</b>			<b>26.91</b>	<b>1.64</b>	<b>6.48%</b>	<b>26.58%</b>
	Other Charges (kWh)	834	0.0239	19.94	832	0.0240	19.98	0.04	0.18%	19.73%
	Cost of Power Commodity (kWh)	600	0.0570	34.20	600	0.0570	34.20	0.00	0.00%	33.78%
	Cost of Power Commodity (kWh)	234	0.0660	15.47	232	0.0660	15.34	(0.13)	(0.83%)	15.15%
	<b>Total Bill Before Taxes</b>			<b>94.88</b>			<b>96.42</b>	<b>1.55</b>	<b>1.63%</b>	<b>95.24%</b>
	GST		5.00%	4.74		5.00%	4.82	0.08	1.63%	4.76%
	<b>Total Bill</b>			<b>99.62</b>			<b>101.24</b>	<b>1.62</b>	<b>1.63%</b>	<b>100.00%</b>

RESIDENTIAL										
		2009 BILL			2010 BILL			IMPACT		
		Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	\$	%	% of Total Bill
<b>Consumption</b>	Monthly Service Charge			11.55			13.89	2.34	20.26%	11.20%
<b>1,000 kWh</b>	Distribution (kWh)	1,000	0.0159	15.90	1,000	0.0158	15.80	(0.10)	(0.63%)	12.74%
	Smart Meter Rider (per month)			1.00			1.00	0.00	0.00%	0.81%
	LRAM & SSM Rider (kWh)	1,000			1,000	0.0003	0.30	0.30	0.00%	0.24%
	Regulatory Assets (kWh)	1,000	0.0000	0.00	1,000	(0.0011)	(1.08)	(1.08)	100.00%	(0.87%)
	<b>Sub-Total</b>			<b>28.45</b>			<b>29.91</b>	<b>1.46</b>	<b>5.14%</b>	<b>24.11%</b>
	Other Charges (kWh)	1,043	0.0239	24.93	1,040	0.0240	24.97	0.05	0.18%	20.13%
	Cost of Power Commodity (kWh)	600	0.0570	34.20	600	0.0570	34.20	0.00	0.00%	27.57%
	Cost of Power Commodity (kWh)	443	0.0660	29.23	440	0.0660	29.07	(0.16)	(0.55%)	23.43%
	<b>Total Bill Before Taxes</b>			<b>116.81</b>			<b>118.15</b>	<b>1.35</b>	<b>1.15%</b>	<b>95.24%</b>
	GST		5.00%	5.84		5.00%	5.91	0.07	1.15%	4.76%
	<b>Total Bill</b>			<b>122.65</b>			<b>124.06</b>	<b>1.42</b>	<b>1.15%</b>	<b>100.00%</b>

RESIDENTIAL										
		2009 BILL			2010 BILL			IMPACT		
		Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	\$	%	% of Total Bill
<b>Consumption</b>	Monthly Service Charge			11.55			13.89	2.34	20.26%	7.67%
<b>1,500 kWh</b>	Distribution (kWh)	1,500	0.0159	23.85	1,500	0.0158	23.70	(0.15)	(0.63%)	13.09%
	Smart Meter Rider (per month)			1.00			1.00	0.00	0.00%	0.55%
	LRAM & SSM Rider (kWh)	1,500			1,500	0.0003	0.45	0.45	0.00%	0.25%
	Regulatory Assets (kWh)	1,500	0.0000	0.00	1,500	(0.0011)	(1.62)	(1.62)	100.00%	(0.89%)
	<b>Sub-Total</b>			<b>36.40</b>			<b>37.42</b>	<b>1.02</b>	<b>2.81%</b>	<b>20.66%</b>
	Other Charges (kWh)	1,564	0.0239	37.39	1,561	0.0240	37.46	0.07	0.18%	20.68%
	Cost of Power Commodity (kWh)	600	0.0570	34.20	600	0.0570	34.20	0.00	0.00%	18.88%
	Cost of Power Commodity (kWh)	964	0.0660	63.65	961	0.0660	63.41	(0.24)	(0.38%)	35.01%
	<b>Total Bill Before Taxes</b>			<b>171.64</b>			<b>172.49</b>	<b>0.85</b>	<b>0.50%</b>	<b>95.24%</b>
	GST		5.00%	8.58		5.00%	8.62	0.04	0.50%	4.76%
	<b>Total Bill</b>			<b>180.22</b>			<b>181.11</b>	<b>0.89</b>	<b>0.50%</b>	<b>100.00%</b>

GENERAL SERVICE < 50 kW										
		2009 BILL			2010 BILL			IMPACT		
		Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change \$	Change %	% of Total Bill
<b>Consumption</b>	Monthly Service Charge			20.98			26.51	5.53	26.36%	19.89%
<b>1,000 kWh</b>	Distribution (kWh)	1,000	0.0147	14.70	1,000	0.0145	14.50	(0.20)	(1.36%)	10.88%
	Smart Meter Rider (per month)			1.00			1.00	0.00	0.00%	0.75%
	LRAM & SSM Rider (kWh)	1,000	0.0000	0.00	1,000	0.0001	0.10	0.10	0.00%	0.08%
	Regulatory Assets (kWh)	1,000	0.0000	0.00	1,000	(0.0010)	(1.02)	(1.02)	100.00%	(0.77%)
	<b>Sub-Total</b>			<b>36.68</b>			<b>41.09</b>	<b>4.41</b>	<b>12.02%</b>	<b>30.83%</b>
	Other Charges (kWh)	1,043	0.0229	23.88	1,040	0.0230	23.93	0.05	0.20%	17.95%
	Cost of Power Commodity (kWh)	750	0.0570	42.75	750	0.0570	42.75	0.00	0.00%	32.07%
	Cost of Power Commodity (kWh)	293	0.0660	19.33	290	0.0660	19.17	(0.16)	(0.83%)	14.38%
	<b>Total Bill Before Taxes</b>			<b>122.64</b>			<b>126.94</b>	<b>4.30</b>	<b>3.50%</b>	<b>95.24%</b>
	GST		5.00%	6.13		5.00%	6.35	0.21	3.50%	4.76%
	<b>Total Bill</b>			<b>128.78</b>			<b>133.29</b>	<b>4.51</b>	<b>3.50%</b>	<b>100.00%</b>

GENERAL SERVICE < 50 kW										
		2009 BILL			2010 BILL			IMPACT		
		Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change \$	Change %	% of Total Bill
<b>Consumption</b>	Monthly Service Charge			20.98			26.51	5.53	26.36%	10.83%
<b>2,000 kWh</b>	Distribution (kWh)	2,000	0.0147	29.40	2,000	0.0145	29.00	(0.40)	(1.36%)	11.85%
	Smart Meter Rider (per month)			1.00			1.00	0.00	0.00%	0.41%
	LRAM & SSM Rider (kWh)	2,000	0.0000	0.00	2,000	0.0001	0.20	0.20	0.00%	0.08%
	Regulatory Assets (kWh)	2,000	0.0000	0.00	2,000	(0.0010)	(2.04)	(2.04)	100.00%	(0.84%)
	<b>Sub-Total</b>			<b>51.38</b>			<b>54.67</b>	<b>3.29</b>	<b>6.39%</b>	<b>22.33%</b>
	Other Charges (kWh)	2,086	0.0229	47.76	2,081	0.0230	47.86	0.10	0.20%	19.55%
	Cost of Power Commodity (kWh)	750	0.0570	42.75	750	0.0570	42.75	0.00	0.00%	17.47%
	Cost of Power Commodity (kWh)	1,336	0.0660	88.16	1,331	0.0660	87.84	(0.32)	(0.36%)	35.89%
	<b>Total Bill Before Taxes</b>			<b>230.06</b>			<b>233.12</b>	<b>3.06</b>	<b>1.33%</b>	<b>95.24%</b>
	GST		5.00%	11.50		5.00%	11.66	0.15	1.33%	4.76%
	<b>Total Bill</b>			<b>241.56</b>			<b>244.77</b>	<b>3.21</b>	<b>1.33%</b>	<b>100.00%</b>

GENERAL SERVICE < 50 kW										
		2009 BILL			2010 BILL			IMPACT		
		Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change \$	Change %	% of Total Bill
<b>Consumption</b>	Monthly Service Charge			20.98			26.51	5.53	26.36%	4.58%
<b>5,000 kWh</b>	Distribution (kWh)	5,000	0.0147	73.50	5,000	0.0145	72.50	(1.00)	(1.36%)	12.52%
	Smart Meter Rider (per month)			1.00			1.00	0.00	0.00%	0.17%
	LRAM & SSM Rider (kWh)	5,000	0.0000	0.00	5,000	0.0001	0.50	0.50	0.00%	0.09%
	Regulatory Assets (kWh)	5,000	0.0000	0.00	5,000	(0.0010)	(5.11)	(5.11)	100.00%	(0.88%)
	<b>Sub-Total</b>			<b>95.48</b>			<b>95.40</b>	<b>(0.08)</b>	<b>(0.09%)</b>	<b>16.47%</b>
	Other Charges (kWh)	5,215	0.0229	119.41	5,202	0.0230	119.65	0.24	0.20%	20.66%
	Cost of Power Commodity (kWh)	750	0.0570	42.75	750	0.0570	42.75	0.00	0.00%	7.38%
	Cost of Power Commodity (kWh)	4,465	0.0660	294.66	4,452	0.0660	293.85	(0.80)	(0.27%)	50.73%
	<b>Total Bill Before Taxes</b>			<b>552.30</b>			<b>551.66</b>	<b>(0.64)</b>	<b>(0.12%)</b>	<b>95.24%</b>
	GST		5.00%	27.61		5.00%	27.58	(0.03)	(0.12%)	4.76%
	<b>Total Bill</b>			<b>579.91</b>			<b>579.24</b>	<b>(0.67)</b>	<b>(0.12%)</b>	<b>100.00%</b>

GENERAL SERVICE < 50 kW										
		2009 BILL			2010 BILL			IMPACT		
		Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change \$	Change %	% of Total Bill
<b>Consumption</b>	Monthly Service Charge			20.98			26.51	5.53	26.36%	2.33%
<b>10,000 kWh</b>	Distribution (kWh)	10,000	0.0147	147.00	10,000	0.0145	145.00	(2.00)	(1.36%)	12.76%
	Smart Meter Rider (per month)			1.00			1.00	0.00	0.00%	0.09%
	LRAM & SSM Rider (kWh)	10,000	0.0000	0.00	10,000	0.0001	1.00	1.00	0.00%	0.09%
	Regulatory Assets (kWh)	10,000	0.0000	0.00	10,000	(0.0010)	(10.22)	(10.22)	100.00%	(0.90%)
	<b>Sub-Total</b>			<b>168.98</b>			<b>163.29</b>	<b>(5.69)</b>	<b>(3.37%)</b>	<b>14.37%</b>
	Other Charges (kWh)	10,429	0.0229	238.82	10,405	0.0230	239.31	0.48	0.20%	21.05%
	Cost of Power Commodity (kWh)	750	0.0570	42.75	750	0.0570	42.75	0.00	0.00%	3.76%
	Cost of Power Commodity (kWh)	9,679	0.0660	638.81	9,655	0.0660	637.21	(1.61)	(0.25%)	56.06%
	<b>Total Bill Before Taxes</b>			<b>1,089.37</b>			<b>1,082.55</b>	<b>(6.82)</b>	<b>(0.63%)</b>	<b>95.24%</b>
	GST		5.00%	54.47		5.00%	54.13	(0.34)	(0.63%)	4.76%
	<b>Total Bill</b>			<b>1,143.84</b>			<b>1,136.68</b>	<b>(7.16)</b>	<b>(0.63%)</b>	<b>100.00%</b>

GENERAL SERVICE < 50 kW										
		2009 BILL			2010 BILL			IMPACT		
		Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change \$	Change %	% of Total Bill
<b>Consumption</b>	Monthly Service Charge			20.98			26.51	5.53	26.36%	1.56%
<b>15,000 kWh</b>	Distribution (kWh)	15,000	0.0147	220.50	15,000	0.0145	217.50	(3.00)	(1.36%)	12.84%
	Smart Meter Rider (per month)			1.00			1.00	0.00	0.00%	0.06%
	LRAM & SSM Rider (kWh)	15,000	0.0000	0.00	15,000	0.0001	1.50	1.50	0.00%	0.09%
	Regulatory Assets (kWh)	15,000	0.0000	0.00	15,000	(0.0010)	(15.33)	(15.33)	100.00%	(0.91%)
	<b>Sub-Total</b>			<b>242.48</b>			<b>231.18</b>	<b>(11.30)</b>	<b>(4.66%)</b>	<b>13.65%</b>
	Other Charges (kWh)	15,644	0.0229	358.24	15,607	0.0230	358.96	0.73	0.20%	21.19%
	Cost of Power Commodity (kWh)	750	0.0570	42.75	750	0.0570	42.75	0.00	0.00%	2.52%
	Cost of Power Commodity (kWh)	14,894	0.0660	982.97	14,857	0.0660	980.56	(2.41)	(0.25%)	57.88%
	<b>Total Bill Before Taxes</b>			<b>1,626.44</b>			<b>1,613.45</b>	<b>(12.99)</b>	<b>(0.80%)</b>	<b>95.24%</b>
	GST		5.00%	81.32		5.00%	80.67	(0.65)	(0.80%)	4.76%
	<b>Total Bill</b>			<b>1,707.76</b>			<b>1,694.12</b>	<b>(13.64)</b>	<b>(0.80%)</b>	<b>100.00%</b>

GENERAL SERVICE > 50 kW										
		2009 BILL			2010 BILL			IMPACT		
		Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change \$	Change %	% of Total Bill
<b>Consumption</b>	Monthly Service Charge			65.82			76.89	11.07	16.82%	2.37%
<b>30,000 kWh</b>	Distribution (kW)	100	2.5994	259.94	100	2.9970	299.70	39.76	15.30%	9.25%
<b>100 kW</b>	Smart Meter Rider (per month)			1.00			1.00	0.00	0.00%	0.03%
	LRAM & SSM Rider (kW)	100	0.0000	0.00	100	0.0103	1.03	1.03	0.00%	0.03%
	Regulatory Assets (kW)	100	0.0000	0.00	100	(0.0639)	(6.39)	(6.39)	100.00%	(0.20%)
	<b>Sub-Total</b>			<b>326.76</b>			<b>372.23</b>	<b>45.47</b>	<b>13.92%</b>	<b>11.49%</b>
	Other Charges (kWh)	31,287	0.0135	422.37	31,214	0.0135	421.39	(0.99)	(0.23%)	13.01%
	Other Charges (kW)	100	3.8884	388.84	100	3.9185	391.85	3.01	0.77%	12.10%
	Cost of Power Commodity (kWh)	31,287	0.0607	1,899.75	31,287	0.0607	1,899.75	0.00	0.00%	58.64%
	<b>Total Bill Before Taxes</b>			<b>3,037.72</b>			<b>3,085.22</b>	<b>47.50</b>	<b>1.56%</b>	<b>95.24%</b>
	GST		5.00%	151.89		5.00%	154.26	2.37	1.56%	4.76%
	<b>Total Bill</b>			<b>3,189.61</b>			<b>3,239.48</b>	<b>49.87</b>	<b>1.56%</b>	<b>100.00%</b>

GENERAL SERVICE > 50 kW										
		2009 BILL			2010 BILL			IMPACT		
		Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	\$	%	% of Total Bill
<b>Consumption</b>	Monthly Service Charge			65.82			76.89	11.07	16.82%	0.91%
<b>75,000 kWh</b>	Distribution (kW)	250	2.5994	649.85	250	2.9970	749.25	99.40	15.30%	8.84%
<b>250 kW</b>	Smart Meter Rider (per month)			1.00			1.00	0.00	0.00%	0.01%
	LRAM & SSM Rider (kW)	250	0.0000	0.00	250	0.0103	2.58	0.00%	0.00%	0.03%
	Regulatory Assets (kW)	250	0.0000	0.00	250	(0.0639)	(15.97)	(15.97)	100.00%	(0.19%)
	<b>Sub-Total</b>			<b>716.67</b>			<b>813.75</b>	<b>97.08</b>	<b>13.55%</b>	<b>9.60%</b>
	Other Charges (kWh)	78,218	0.0135	1,055.94	78,035	0.0135	1,053.47	(2.46)	(0.23%)	12.42%
	Other Charges (kW)	250	3.8884	972.10	250	3.9185	979.63	7.53	0.77%	11.55%
	Cost of Power Commodity (kWh)	78,218	0.0670	5,240.57	78,035	0.0670	5,228.35	(12.22)	(0.23%)	61.66%
	<b>Total Bill Before Taxes</b>			<b>7,985.28</b>			<b>8,075.19</b>	<b>89.92</b>	<b>1.13%</b>	<b>95.24%</b>
	GST		5.00%	399.26		5.00%	403.76	4.50	1.13%	4.76%
	<b>Total Bill</b>			<b>8,384.54</b>			<b>8,478.95</b>	<b>94.41</b>	<b>1.13%</b>	<b>100.00%</b>

GENERAL SERVICE > 50 kW										
		2009 BILL			2010 BILL			IMPACT		
		Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	\$	%	% of Total Bill
<b>Consumption</b>	Monthly Service Charge			65.82			76.89	11.07	16.82%	0.36%
<b>200,000 kWh</b>	Distribution (kW)	500	2.5994	1,299.70	500	2.9970	1,498.50	198.80	15.30%	7.04%
<b>500 kW</b>	Smart Meter Rider (per month)			1.00			1.00	0.00	0.00%	0.00%
	LRAM & SSM Rider (kW)	500	0.0000	0.00	500	0.0103	5.15	5.15	0.00%	0.02%
	Regulatory Assets (kW)	500	0.0000	0.00	500	(0.0639)	(31.93)	(31.93)	100.00%	(0.15%)
	<b>Sub-Total</b>			<b>1,366.52</b>			<b>1,549.61</b>	<b>183.09</b>	<b>13.40%</b>	<b>7.28%</b>
	Other Charges (kWh)	208,580	0.0135	2,815.83	208,093	0.0135	2,809.26	(6.57)	(0.23%)	13.21%
	Other Charges (kW)	500	3.8884	1,944.20	500	3.9185	1,959.25	15.05	0.77%	9.21%
	Cost of Power Commodity (kWh)	208,580	0.0670	13,974.86	208,093	0.0670	13,942.26	(32.60)	(0.23%)	65.54%
	<b>Total Bill Before Taxes</b>			<b>20,101.41</b>			<b>20,260.38</b>	<b>158.97</b>	<b>0.79%</b>	<b>95.24%</b>
	GST		5.00%	1,005.07		5.00%	1,013.02	7.95	0.79%	4.76%
	<b>Total Bill</b>			<b>21,106.48</b>			<b>21,273.40</b>	<b>166.92</b>	<b>0.79%</b>	<b>100.00%</b>

GENERAL SERVICE > 50 kW										
		2009 BILL			2010 BILL			IMPACT		
		Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	\$	%	% of Total Bill
<b>Consumption</b>	Monthly Service Charge			65.82			76.89	11.07	16.82%	0.09%
<b>800,000 kWh</b>	Distribution (kW)	2,000	2.5994	5,198.80	2,000	2.9970	5,994.00	795.20	15.30%	7.06%
<b>2,000 kW</b>	Smart Meter Rider (per month)			1.00			1.00	0.00	0.00%	0.00%
	LRAM & SSM Rider (kW)	2,000	0.0000	0.00	2,000	0.0103	20.60	20.60	0.00%	0.02%
	Regulatory Assets (kW)	2,000	0.0000	0.00	2,000	(0.0639)	(127.74)	(127.74)	100.00%	(0.15%)
	<b>Sub-Total</b>			<b>5,265.62</b>			<b>5,964.75</b>	<b>699.13</b>	<b>13.28%</b>	<b>7.03%</b>
	Other Charges (kWh)	834,320	0.0135	11,263.32	832,374	0.0135	11,237.05	(26.27)	(0.23%)	13.24%
	Other Charges (kW)	2,000	3.8884	7,776.80	2,000	3.9185	7,837.00	60.20	0.77%	9.24%
	Cost of Power Commodity (kWh)	834,320	0.0670	55,899.44	832,374	0.0670	55,769.05	(130.39)	(0.23%)	65.73%
	<b>Total Bill Before Taxes</b>			<b>80,205.18</b>			<b>80,807.85</b>	<b>602.67</b>	<b>0.75%</b>	<b>95.24%</b>
	GST		5.00%	4,010.26		5.00%	4,040.39	30.13	0.75%	4.76%
	<b>Total Bill</b>			<b>84,215.44</b>			<b>84,848.24</b>	<b>632.80</b>	<b>0.75%</b>	<b>100.00%</b>

GENERAL SERVICE > 50 kW										
		2009 BILL			2010 BILL			IMPACT		
		Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	\$	%	% of Total Bill
<b>Consumption</b>	Monthly Service Charge			65.82			76.89	11.07	16.82%	0.05%
<b>1,600,000 kWh</b>	Distribution (kW)	4,000	2.5994	10,397.60	4,000	2.9970	11,988.00	1,590.40	15.30%	7.17%
<b>4,000 kW</b>	Smart Meter Rider (per month)			1.00			1.00	0.00	0.00%	0.00%
	LRAM & SSM Rider (kW)	4,000	0.0000	0.00	4,000	0.0103	41.20	41.20	0.00%	0.52%
	Transformer Credit	4,000	(0.6000)	(2,400.00)	4,000	(0.6000)	(2,400.00)	0.00	0.00%	(1.44%)
	Regulatory Assets (kW)	4,000	0.0000	0.00	4,000	(0.0639)	(255.47)	(255.47)	100.00%	(0.15%)
	<b>Sub-Total</b>			<b>8,064.42</b>			<b>9,451.62</b>	<b>1,387.20</b>	<b>17.20%</b>	<b>6.15%</b>
	Other Charges (kWh)	1,668,640	0.0135	22,526.64	1,664,748	0.0135	22,474.09	(52.55)	(0.23%)	13.45%
	Other Charges (kW)	4,000	3.8884	15,553.60	4,000	3.9185	15,674.00	120.40	0.77%	9.38%
	Cost of Power Commodity (kWh)	1,668,640	0.0670	111,798.88	1,664,748	0.0670	111,538.10	(260.78)	(0.23%)	66.75%
	<b>Total Bill Before Taxes</b>			<b>157,943.54</b>			<b>159,137.81</b>	<b>1,194.27</b>	<b>0.76%</b>	<b>95.73%</b>
	GST		5.00%	7,897.18		5.00%	7,956.89	59.71	0.76%	4.76%
	<b>Total Bill</b>			<b>165,840.72</b>			<b>167,094.70</b>	<b>1,253.98</b>	<b>0.76%</b>	<b>100.49%</b>

Street Lighting										
		2009 BILL			2010 BILL			IMPACT		
		Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change \$	Change %	% of Total Bill
<b>Billing Determinants</b>	Monthly Service Charge	5,000	0.1100	550.00	5,000	0.3708	1,854.00	1,304.00	237.09%	6.86%
<b>5,000 Connections</b>	Distribution (kWh)	250,000	0.0000	0.00	250,000	0.0000	0.00	0.00	0.00%	0.00%
<b>250,000 kWh</b>	Distribution (kW)	1,000	0.8361	836.10	1,000	2.6807	2,680.70	1,844.60	220.62%	9.91%
<b>1,000 kW</b>	Regulatory Assets (kW)	1,000	0.0000	0.00	1,000	(0.0452)	(45.21)	(45.21)	100.00%	(0.17%)
	<b>Sub-Total</b>			<b>1,386.10</b>			<b>4,489.49</b>	<b>3,103.39</b>	<b>223.89%</b>	<b>16.60%</b>
	Other Charges (kWh)	260,725	0.0135	3,519.79	260,117	0.0135	3,511.58	(8.21)	(0.23%)	12.99%
	Other Charges (kW)	1,000	2.9013	2,901.30	1,000	2.9231	2,923.10	21.80	0.75%	10.81%
	Cost of Power Commodity (kWh)	750	0.0570	42.75	750	0.0570	42.75	0.00	0.00%	0.16%
	Cost of Power Commodity (kW)	259,975	0.0570	14,818.58	259,367	0.0570	14,783.91	(34.67)	(0.23%)	54.68%
	<b>Total Bill Before Taxes</b>			<b>22,668.51</b>			<b>25,750.83</b>	<b>3,082.31</b>	<b>13.60%</b>	<b>95.24%</b>
	GST		5.00%	1,133.43		5.00%	1,287.54	154.12	13.60%	4.76%
	<b>Total Bill</b>			<b>23,801.94</b>			<b>27,038.37</b>	<b>3,236.43</b>	<b>13.60%</b>	<b>100.00%</b>

Street Lighting										
		2009 BILL			2010 BILL			IMPACT		
		Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change \$	Change %	% of Total Bill
<b>Billing Determinants</b>	Monthly Service Charge	100	0.1100	11.00	100	0.3708	37.08	26.08	237.09%	6.86%
<b>100 Connections</b>	Distribution (kWh)	5,000	0.0000	0.00	5,000	0.0000	0.00	0.00	0.00%	0.00%
<b>5,000.00 kWh</b>	Distribution (kW)	20.00	0.8361	16.72	20.00	2.6807	53.61	36.89	220.62%	9.91%
<b>20.00 kW</b>	Regulatory Assets (kW)	20.00	0.0000	0.00	20.00	(0.0452)	(0.90)	(0.90)	100.00%	(0.17%)
	<b>Sub-Total</b>			<b>27.72</b>			<b>89.79</b>	<b>62.07</b>	<b>223.89%</b>	<b>16.60%</b>
	Other Charges (kWh)	5,215	0.0135	70.40	5,202	0.0135	70.23	(0.16)	(0.23%)	12.99%
	Other Charges (kW)	20	2.9013	58.03	20.00	2.9231	58.46	0.44	0.75%	10.81%
	Cost of Power Commodity (kWh)	5,215	0.0570	297.23	5,202	0.0570	296.53	(0.69)	(0.23%)	54.84%
	<b>Total Bill Before Taxes</b>			<b>453.37</b>			<b>515.02</b>	<b>61.65</b>	<b>13.60%</b>	<b>95.24%</b>
	GST		5.00%	22.67		5.00%	25.75	3.08	13.60%	4.76%
	<b>Total Bill</b>			<b>476.04</b>			<b>540.77</b>	<b>64.73</b>	<b>13.60%</b>	<b>100.00%</b>

Unmetered Scattered										
		2009 BILL			2010 BILL			IMPACT		
		Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	\$	%	% of Total Bill
<b>Consumption</b>	Monthly Service Charge			10.50			10.24	(0.26)	(2.48%)	27.37%
<b>250 kWh</b>	Distribution (kWh)	250	0.0149	3.73	250	0.0195	4.88	1.15	30.87%	13.03%
	Regulatory Assets (kW)	250	0.0000	0.00	250	(0.0012)	(0.30)	(0.30)	100.00%	(0.79%)
	<b>Sub-Total</b>			<b>14.23</b>			<b>14.82</b>	<b>0.59</b>	<b>4.17%</b>	<b>39.61%</b>
	Other Charges (kWh)	261	0.0229	5.97	260	0.0230	5.98	0.01	0.20%	15.99%
	Cost of Power Commodity (kWh)	261	0.0570	14.86	260	0.0570	14.83	(0.03)	(0.23%)	39.63%
	<b>Total Bill Before Taxes</b>			<b>35.06</b>			<b>35.63</b>	<b>0.57</b>	<b>1.63%</b>	<b>95.24%</b>
	GST		5.00%	1.75		5.00%	1.78	0.03	1.63%	4.76%
	<b>Total Bill</b>			<b>36.81</b>			<b>37.41</b>	<b>0.60</b>	<b>1.63%</b>	<b>100.00%</b>

Unmetered Scattered										
		2009 BILL			2010 BILL			IMPACT		
		Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	\$	%	% of Total Bill
<b>Consumption</b>	Monthly Service Charge			10.50			10.24	(0.26)	(2.48%)	8.82%
<b>1,000 kWh</b>	Distribution (kWh)	1,000	0.0149	14.90	1,000	0.0195	19.50	4.60	30.87%	16.79%
	Regulatory Assets (kW)	1,000	0.0000	0.00	1,000	(0.0012)	(1.19)	(1.19)	100.00%	(1.02%)
	<b>Sub-Total</b>			<b>25.40</b>			<b>28.55</b>	<b>3.15</b>	<b>12.41%</b>	<b>24.59%</b>
	Other Charges (kWh)	1,043	0.0229	23.88	1,040	0.0230	23.93	0.05	0.20%	20.61%
	Cost of Power Commodity (kWh)	1,043	0.0570	59.45	1,040	0.0570	59.31	(0.14)	(0.23%)	51.07%
	<b>Total Bill Before Taxes</b>			<b>108.73</b>			<b>110.60</b>	<b>1.87</b>	<b>1.72%</b>	<b>95.24%</b>
	GST		5.00%	5.44		5.00%	5.53	0.09	1.72%	4.76%
	<b>Total Bill</b>			<b>114.16</b>			<b>116.13</b>	<b>1.97</b>	<b>1.72%</b>	<b>100.00%</b>

1 **RECONCILIATION OF RATE CLASS REVENUE**

2 The following table provides a reconciliation between the 2010 distribution rate calculations  
 3 based on the 2010 Proposed Rates and the total base revenue required. –

4

Customer Class	Fixed Distribution Revenue	Variable Distribution Revenue	Transformer Allowance Credit	Total Distribution Revenue	Expected
Residential	\$ 9,774,642	\$ 8,222,446		\$ 17,997,088	\$ 17,991,492
GS < 50 kW	\$ 1,599,624	\$ 2,485,507		\$ 4,085,131	\$ 4,081,216
GS >50	\$ 950,111	\$ 7,023,480	(\$597,071)	\$ 7,376,520	\$ 7,376,608
Street Lighting	\$ 65,291	\$ 70,021		\$ 135,311	\$ 135,305
USL	\$ 73,974	\$ 76,401		\$ 150,375	\$ 150,293
<b>Total</b>	<b>\$ 12,463,642</b>	<b>\$ 17,877,855</b>	<b>(\$597,071)</b>	<b>\$ 29,744,426</b>	<b>\$ 29,734,912</b>
					Difference Due to Rate Rounding
				<b>-\$ 9,514</b>	

5

## **EXHIBIT 9 – DEFERRAL AND VARIANCE ACCOUNTS**

### **Tab 1 – Status of Deferral and Variance Accounts**

- Schedule 1 - Status of Deferral and Variance Accounts
- Schedule 2 - Continuity Schedule

### **Tab 2 – Clearance of Deferral and Variance Accounts**

- Schedule 1 - Clearance of Deferral and Variance Accounts
- Schedule 2 - Details of Rate Rider Calculations

### **Tab 3 – Smart Meters**

- Schedule 1 - Smart Meter Schedule

1 **STATUS OF DEFERRAL AND VARIANCE ACCOUNTS**

2 The following is a list of all outstanding deferral and variance accounts used by Burlington  
3 Hydro as at December 31, 2008. The descriptions of these accounts are consistent with the  
4 Accounting Procedures Handbook (APH).

Account Description	Account Number	Closing Principal Balance as at December 31, 2008	Closing Interest Amounts as at December 31, 2008	Total
RSVA - Wholesale Market Service Charge	1580	(\$3,892,432)	(\$63,798)	(\$3,956,230)
RSVA - One-time Wholesale Market Service	1582	\$251,781	\$35,938	\$287,719
RSVA - Retail Transmission Network Charge	1584	(\$1,003,791)	\$77,818	(\$925,973)
RSVA - Retail Transmission Connection Charge	1586	(\$301,032)	\$65,557	(\$235,476)
RSVA - Power (including Global Adjustment)	1588	\$185,602	\$1,077,589	\$1,263,191
<b>subtotal RSVA</b>		<b>(\$4,759,873)</b>	<b>\$1,193,104</b>	<b>(\$3,566,769)</b>
Other Regulatory Assets - Sub-Account - OEB Cost Assessments	1508	\$190,168	\$21,803	\$211,971
Other Regulatory Assets - Sub-Account - Pension Contributions	1508	\$561,924	\$76,967	\$638,892
Retail Cost Variance Account - Retail	1518	(\$50,137)	\$136	(\$50,001)
Retail Cost Variance Account - STR	1548	(\$6,741)	(\$513)	(\$7,254)
Misc. Deferred Debits	1525	\$11,413	\$1,607	\$13,020
LV Variance Account	1550	(\$195,556)	(\$2,088)	(\$197,643)
Smart Meter Cap. and Recovery Offset Variance - Sub-Acct. - Capital	1555	\$1,221,992	\$0	\$1,221,992
Smart Meter Cap. and Recovery Offset Variance - Sub-Acct. - Recoveries	1555	(\$645,841)	\$18,744	(\$627,098)
Smart Meter Cap. and Recovery Offset Variance - Sub-Acct. - Stranded Meter Costs	1555	(\$137)	\$0	(\$137)
Smart Meter OM&A Variance	1556	\$156,421	\$681	\$157,101
Deferred PILs	1562	(\$910,481)	(\$184,049)	(\$1,094,530)
PILs Contra	1563	\$910,481	\$184,049	\$1,094,530
Conservation and Demand Management Expenditures and Recoveries	1565	\$7,771	\$200	\$7,971
CDM Contra	1566	(\$7,771)	(\$200)	(\$7,971)
Recovery of Regulatory Asset Balances	1590	(\$2,215,017)	\$1,630,603	(\$584,415)
<b>subtotal non-RSVA</b>		<b>(\$971,511)</b>	<b>\$1,747,939</b>	<b>\$776,428</b>
<b>TOTAL</b>		<b>(\$5,731,384)</b>	<b>\$2,941,043</b>	<b>(\$2,790,341)</b>

5  
6 Burlington Hydro's continuity schedule for the period January 1, 2005 to April 31, 2010,  
7 showing separate itemization of opening balances, annual adjustments, accruals, interest and  
8 closing balances, as provided on the OEB website, is included in this Exhibit at Tab 2.

9 The interest rates applied to calculate the carrying charges for each regulatory deferral and  
10 variance account are shown in the following table by month. These rates are consistent with the  
11 prescribed interest rates provided on the OEB website applicable to the approved regulatory  
12 accounts of natural gas utilities, electricity distributors and other rate-regulated entities.  
13 Burlington Hydro has used the last published rate to calculate interest in future periods.



Year	Quarter	Prescribed Interest Rate
2009	Q3	0.55
	Q2	1.00
	Q1	2.45
2008	Q4	3.35
	Q3	3.35
	Q2	4.08
2007	Q1	5.14
	Q4	5.14
	Q3	4.59
2006	Q2	4.59
	Q1	4.59
	Q4	4.59
2005	Q3	4.59
	Q2	4.14
	Q1	7.25
2005	Q4	7.25
	Q3	7.25
	Q2	7.25
2005	Q1	7.25

1

2 Information provided in the continuity schedule is consistent with the data included in the trial  
 3 balance reported through the Electricity Reporting and Record Keeping Requirements (RRR),  
 4 and consistent with the Audited Financial statements. All of the Board approved balances  
 5 approved for disposition as part of the 2006 EDR process (RP-2005-0020/EB-2005-0356) were  
 6 transferred to either Account 1590 or 1595, as appropriate.

7 Burlington Hydro plans to continue using the above accounts on a going forward basis as  
 8 required. Burlington Hydro is not requesting any new accounts at this time, but is anticipating  
 9 the establishment of a new deferral account related to the tracking of incremental one-time  
 10 administrative costs related to the transition to IFRS (as per EB-2008-0408 Report of the Board  
 11 Transition to International Financial Reporting Standards). In the interim, Burlington Hydro is  
 12 tracking any costs that will be included in this new account in a sub-account of Account 1508.  
 13 Burlington Hydro is not requesting disposition of this sub-account at this time.

14 Activities included in Accounts 1508 and 1525 are recorded on a cash basis, with carrying  
 15 charges calculated each quarter using the Board's prescribed interest rates for that period, as  
 16 described above.

1 Accounts 1580, 1582, 1584, 1586 and 1588 (the RSVA Accounts) are tracked using the billed  
2 approach, which has been used consistently over all years. The 1588 Power Account does  
3 capture the variance between the Board approved and actual line losses for the applicable  
4 periods.

5 With regards to the Account 1588 Power – Sub-Account Global Adjustment the variance in this  
6 account is based on the timing differences in establishment, payment and recovery of the rates  
7 associated with the Global Adjustment and Provincial Benefit. These rates are all set by the  
8 Independent Electricity System Operator. During 2008, approximately 52% of the kWh billed  
9 was non-RPP and included the Provincial Benefit. The table below shows the breakdown by rate  
10 class.

2008 CONSUMPTION	Consumption billed Provincial Benefit
Residential	8.93%
General Service <50 kW	16.62%
General Service >50 kW	83.88%
Street Lighting	99.24%
Unmetered Scattered Load	0.64%
Total	52.48%

11  
12 These percentages are applied to the 2010 forecasted volumes to determine the non-RPP  
13 forecasted volumes for variance account disposition, as included in the next Tab.

SHEET 1 - Regulatory Assets - Continuity Schedule

NAME OF UTILITY	Burlington Hydro Inc.	LICENCE NUMBER	ED-2003-0004
NAME OF CONTACT	Anne Rampado	DOCID NUMBER	EB-2009-0259
E-mail Address	arampado@burlingtonhydro.com		
VERSION NUMBER	v1.0	PHONE NUMBER	905-332-2260
Date	28-Aug-09	(extension)	

Enter appropriate data in cells which are highlighted in yellow only.  
 Enter the total applied for Regulatory Asset amounts for each account in the appropriate cells below:  
 Debits should be recorded as positive numbers and credits should be recorded as negative numbers.  
 Repeat cells going across as necessary for each year in application

Account Description	Account Number	2005									
		Opening Principal Amounts as of Jan-1-05 <sup>1</sup>	Transactions (additions) during 2005, excluding interest and adjustments <sup>6</sup>	Transactions (reductions) during 2005, excluding interest and adjustments <sup>6</sup>	Adjustments during 2005 - instructed by Board <sup>2</sup>	Adjustments during 2005 - other <sup>3</sup>	Closing Principal Balance as of Dec-31-05	Opening Interest Amounts as of Jan-1-05	Interest Jan-1 to Dec31-05	Closing Interest Amounts as of Dec-31-05	
RSVA - Wholesale Market Service Charge	1580	\$ 2,590,585	\$ 1,206,374			\$ 3,796,959	\$ 467,857	\$ 237,517	\$ 705,374		
RSVA - One-time Wholesale Market Service	1582	\$ 204,943	\$ 251,781			\$ 456,724	\$ 16,344	\$ 20,676	\$ 37,020		
RSVA - Retail Transmission Network Charge	1584	\$ 900,169	\$ 57,388			\$ 957,557	\$ 126,493	\$ 92,732	\$ 219,225		
RSVA - Retail Transmission Connection Charge	1586	\$ 255,740	\$ (48,997)			\$ 206,744	\$ 51,356	\$ 40,011	\$ 91,367		
Sub-Totals		\$ 3,951,437	\$ 1,466,547	\$ -	\$ -	\$ 5,417,984	\$ 662,050	\$ 390,935	\$ 1,052,985		
Other Regulatory Assets - Sub-Account - OEB Cost Assessments	1508	\$ 70,087	\$ 231,075	\$ (86,332)		\$ 214,830	\$ 1,347	\$ 7,606	\$ 8,953		
Other Regulatory Assets - Sub-Account - Pension Contributions	1508	\$ -	\$ 402,906			\$ 402,906	\$ 7,192	\$ 7,192	\$ 7,192		
Other Regulatory Assets - Sub-Account - Other (L.F.R.S.) <sup>7</sup>	1508	\$ -				\$ -			\$ -		
Other Regulatory Assets - Sub-Account - Other <sup>7</sup>	1508	\$ -				\$ -			\$ -		
Other Regulatory Assets - Sub-Account - Other <sup>7</sup>	1508	\$ -				\$ -			\$ -		
Retail Cost Variance Account - Retail	1518	\$ (12,101)	\$ 7,418			\$ (4,683)	\$ (419)	\$ 60	\$ (359)		
Retail Cost Variance Account - STR	1548	\$ 12,233	\$ (738)			\$ 11,495	\$ 565	\$ 888	\$ 1,453		
Misc. Deferred Debits	1525	\$ 104,093	\$ 11,303			\$ 115,396	\$ 15,094	\$ 7,547	\$ 22,640		
LV Variance Account	1550	\$ -				\$ -			\$ -		
Smart Meter Capital and Recovery Offset Variance - Sub-Account - C	1555					\$ -			\$ -		
Smart Meter Capital and Recovery Offset Variance - Sub-Account - R	1555					\$ -			\$ -		
Smart Meter Capital and Recovery Offset Variance - Sub-Account - S	1555					\$ -			\$ -		
Smart Meter OM&A Variance	1556					\$ -			\$ -		
CDM	1565	\$ -	\$ (1,356,456)			\$ (1,356,456)	\$ -	\$ 200	\$ 200		
CDM Contra	1566	\$ -	\$ 1,356,456			\$ 1,356,456	\$ -	\$ (200)	\$ (200)		
Qualifying Transition Costs <sup>5</sup>	1570	\$ 150,762	n/a	n/a	\$ (15,076)	\$ 135,686	\$ 37,085	\$ 10,930	\$ 48,016		
Pre-Market Opening Energy Variances Total <sup>5</sup>	1571	\$ 3,583,103	n/a	n/a		\$ 3,583,103	\$ 583,202	\$ 396,856	\$ 980,058		
Extra-Ordinary Event Costs	1572	\$ -				\$ -			\$ -		
Deferred Rate Impact Amounts	1574	\$ -				\$ -			\$ -		
Other Deferred Credits	2425	\$ (2,846,226)	\$ 826,349	\$ 19,878		\$ (2,000,000)			\$ -		
Sub-Totals		\$ 1,061,952	\$ 1,478,311	\$ (86,332)	\$ 4,802	\$ -	\$ 2,458,733	\$ 636,874	\$ 431,079	\$ 1,067,953	
Deferred Payments in Lieu of Taxes	1562					see PILs reconciliation requested					
2006 PILs & Taxes Variance	1592					see PILs reconciliation requested					
Sub-Totals						see PILs reconciliation requested					
Total		\$ 5,013,389	\$ 2,944,858	\$ (86,332)	\$ 4,802	\$ -	\$ 7,876,717	\$ 1,298,924	\$ 822,014	\$ 2,120,938	

The following is not included in the total claim but is included on a memo basis:

Deferred PILs Contra Account <sup>8</sup>	1563					see PILs reconciliation requested			
RSVA - Power (including Global Adjustment)	1588	\$ 2,889,024	\$ (4,375,880)			\$ (1,486,856)	\$ (136,055)	\$ 137,672	\$ 1,617
RSVA - Power - Sub-Account - Global Adjustment <sup>4</sup>	1588	\$ -	\$ (8,985,793)			\$ (8,985,793)	\$ -	\$ -	\$ -
Recovery of Regulatory Asset Balances	1590	\$ (1,193,404)	\$ (1,610,592)			\$ (2,803,996)	\$ (20,870)	\$ (130,467)	\$ (151,336)

<sup>1</sup> As per general ledger, if does not agree to Dec-31-04 balance filed in 2006 EDR then provide supplementary analysis  
<sup>2</sup> Provide supporting statement indicating whether due to denial of costs in 2006 EDR by the Board, 10% transition costs write-off, and etc.  
<sup>3</sup> Provide supporting statement indicating nature of this adjustments and periods they relate to  
<sup>4</sup> Not included in sub-total  
<sup>5</sup> Closed April 30, 2002  
<sup>6</sup> For RSVA accounts only, report the net additions to the account during the year. For all other accounts, record the additions and reductions separately  
<sup>7</sup> Please describe "other" components of 1508 and add more component lines if necessary.  
<sup>8</sup> 1563 is a contra-account and is not included in the total but is shown on a memo basis. Account 1562 establishes the obligation to the ratepayer  
<sup>9</sup> Interest projected on December 31, 2008 closing principal balance.

SHEET 1 - Regulatory Assets - Continuity Schedule

NAME OF UTILITY Burlington Hydro Inc.  
 NAME OF CONTACT Anne Rampado  
 E-mail Address arampado@burlingtonhydro.com  
 VERSION NUMBER v1.0  
 Date 28-Aug-09

Account Description	Account Number	2006										
		Opening Principal Amounts as of Jan-1-06	Transactions (additions) during 2006, excluding interest and adjustments <sup>6</sup>	Transactions (reductions) during 2006, excluding interest and adjustments <sup>6</sup>	Adjustments during 2006 - instructed by Board <sup>2</sup>	Adjustments during 2006 - other <sup>3</sup>	Transfer of Board-approved amounts to 1590 as per 2006 EDR	Closing Principal Balance as of Dec-31-06	Opening Interest Amounts as of Jan-1-06	Interest Jan-1 to Dec31-06	Transfer of Board-approved amounts to 1590 as per 2006 EDR	Closing Interest Amounts as of Dec-31-06
RSVA - Wholesale Market Service Charge	1580	\$ 3,796,959	\$ (2,044,738)			\$ (2,590,585)	\$ (838,364)	\$ 705,374	\$ 195,257	\$ (795,289)	\$ 105,341	
RSVA - One-time Wholesale Market Service	1582	\$ 456,724				\$ (204,943)	\$ 251,781	\$ 37,020	\$ 22,710	\$ (42,247)	\$ 17,483	
RSVA - Retail Transmission Network Charge	1584	\$ 957,557	\$ 96,574			\$ (900,169)	\$ 153,962	\$ 219,225	\$ 78,972	\$ (240,268)	\$ 57,929	
RSVA - Retail Transmission Connection Charge	1586	\$ 206,744	\$ (31,287)			\$ (255,740)	\$ (80,284)	\$ 91,367	\$ 31,910	\$ (83,680)	\$ 39,597	
Sub-Totals		\$ 5,417,984	\$ (1,979,451)	\$ -	\$ -	\$ (3,951,437)	\$ (512,905)	\$ 1,052,985	\$ 328,849	\$ (1,161,484)	\$ 220,350	
Other Regulatory Assets - Sub-Account - OEB Cost Assessments	1508	\$ 214,830	\$ 101,251	\$ (55,826)		\$ (70,087)	\$ 190,168	\$ 8,953	\$ 4,993	\$ (8,809)	\$ 5,137	
Other Regulatory Assets - Sub-Account - Pension Contributions	1508	\$ 402,906	\$ 159,018			\$ -	\$ 561,924	\$ 7,192	\$ 20,959	\$ -	\$ 28,151	
Other Regulatory Assets - Sub-Account - Other (I.F.R.S.) <sup>7</sup>	1508	\$ -				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Other Regulatory Assets - Sub-Account - Other <sup>7</sup>	1508	\$ -				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Other Regulatory Assets - Sub-Account - Other <sup>7</sup>	1508	\$ -				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Retail Cost Variance Account - Retail	1518	\$ (4,683)	\$ (12,967)			\$ 12,101	\$ (5,550)	\$ (359)	\$ (107)	\$ 1,948	\$ 1,482	
Retail Cost Variance Account - STR	1548	\$ 11,495	\$ (2,534)			\$ (12,233)	\$ (3,273)	\$ 1,453	\$ 582	\$ (2,111)	\$ (76)	
Misc. Deferred Debits	1525	\$ 115,396	\$ 110			\$ (104,093)	\$ 11,413	\$ 22,640	\$ 6,224	\$ (28,250)	\$ 614	
LV Variance Account	1550	\$ -	\$ 750			\$ -	\$ 750	\$ -	\$ (37)	\$ -	\$ (37)	
Smart Meter Capital and Recovery Offset Variance - Sub-Account - C	1555	\$ -				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Smart Meter Capital and Recovery Offset Variance - Sub-Account - R	1555	\$ -	\$ (117,480)			\$ -	\$ (117,480)	\$ -	\$ (1,083)	\$ -	\$ (1,083)	
Smart Meter Capital and Recovery Offset Variance - Sub-Account - S	1555	\$ -				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Smart Meter OM&A Variance	1556	\$ -				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
CDM	1565	\$ (1,356,456)	\$ 506,884			\$ -	\$ (849,572)	\$ 200	\$ -	\$ -	\$ 200	
CDM Contra	1566	\$ 1,356,456	\$ (506,884)			\$ -	\$ 849,572	\$ (200)	\$ -	\$ -	\$ (200)	
Qualifying Transition Costs <sup>5</sup>	1570	\$ 135,686	n/a	n/a		\$ (135,686)	\$ -	\$ 48,016	\$ 7,313	\$ (55,328)	\$ -	
Pre-Market Opening Energy Variances Total <sup>5</sup>	1571	\$ 3,583,103	n/a	n/a		\$ (3,583,103)	\$ -	\$ 980,058	\$ 193,105	\$ (1,173,163)	\$ -	
Extra-Ordinary Event Costs	1572	\$ -				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Deferred Rate Impact Amounts	1574	\$ -				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Other Deferred Credits	2425	\$ (2,000,000)	\$ 1,100,000			\$ -	\$ (900,000)	\$ -	\$ -	\$ -	\$ -	
Sub-Totals		\$ 2,458,733	\$ 128,148	\$ 1,044,174	\$ -	\$ -	\$ (3,893,102)	\$ (262,047)	\$ 1,067,953	\$ 231,948	\$ (1,265,712)	\$ 34,189
Deferred Payments in Lieu of Taxes	1562											
2006 PILs & Taxes Variance	1592											
Sub-Totals												
Total		\$ 7,876,717	\$ (1,851,304)	\$ 1,044,174	\$ -	\$ -	\$ (7,844,539)	\$ (774,952)	\$ 2,120,938	\$ 560,798	\$ (2,427,197)	\$ 254,539

The following is not included in the total claim but is included on a memo basis:

Deferred PILs Contra Account <sup>8</sup>	1563											
RSVA - Power (including Global Adjustment)	1588	\$ (1,486,856)	\$ 788,624			\$ 1,198,752	\$ 500,520	\$ 1,617	\$ 439,041	\$ 385,222	\$ 825,880	
RSVA - Power - Sub-Account - Global Adjustment <sup>4</sup>	1588	\$ (8,985,793)	\$ 5,213,808			\$ -	\$ (3,771,986)	\$ -	\$ -	\$ -	\$ -	
Recovery of Regulatory Asset Balances	1590	\$ (2,803,996)	\$ (1,535,598)			\$ 5,808,556	\$ 1,468,962	\$ (151,336)	\$ (206,923)	\$ 2,041,975	\$ 1,683,715	

SHEET 1 - Regulatory Assets - Continuity Schedule

NAME OF UTILITY Burlington Hydro Inc.  
 NAME OF CONTACT Anne Rampado  
 E-mail Address arampado@burlingtonhydro.com  
 VERSION NUMBER v1.0  
 Date 28-Aug-09

Account Description	Account Number	2007						Closing Principal Balance as of Dec-31-07	Opening Interest Amounts as of Jan-1-07	Interest Jan-1 to Dec31-07	Closing Interest Amounts as of Dec-31-07
		Opening Principal Amounts as of Jan-1-07	Transactions (additions) during 2007, excluding interest and adjustments <sup>6</sup>	Transactions (reductions) during 2007, excluding interest and adjustments <sup>6</sup>	Adjustments during 2007 - instructed by Board <sup>2</sup>	Adjustments during 2007 - other <sup>3</sup>					
RSVA - Wholesale Market Service Charge	1580	\$ (838,364)	\$ (2,176,931)				\$ (3,015,294)	\$ 105,341	\$ (53,718)	\$ 51,623	
RSVA - One-time Wholesale Market Service	1582	\$ 251,781					\$ 251,781	\$ 17,483	\$ 10,025	\$ 27,508	
RSVA - Retail Transmission Network Charge	1584	\$ 153,962	\$ (322,767)				\$ (168,805)	\$ 57,929	\$ 25,407	\$ 83,336	
RSVA - Retail Transmission Connection Charge	1586	\$ (80,284)	\$ 149,543				\$ 69,259	\$ 39,597	\$ 14,005	\$ 53,602	
Sub-Totals		\$ (512,905)	\$ (2,350,155)		\$ -	\$ -	\$ (2,863,059)	\$ 220,350	\$ (4,282)	\$ 216,068	
Other Regulatory Assets - Sub-Account - OEB Cost Assessments	1508	\$ 190,168	\$ -	\$ -			\$ 190,168	\$ 5,137	\$ 9,103	\$ 14,240	
Other Regulatory Assets - Sub-Account - Pension Contributions	1508	\$ 561,924					\$ 561,924	\$ 28,151	\$ 26,471	\$ 54,622	
Other Regulatory Assets - Sub-Account - Other (I.F.R.S.) <sup>7</sup>	1508	\$ -					\$ -	\$ -	\$ -	\$ -	
Other Regulatory Assets - Sub-Account - Other <sup>7</sup>	1508	\$ -					\$ -	\$ -	\$ -	\$ -	
Other Regulatory Assets - Sub-Account - Other <sup>7</sup>	1508	\$ -					\$ -	\$ -	\$ -	\$ -	
Retail Cost Variance Account - Retail	1518	\$ (5,550)	\$ (18,291)				\$ (23,841)	\$ 1,482	\$ (263)	\$ 1,218.90	
Retail Cost Variance Account - STR	1548	\$ (3,273)	\$ (2,718)				\$ (5,991)	\$ (76)	\$ (193)	\$ (269)	
Misc. Deferred Debits	1525	\$ 11,413					\$ 11,413	\$ 614	\$ 540	\$ 1,153	
LV Variance Account	1550	\$ 750	\$ 3,414				\$ 4,164	\$ (37)	\$ 240	\$ 204	
Smart Meter Capital and Recovery Offset Variance - Sub-Account - C	1555	\$ -	\$ 586,162				\$ 586,162	\$ -	\$ -	\$ -	
Smart Meter Capital and Recovery Offset Variance - Sub-Account - R	1555	\$ (117,480)	\$ (201,022)				\$ (318,502)	\$ (1,083)	\$ 1,538	\$ 455	
Smart Meter Capital and Recovery Offset Variance - Sub-Account - S	1555	\$ -	\$ 2,487				\$ 2,487	\$ -	\$ -	\$ -	
Smart Meter OM&A Variance	1556	\$ -	\$ 8,543				\$ 8,543	\$ -	\$ 122	\$ 122	
CDM	1565	\$ (849,572)	\$ 857,343				\$ 7,771	\$ 200	\$ -	\$ 200	
CDM Contra	1566	\$ 849,572	\$ (857,343)				\$ (7,771)	\$ (200)	\$ -	\$ (200)	
Qualifying Transition Costs <sup>5</sup>	1570	\$ -	n/a	n/a			\$ -	\$ -	\$ -	\$ -	
Pre-Market Opening Energy Variances Total <sup>5</sup>	1571	\$ -	n/a	n/a			\$ -	\$ -	\$ -	\$ -	
Extra-Ordinary Event Costs	1572	\$ -					\$ -	\$ -	\$ -	\$ -	
Deferred Rate Impact Amounts	1574	\$ -					\$ -	\$ -	\$ -	\$ -	
Other Deferred Credits	2425	\$ (900,000)					\$ (900,000)	\$ -	\$ -	\$ -	
Sub-Totals		\$ (262,047)	\$ 378,575	\$ -	\$ -	\$ -	\$ 116,528	\$ 34,189	\$ 37,558	\$ 71,747	
Deferred Payments in Lieu of Taxes	1562										
2006 PILs & Taxes Variance	1592										
Sub-Totals											
Total		\$ (774,952)	\$ (1,971,580)	\$ -	\$ -	\$ -	\$ (2,746,532)	\$ 254,539	\$ 33,276	\$ 287,815	
<b>The following is not included in the total claim but is included on a memo basis:</b>											
Deferred PILs Contra Account <sup>8</sup>	1563										
RSVA - Power (including Global Adjustment)	1588	\$ 500,520	\$ (327,434)				\$ 173,086	\$ 825,880	\$ 130,718	\$ 956,599	
RSVA - Power - Sub-Account - Global Adjustment <sup>4</sup>	1588	\$ (3,771,986)	\$ 3,083,809				\$ (688,177)	\$ -	\$ (124,849)	\$ (124,849)	
Recovery of Regulatory Asset Balances	1590	\$ 1,468,962	\$ (2,800,866)				\$ (1,331,904)	\$ 1,683,715	\$ 99,971	\$ 1,783,686	
							\$ (877,251)				

SHEET 1 - Regulatory Assets - Continuity Schedule

NAME OF UTILITY Burlington Hydro Inc.  
 NAME OF CONTACT Anne Rampado  
 E-mail Address arampado@burlingtonhydro.com  
 VERSION NUMBER v1.0  
 Date 28-Aug-09

Account Description	Account Number	2008					Closing Principal Balance as of Dec-31-08	Opening Interest Amounts as of Jan-1-08	Interest Jan-1 to Dec31-08	Closing Interest Amounts as of Dec-31-08
		Opening Principal Amounts as of Jan-1-08	Transactions (additions) during 2008, excluding interest and adjustments <sup>6</sup>	Transactions (reductions) during 2008, excluding interest and adjustments <sup>6</sup>	Adjustments during 2008 - instructed by Board <sup>2</sup>	Adjustments during 2008 - other <sup>3</sup>				
RSVA - Wholesale Market Service Charge	1580	\$ (3,015,294)	\$ (877,138)			\$ (3,892,432)	\$ 51,623	\$ (115,421)	\$ (63,798)	
RSVA - One-time Wholesale Market Service	1582	\$ 251,781				\$ 251,781	\$ 27,508	\$ 8,430	\$ 35,938	
RSVA - Retail Transmission Network Charge	1584	\$ (168,805)	\$ (834,986)			\$ (1,003,791)	\$ 83,336	\$ (5,518)	\$ 77,818	
RSVA - Retail Transmission Connection Charge	1586	\$ 69,259	\$ (370,291)			\$ (301,032)	\$ 53,602	\$ 11,955	\$ 65,557	
Sub-Totals		\$ (2,863,059)	\$ (2,082,415)	\$ -	\$ -	\$ (4,945,474)	\$ 216,068	\$ (100,553)	\$ 115,515	
Other Regulatory Assets - Sub-Account - OEB Cost Assessments	1508	\$ 190,168				\$ 190,168	\$ 14,240	\$ 7,562	\$ 21,803	
Other Regulatory Assets - Sub-Account - Pension Contributions	1508	\$ 561,924				\$ 561,924	\$ 54,622	\$ 22,345	\$ 76,967	
Other Regulatory Assets - Sub-Account - Other (I.F.R.S.) <sup>7</sup>	1508	\$ -				\$ -	\$ -	\$ -	\$ -	
Other Regulatory Assets - Sub-Account - Other <sup>7</sup>	1508	\$ -				\$ -	\$ -	\$ -	\$ -	
Other Regulatory Assets - Sub-Account - Other <sup>7</sup>	1508	\$ -				\$ -	\$ -	\$ -	\$ -	
Retail Cost Variance Account - Retail	1518	\$ (23,841)	\$ (26,296)			\$ (50,137)	\$ 1,219	\$ (1,083)	\$ 136	
Retail Cost Variance Account - STR	1548	\$ (5,991)	\$ (750)			\$ (6,741)	\$ (269)	\$ (245)	\$ (513)	
Misc. Deferred Debits	1525	\$ 11,413				\$ 11,413	\$ 1,153	\$ 454	\$ 1,607	
LV Variance Account	1550	\$ 4,164	\$ (199,719)			\$ (195,556)	\$ 204	\$ (2,291)	\$ (2,088)	
Smart Meter Capital and Recovery Offset Variance - Sub-Account - C	1555	\$ 586,162	\$ 635,830			\$ 1,221,992	\$ -	\$ -	\$ -	
Smart Meter Capital and Recovery Offset Variance - Sub-Account - R	1555	\$ (318,502)	\$ (327,340)			\$ (645,841)	\$ 455	\$ 18,289	\$ 18,744	
Smart Meter Capital and Recovery Offset Variance - Sub-Account - S	1555	\$ 2,487		\$ (2,624)		\$ (137)	\$ -	\$ -	\$ -	
Smart Meter OMA Variance	1556	\$ 8,543	\$ 147,878			\$ 156,421	\$ 122	\$ 559	\$ 681	
CDM	1565	\$ 7,771				\$ 7,771	\$ 200	\$ -	\$ 200	
CDM Contra	1566	\$ (7,771)				\$ (7,771)	\$ (200)	\$ -	\$ (200)	
Qualifying Transition Costs <sup>5</sup>	1570	\$ -	n/a	n/a		\$ -	\$ -	\$ -	\$ -	
Pre-Market Opening Energy Variances Total <sup>5</sup>	1571	\$ -	n/a	n/a		\$ -	\$ -	\$ -	\$ -	
Extra-Ordinary Event Costs	1572	\$ -				\$ -	\$ -	\$ -	\$ -	
Deferred Rate Impact Amounts	1574	\$ -				\$ -	\$ -	\$ -	\$ -	
Other Deferred Credits	2425	\$ (900,000)	\$ 900,000			\$ 0	\$ -	\$ -	\$ -	
Sub-Totals		\$ 116,528	\$ 229,603	\$ 897,376	\$ -	\$ 1,243,506	\$ 71,747	\$ 45,589	\$ 117,337	
Deferred Payments in Lieu of Taxes	1562				see PILs reconciliation requested					
2006 PILs & Taxes Variance	1592				see PILs reconciliation requested					
Sub-Totals					see PILs reconciliation requested					
Total		\$ (2,746,532)	\$ (1,852,812)	\$ 897,376	\$ -	\$ (3,701,968)	\$ 287,815	\$ (54,964)	\$ 232,851	
<b>The following is not included in the total claim but is included on a memo basis:</b>										
Deferred PILs Contra Account <sup>8</sup>	1563				see PILs reconciliation requested					
RSVA - Power (including Global Adjustment)	1588	\$ 173,086	\$ 12,516			\$ 185,602	\$ 956,599	\$ 120,991	\$ 1,077,589	
RSVA - Power - Sub-Account - Global Adjustment <sup>4</sup>	1588	\$ (688,177)	\$ 5,600,429			\$ 4,912,252	\$ (124,849)	\$ 53,770	\$ (71,080)	
Recovery of Regulatory Asset Balances	1590	\$ (1,331,904)	\$ (883,113)			\$ (2,215,017)	\$ 1,783,686	\$ (153,083)	\$ 1,630,603	
						\$ (2,790,341)				

SHEET 1 - Regulatory Assets - Continuity Schedule

NAME OF UTILITY Burlington Hydro Inc.  
 NAME OF CONTACT Anne Rampado  
 E-mail Address arampado@burlingtonhydro.com  
 VERSION NUMBER v1.0  
 Date 28-Aug-09

Account Description	Account Number	Projected Interest on Dec 31 -08 balance from Jan 1, 2009 to Dec 31, 2009 <sup>a</sup>	Projected Interest on Dec 31 -08 balance from Jan 1, 2010 to April 30, 2010 <sup>a</sup>	Claim before Forecasted Transactions	Forecasted Transactions, Excluding Interest from Jan 1, 2009 to Dec 31, 2009	Forecasted Transactions, Excluding Interest from Jan 1, 2010 to April 30, 2010	Projected Interest from Jan 1, 2009 to April 30, 2010 on Forecasted Transx (Excl Interest) from Jan 1, 2009 to December 31, 2009	Projected Interest from Jan 1, 2010 to April 30, 2010 on Forecasted Transx (Excl Interest) from Jan 1, 2010 to April 30, 2010	Total Claim
RSVA - Wholesale Market Service Charge	1580	\$ (37,530)	\$ (6,002)	\$ (3,999,762.23)					\$ (3,999,762)
RSVA - One-time Wholesale Market Service	1582	\$ 2,397	\$ 383	\$ 290,499.69					\$ 290,500
RSVA - Retail Transmission Network Charge	1584	\$ (5,078)	\$ (812)	\$ (931,863.94)					\$ (931,864)
RSVA - Retail Transmission Connection Charge	1586	\$ 2,148	\$ 344	\$ (232,983.60)					\$ (232,984)
Sub-Totals		\$ (38,063)	\$ (6,087)	\$ (4,874,110.08)	\$ -	\$ -	\$ -	\$ -	\$ (4,874,110)
Other Regulatory Assets - Sub-Account - OEB Cost Assessments	1508	\$ 2,150	\$ 344	\$ 214,464.68					\$ 214,465
Other Regulatory Assets - Sub-Account - Pension Contributions	1508	\$ 6,336	\$ 1,013	\$ 646,241.37					\$ 646,241
Other Regulatory Assets - Sub-Account - Other (L.F.R.S.) <sup>7</sup>	1508			\$ -	\$ 180,410	\$ 60,245			\$ 240,655
Other Regulatory Assets - Sub-Account - Other <sup>7</sup>	1508			\$ -					\$ -
Other Regulatory Assets - Sub-Account - Other <sup>7</sup>	1508			\$ -					\$ -
Retail Cost Variance Account - Retail	1518	\$ (523)	\$ (84)	\$ (50,607.83)					\$ (50,608)
Retail Cost Variance Account - STR	1548	\$ (76)	\$ (12)	\$ (7,341.82)					\$ (7,342)
Misc. Deferred Debits	1525	\$ 132	\$ 21	\$ 13,173.87					\$ 13,174
LV Variance Account	1550	\$ (1,981)	\$ (317)	\$ (199,940.64)					\$ (199,941)
Smart Meter Capital and Recovery Offset Variance - Sub-Account - C	1555			\$ 1,221,992.32	\$ 11,775,000	\$ 1,925,000			\$ 14,921,992
Smart Meter Capital and Recovery Offset Variance - Sub-Account - R	1555	\$ 6,827	\$ 1,092	\$ (619,179.00)	\$ (753,108)	\$ 256,196			\$ (1,116,091)
Smart Meter Capital and Recovery Offset Variance - Sub-Account - S	1555			\$ (137.46)					\$ (137)
Smart Meter OM&A Variance	1556	\$ 1,685	\$ 269	\$ 159,055.76					\$ 159,056
CDM	1565			\$ 7,971.02					\$ 7,971
CDM Contra	1566			\$ (7,971.02)					\$ (7,971)
Qualifying Transition Costs <sup>5</sup>	1570			\$ -					\$ -
Pre-Market Opening Energy Variances Total <sup>5</sup>	1571			\$ -					\$ -
Extra-Ordinary Event Costs	1572			\$ -					\$ -
Deferred Rate Impact Amounts	1574			\$ -					\$ -
Other Deferred Credits	2425			\$ 0.00					\$ 0
Sub-Totals		\$ 14,551	\$ 2,327	\$ 1,377,721.25	\$ 11,202,302	\$ 2,241,441	\$ -	\$ -	\$ 14,821,464
Deferred Payments in Lieu of Taxes	1562								
2006 PILs & Taxes Variance	1592								
Sub-Totals				\$ -					\$ -
Total		\$ (23,512)	\$ (3,760)	\$ (3,496,388.83)	\$ 11,202,302	\$ 2,241,441	\$ -	\$ -	\$ 9,947,354
<b>The following is not included in the total claim but is included on a memo basis:</b>									
Deferred PILs Contra Account <sup>8</sup>	1563								
RSVA - Power (including Global Adjustment)	1588	\$ 36,315	\$ 5,808	\$ 1,305,313.73					\$ 1,305,314
RSVA - Power - Sub-Account - Global Adjustment <sup>4</sup>	1588	\$ 43,203	\$ 6,909	\$ 4,891,284.43					\$ 4,891,284
Recovery of Regulatory Asset Balances	1590	\$ (25,045)	\$ (4,005)	\$ (613,464.77)					\$ (613,465)
				\$ (2,804,539.87)					

1 **CLEARANCE OF DEFERRAL AND VARIANCE ACCOUNTS**

2 Consistent with Burlington Hydro's understanding of the "Report of the Board on Electricity  
 3 Distributors' Deferral and Variance Account Review Initiative", released July 31, 2009,  
 4 Burlington Hydro is requesting disposition of all accounts, with the exception of the accounts  
 5 identified below. Burlington Hydro is requesting balances to December 31, 2008, with interest  
 6 to April 30, 2010. The variance accounts balances are as of the date of the last Audited Financial  
 7 Statements. It is anticipated that any activity in these accounts from January 1, 2009 will be  
 8 subject to the quarterly and annual reviews described in the Board Report.

9 The following are the accounts and the balance for which Burlington Hydro is seeking  
 10 disposition of in this application along with the method used to allocate the balance to rate  
 11 classes for disposition.

Account Description	Account Number	Closing Principal Balance as at December 31, 2008, plus interest to April 30, 2010	Allocation to Rate Class Method
RSVA - Wholesale Market Service Charge	1580	\$ (3,999,762)	kWh
RSVA - One-time Wholesale Market Service	1582	\$ 290,500	kWh
RSVA - Retail Transmission Network Charge	1584	\$ (931,864)	kWh
RSVA - Retail Transmission Connection Charge	1586	\$ (232,984)	kWh
RSVA - Power (excluding Global Adjustment)	1588	\$ (3,585,971)	kWh
RSVA - Power (Global Adjustment)	1588	\$ 4,891,284	kWh for non-RPP
<b>subtotal RSVA</b>		<b>\$ (3,568,796)</b>	
Other Regulatory Assets	1508	\$ 860,706	Dx revenue
Retail Cost Variance Account - Retail	1518	\$ (50,608)	# customers
Retail Cost Variance Account - STR	1548	\$ (7,342)	# customers
Misc. Deferred Debits	1525	\$ 13,174	# cust w/ rebate Cheq
LV Variance Account	1550	\$ (199,941)	kWh
Conservation and Demand Management Expenditures and Recoveries	1565	\$ 7,971	kWh
CDM Contra	1566	\$ (7,971)	kWh
Recovery of Regulatory Asset Balances	1590	\$ (613,465)	per 2006 EDR allocation
<b>subtotal non-RSVA</b>		<b>\$ 2,525</b>	
<b>TOTAL</b>		<b>\$ (3,566,271)</b>	

12

13 Burlington Hydro is not proposing the clearance of Smart Meter related accounts 1555/1556  
 14 until smart meters are fully deployed. Once smart meters are fully deployed, Burlington Hydro  
 15 will come forward with a smart meter rate rider application to dispose of the smart meter deferral  
 16 and variance accounts and collect the cost of the smart meters as if they were in the rate base.



1 Burlington Hydro is also not proposing the clearance of PILs accounts 1562/1563 at this time.  
 2 Burlington Hydro will wait for further direction from the Board related to the method of  
 3 disposition of these balances.

4 Burlington Hydro is proposing to dispose of the deferral and variance accounts over a four year  
 5 period. The detailed calculations of the proposed rate riders are included in the table at Schedule  
 6 1 of this Tab.

7 The table below provides the proposed rate for recovery of balances that are proposed for  
 8 clearance for RSVA and non-RSVA accounts.

9

Customer Class	RSVA Accounts		non-RSVA Accounts		Total	
	per kWh	per kW	per kWh	per kW	per kWh	per kW
Residential	(0.0012)		0.0001		(0.0011)	
General Service <50 kW	(0.0011)		0.0000		(0.0010)	
General Service >50 kW		(0.0386)		(0.0252)		(0.0639)
Street Lighting		0.0440		(0.0892)		(0.0452)
10 Unmetered Scattered Load	(0.0013)		0.0001		(0.0012)	

**SHEET 1 - December 31, 2008 Deferral and Variance Accounts**

NAME OF UTILITY **Burlington Hydro Inc.**  
 NAME OF CONTACT  
 E-mail Address  
 VERSION NUMBER  
 Date **28-Aug-09**

LICENCE NUMBER  
 DOCID NUMBER  
 PHONE NUMBER  
 (extension)

**EB-2009-0259**

Note to User - You may want to add others

Enter appropriate data in cells which are highlighted in yellow only.

Enter the total applied for Deferral and Variance amounts for each account in the appropriate cells below:

Account Description	Account Number	Principal Amounts as of Dec-31 2008	Interest to Dec31-08	Interest Jan-1 to Dec31-09	Interest Jan-10 to Apr30-10	Total Claim
RSVA - Wholesale Market Service Charge	1580	\$ (3,892,432)	\$ (63,798)	\$ (37,530)	\$ (6,002)	\$ (3,999,762)
RSVA - One-time Wholesale Market Service	1582	\$ 251,781	\$ 35,938	\$ 2,397	\$ 383	\$ 290,500
RSVA - Retail Transmission Network Charge	1584	\$ (1,003,791)	\$ 77,818	\$ (5,078)	\$ (812)	\$ (931,864)
RSVA - Retail Transmission Connection Charge	1586	\$ (301,032)	\$ 65,557	\$ 2,148	\$ 344	\$ (232,984)
RSVA - Power (excluding Global Adjustment)	1588	\$ (4,726,651)	\$ 1,148,669	\$ (6,887)	\$ (1,101)	\$ (3,585,971)
RSVA - Power (Global Adjustment)	1588	\$ 4,912,252	\$ (71,080)	\$ 43,203	\$ 6,909	\$ 4,891,284
Sub-Totals		\$ (4,759,873)	\$ 1,193,104	\$ (1,748)	\$ (280)	\$ (3,568,796)
Other Regulatory Assets - OEB Cost Assessments	1508	\$ 190,168	\$ 21,803	\$ 2,150	\$ 344	\$ 214,465
Other Regulatory Assets - Pension Contributions	1508	\$ 561,924	\$ 76,967	\$ 6,336	\$ 1,013	\$ 646,241
Retail Cost Variance Account - Retail	1518	\$ (50,137)	\$ 136	\$ (523)	\$ (84)	\$ (50,608)
Retail Cost Variance Account - STR	1548	\$ (6,741)	\$ (513)	\$ (76)	\$ (12)	\$ (7,342)
Misc. Deferred Debits	1525	\$ 11,413	\$ 1,607	\$ 132	\$ 21	\$ 13,174
Smart Meters Revenue and Capital	1555			\$ -	\$ -	\$ -
Smart Meter Expenses	1556			\$ -	\$ -	\$ -
Low Voltage	1550	\$ (195,556)	\$ (2,088)	\$ (1,981)	\$ (317)	\$ (199,941)
CDM	1565	\$ 7,771	\$ 200	\$ -	\$ -	\$ 7,971
CDM Contra	1566	\$ (7,771)	\$ (200)	\$ -	\$ -	\$ (7,971)
Other Deferred Credits	2425			\$ -	\$ -	\$ -
Recovery of Regulatory Asset Balances	1590	\$ (2,215,017)	\$ 1,630,603	\$ (25,045)	\$ (4,005)	\$ (613,465)
Sub-Totals		\$ (1,703,945)	\$ 1,728,515	\$ (19,006)	\$ (3,039)	\$ 2,525
Totals per column		\$ (6,463,818)	\$ 2,921,619	\$ (20,754)	\$ (3,319)	\$ (3,566,271)

Annual interest rate: **3.35%**



Sheet 2 - Rate Riders Calculation

NAME OF UTILITY: Burlington Hydro Inc.  
 NAME OF CONTACT: LICENCE NUMBER: EB-2009-0259  
 E-mail Address: DOCID NUMBER:  
 VERSION NUMBER: PHONE NUMBER:  
 Date: 28-Aug-09 (extension)

Deferral and Variance Accounts:	Amount	ALLOCATOR	Small					Total
			Residential	GS < 50 KW	GS > 50 Non TOU	Scattered Load	Street Lighting	
WMSC - Account 1580	\$ (3,999,762)	kWh	\$ (1,288,624)	\$ (424,453)	\$ (2,253,656)	\$ (9,702)	\$ (23,328)	\$ (3,999,762)
One-Time WMSC - Account 1582	\$ 290,500	kWh	\$ 93,592	\$ 30,828	\$ 163,681	\$ 705	\$ 1,694	\$ 290,500
Network - Account 1584	\$ (931,864)	kWh	\$ (300,223)	\$ (98,889)	\$ (525,056)	\$ (2,260)	\$ (5,435)	\$ (931,864)
Connection - Account 1586	\$ (232,984)	kWh	\$ (75,062)	\$ (24,724)	\$ (131,274)	\$ (565)	\$ (1,359)	\$ (232,984)
Power (excluding Global Adj)- Account 1588	\$ (3,585,971)	kWh	\$ (1,155,311)	\$ (380,541)	\$ (2,020,506)	\$ (8,698)	\$ (20,915)	\$ (3,585,971)
Power (Global Adjustment) - Account 1588	\$ 4,891,284	kWh non-RPP customers	\$ 268,131	\$ 164,373	\$ 4,404,693	\$ 145	\$ 53,943	\$ 4,891,284
<b>Subtotal - RSVA</b>	\$ (3,568,796)		\$ (2,457,497)	\$ (733,407)	\$ (362,118)	\$ (20,376)	\$ 4,601	\$ (3,568,796)
Other Regulatory Assets - Account 1508	\$ 214,465	Dx Revenue	\$ 129,660	\$ 29,564	\$ 53,181	\$ 1,084	\$ 976	\$ 214,465
Other Regulatory Assets - Account 1508	\$ 646,241	Dx Revenue	\$ 390,701	\$ 89,083	\$ 160,250	\$ 3,266	\$ 2,940	\$ 646,241
Retail Cost Variance Account - Acct 1518	\$ (50,608)	# of Customers	\$ (37,108)	\$ (3,182)	\$ (652)	\$ (381)	\$ (9,285)	\$ (50,608)
Retail Cost Variance Account (STR) Acct 1548	\$ (7,342)	# of Customers	\$ (5,383)	\$ (462)	\$ (95)	\$ (55)	\$ (1,347)	\$ (7,342)
Misc. Deferred Debits - Account 1525	\$ 13,174	# cust w/ rebate Cheq	\$ 11,979	\$ 1,139	\$ 55	\$ -	\$ 1	\$ 13,174
Low Voltage - Account 1550	\$ (199,941)	kWh	\$ (64,416)	\$ (21,218)	\$ (112,656)	\$ (485)	\$ (1,166)	\$ (199,941)
CDM	\$ 7,971	kWh	\$ 2,568	\$ 846	\$ 4,491	\$ 19	\$ 46	\$ 7,971
CDM Contra	\$ (7,971)	kWh	\$ (2,568)	\$ (846)	\$ (4,491)	\$ (19)	\$ (46)	\$ (7,971)
Recovery of Regulatory Asset Balances	\$ (613,465)	2006 EDR Allocation	\$ (211,206)	\$ (62,475)	\$ (336,662)	\$ (1,679)	\$ (1,443)	\$ (613,465)
<b>Subtotal - Non RSVA, Variable</b>	\$ 2,525		\$ 214,226	\$ 32,450	\$ (236,577)	\$ 1,750	\$ (9,324)	\$ 2,525
Smart Meters Revenue and Capital, 1555 (Fixed)	\$ -	# of Metered Customers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Smart Meter Expenses, 1556 (Fixed)	\$ -	# of Metered Customers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Subtotal - Non RSVA Fixed</b>	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total to be Recovered</b>	\$ (3,566,271)		\$ (2,243,270)	\$ (700,957)	\$ (598,695)	\$ (18,625)	\$ (4,724)	\$ (3,566,271)

Balance to be collected or refunded, Variable	\$ (3,566,271)	\$ (2,243,270)	\$ (700,957)	\$ (598,695)	\$ (18,625)	\$ (4,724)	\$ (3,566,271)
Balance to be collected or refunded, Fixed	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Number of years for Variable	4						
Number of years for Fixed	4						
Balance to be collected or refunded per year, Variable	\$ (891,568)	\$ (560,818)	\$ (175,239)	\$ (149,674)	\$ (4,656)	\$ (1,181)	\$ (891,568)
Balance to be collected or refunded per year, Fixed	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Class
Deferral and Variance Account Rate Riders, Variable
Billing Determinants
Deferral and Variance Account Rate Riders, Fixed (per month)
Billing Determinants

Residential	GS < 50 KW	GS > 50 Non TOU	Scattered Load	Street Lighting
\$ (0.0011)	\$ (0.0010)	\$ (0.0639)	\$ (0.0012)	\$ (0.0452)
kWh	kWh	kW	kWh	kW
\$ -	\$ -	\$ -	\$ -	\$ -
# metered cust.	# metered cust.	# metered cust.		
\$ (0.0012)	\$ (0.0011)	\$ (0.0386)	\$ (0.0013)	\$ 0.0440
\$ 0.0001	\$ 0.0000	\$ (0.0252)	\$ 0.0001	\$ (0.0892)
\$ -	\$ -	\$ -	\$ -	\$ -

Components of 2010 Riders:  
 Variable RSVA  
 Variable Non RSVA  
 Fixed, per month

1    **SMART METERS**

2    Burlington Hydro is proposing to continue using the current approved smart meter adder of  
3    \$1.00 per meter per month for 2010 rates. Once smart meters are fully deployed, Burlington  
4    Hydro will come forward with a smart meter rate rider application to dispose of the smart meter  
5    deferral and variance accounts and collect the cost of the smart meters as if they were in the rate  
6    base.

7    Details on the activity in accounts 1555 and 1556 are included in the continuity statement at  
8    Exhibit 9, Tab 1, Schedule 1, and at Exhibit 9, Tab 3, Schedule 1 attached.

1 **SMART METER ACTIVITIES**  
 2 **(Appendix 2-S of Filing Requirements)**

Year	Smart Meters Installed			Percentage of Applicable Customers Converted (%)	Account 1555		Account 1556
	Residential	GS<50 kW	Other		Funding Adder Revenues Collected	Capital Expenditures	Operating Expenses
2006	0	0	0	0%	117,479.77	-	-
2007	0	0	0	0%	201,021.75	586,161.97	8,542.51
2008	0	0	0	0%	(327,339.87)	635,830.35	147,878.01
2009	25,277	900	0	26%	(753,108.00)	11,775,000.00	-
2010	24,675	3,637	0	74%	(768,588.00)	5,775,000.00	-