



EB-2010-0145

IN THE MATTER OF the *Ontario Energy Board Act, 1998*,
S.O. 1998, c. 15, (Schedule B);

AND IN THE MATTER OF an application by Woodstock
Hydro Services Incorporated for an order approving just
and reasonable rates and other charges for electricity
distribution to be effective May 1, 2011.

BEFORE: Paula Conboy
Presiding Member

Marika Hare
Member

DECISION AND ORDER

BACKGROUND

Woodstock Hydro Services Incorporated ("Woodstock Hydro" or the "Applicant") filed an application with the Ontario Energy Board (the "Board"), received on November 1, 2010 under section 78 of the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15, (Schedule B) seeking approval for changes to the rates that Woodstock Hydro charges for electricity distribution, to be effective May 1, 2011.

Woodstock Hydro is one of about 80 electricity distributors in Ontario regulated by the Board. In 2006, the Board announced the establishment of a multi-year electricity distribution rate-setting plan. On March 5, 2009, the Board informed Woodstock Hydro that it would be one of the electricity distributors to have its rates rebased for the 2011 rate year. Accordingly, Woodstock Hydro filed a cost of service application based on 2011 as the forward test year. In an effort to assist distributors in preparing their applications, the Board issued the *Filing Requirements for Transmission and*

Distribution Applications on November 14, 2006. Chapter 2 of that document, as amended on June 28, 2010, outlines the filing requirements for cost of service rate applications by electricity distributors, based on a forward test year.

In Procedural Order No. 1 dated November 26, 2010, the Board approved intervention status and cost award eligibility for Energy Probe Research Foundation (“Energy Probe”), the School Energy Coalition (“SEC”), and Vulnerable Energy Consumers Coalition (“VECC”). The Board provided for written interrogatories and responses to these interrogatories from the Applicant. The Board also indicated that the next steps would be determined after its review of the responses to interrogatories.

Woodstock Hydro provided responses to written interrogatories on January 13, 2011. On February 3, 2011, Woodstock Hydro filed updated evidence with respect to its rate base and associated changes. On March 21, 2011, Woodstock Hydro, Board staff and the intervenors participated in a transcribed technical conference.

On March 24, 2011, a Settlement Conference was held with the assistance of a facilitator. As a result of the Settlement Conference, the parties filed a Proposed Settlement Agreement, dated April 8, 2011 which is included in this Decision as Appendix A. A complete settlement was reached on all issues in the proceeding.

BOARD FINDINGS

Settlement Agreement

The Board commends the parties on achieving settlement of all matters.

Having reviewed the Proposed Settlement Agreement, the Board accepts its cost and rate consequences as reasonable.

The Board wishes to remind the parties that, as settlements are the result of negotiations on many and complex issues, the particular results and terms of a given settled issue should not be viewed as a precedent.

The Board finds it helpful to set out its views with respect to three issues addressed in the Proposed Settlement Agreement: treatment of capital contributions, MDM/R costs and Smart Meters.

Treatment of Capital Contributions Made by Woodstock Hydro

In the Proposed Settlement Agreement, Woodstock Hydro and the Intervenors (the “Parties”) noted that Hydro One Networks Inc. (“Hydro One”) is currently constructing the Commerce Way Transformer Station (the “Commerce Way TS”), and that Woodstock Hydro will make a substantial capital contribution to the cost because the project has been necessitated in part by load growth in its service area. The in-service date of the TS, originally scheduled for December 31, 2011 was revised to be later than that. Although the capital contribution is no longer included in Woodstock Hydro’s rate base for the 2011 Test Year, the Parties considered the appropriate treatment of the capital contribution and were of the view that it would be reasonable and appropriate to treat a capital contribution in the same manner as a capital expenditure. More particularly, the Parties submitted that the Board should not distinguish between (a) a capital contribution paid by Woodstock Hydro to Hydro One for the construction of a transformer station to serve Woodstock Hydro; and (b) a capital expenditure made by Woodstock Hydro to construct its own transformer station. The Parties requested that “the Board confirm that the capital contribution made by Woodstock Hydro will be treated in the same manner as a capital expenditure in the event that Woodstock Hydro would submit an Incremental Capital Module (“ICM”) with a future rate application.”

The Board notes that both the need and prudence of the Commerce Way TS was assessed in Hydro One’s leave-to-construct proceeding (EB-2009-0079) and Hydro One’s 2011-2012 rates proceeding (EB-2010-0002) respectively. Furthermore, the Board notes that the amount of the required capital contribution would have exceeded the materiality threshold for Woodstock Hydro as set forth in the *Report of the Board on 3rd Generation Incentive Regulation for Ontario’s Electricity Distributors*, July 14, 2008.

Based on the above, the Board in this particular case does not see any impediment to treating the capital contribution made by Woodstock Hydro in the same manner as a capital expenditure in the event that Woodstock Hydro would submit an Incremental Capital Module (“ICM”) in a future Incentive Regulation Mechanism rate application

MDM/R Costs

The Proposed Settlement Agreement included a statement, under Issue 9.2 , that a deferral account would be established to record the costs for future recovery of Meter Data Management and Repository (“MDM/R”) and Smart Meter Entity implementation. The Board has given direction that costs incurred by distributors associated with the

connection to or integration with the MDM/R should be recorded in separate sub-accounts of Account 1555 and 1556, for capital expenditures and OM&A expenses respectively.¹ The Board further notes the Parties' acknowledgement in the Proposed Settlement Agreement that future recovery of costs of MDM/R implementation will be addressed in a generic process.

Smart Meter Funding Adder

With respect to issue 9.3 of the Proposed Settlement Agreement that deals with the Smart Meter Funding Adder ("SMFA"), the Board notes that the deployment of smart meters on a province-wide basis is now nearing completion. The Board expects distributors to file for a final prudence review at the earliest possible opportunity following the availability of audited costs. In the meantime, the Board approves Woodstock Hydro's SMFA of \$0.47 per metered customer per month.

The Board has not made any finding on the prudence of the proposed smart meter activities, including any costs for smart meters or advanced metering infrastructure whose functionality exceeds the minimum functionality adopted in O. Reg. 425/06, or costs associated with functions for which the Smart Metering Entity has the exclusive authority to carry out pursuant to O. Reg. 393/07. Such costs will be considered when Woodstock Hydro applies for the recovery of these costs on a final basis, if applicable.

IMPLEMENTATION OF RATES

Pursuant to the approval by the Board of the terms and costs consequences of the Settlement Agreement, the new rates are to be effective May 1, 2011.

The results of the Settlement Agreement are to be reflected in Woodstock Hydro's Draft Rate Order. The Board expects Woodstock Hydro to file detailed supporting material, including all relevant calculations showing the impact of the implementation of the Settlement Agreement on its proposed Revenue Requirement, the allocation of the approved Revenue Requirement to the classes and the determination of the final rates, including bill impacts. Supporting documentation shall include, but not be limited to, the filing of a completed version of the Revenue Requirement Work Form excel spreadsheet which can be found on the Board's website. Woodstock Hydro should also

¹, "Frequently Asked Questions" about the Accounting Procedures Handbook (updated December 23, 2010)

show detailed calculations of any revisions to the rate riders or rate adders reflecting the Settlement Agreement.

A Rate Order will be issued after the steps set out below are completed.

1. Woodstock Hydro shall file with the Board, and shall also forward to the intervenors, a Draft Rate Order attaching a proposed Tariff of Rates and Charges and other filings reflecting the Board's findings in this Decision and Order within 7 days of the date of this Decision and Order.
2. Intervenors and Board staff shall file any comments on the Draft Rate Order with the Board and forward to Woodstock Hydro within 7 days of the date that Woodstock Hydro files the Draft Rate Order.
3. Woodstock Hydro shall file with the Board and forward to intervenors, responses to any comments on its Draft Rate Order within 14 days of the date on which it filed the Draft Rate Order

COST AWARDS

The Board may grant cost awards to eligible stakeholders pursuant to its power under section 30 of the *Ontario Energy Board Act, 1998*. The Board will determine such cost awards in accordance with its *Practice Direction on Cost Awards*. When determining the amounts of the cost awards, the Board will apply the principles set out in section 5 of the Board's *Practice Direction on Cost Awards*. The maximal hourly rate set out in the Board's Cost Awards Tariff will also be applied.

A cost awards decision will be issued after the following steps have been completed:

1. Intervenors found eligible for cost awards shall file with the Board, and forward to Woodstock Hydro, their respective cost claims within 10 days from the date of the Board's Rate Order
2. Woodstock Hydro shall file with the Board and forward to intervenors any objections to the claimed costs within 17 days from the date of the Rate Order.
3. Intervenors shall file with the Board and forward to Woodstock Hydro any responses to any objections for cost claims within 24 days of the date of the Rate Order.

Woodstock Hydro shall pay the Board's costs incidental to this proceeding.

All filings to the Board must quote file number **EB-2010-0145**, be made through the Board's web portal at, www.errr.ontarioenergyboard.ca and consist of two paper copies and one electronic copy in searchable / unrestricted PDF format. Filings must clearly state the sender's name, postal address and telephone number, fax number and e-mail address. Parties must use the document naming conventions and document submission standards outlined in the RESS Document Guideline found at www.ontarioenergyboard.ca. If the web portal is not available parties may email their document to the address below. Those who do not have internet access are required to submit all filings on a CD in PDF format, along with two paper copies. Those who do not have computer access are required to file 7 paper copies.

DATED at Toronto, April 20, 2011

ONTARIO ENERGY BOARD

Original Signed By

Kirsten Walli
Board Secretary

APPENDIX "A"

To the Decision

EB-2010-0145

Woodstock Hydro Services Incorporated

PROPOSED SETTLEMENT AGREEMENT

IN THE MATTER OF the *Ontario Energy Board Act, 1998*, S.O. 1998, c.15 (Schedule B);

AND IN THE MATTER OF an Application by Woodstock Hydro Services Inc. to the Ontario Energy Board for an Order or Orders approving or fixing just and reasonable rates and other service charges for the distribution of electricity as of May 1, 2011.

SETTLEMENT AGREEMENT

Filed: April 8, 2011

INTRODUCTION:

Woodstock Hydro Services Inc. ("Woodstock Hydro") owns and operates the electricity distribution system within its licensed service area of approximately 29 square kilometres within the City of Woodstock. Woodstock Hydro serves approximately 15,000 electricity distribution customers.

Woodstock Hydro filed an application (the "Application") with the Ontario Energy Board (the "OEB") on November 1, 2010 under section 78 of the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15 (Schedule B), seeking approval for changes to the rates that Woodstock Hydro charges for electricity distribution, to be effective May 1, 2011. The Board assigned File Number EB-2010-0145 to the Application. Three parties requested and were granted Intervenor status: Energy Probe Research Foundation ("Energy Probe"); the School Energy Coalition ("SEC"); and the Vulnerable Energy Consumers' Coalition ("VECC").

The Board issued Procedural Order No. 1 on November 26, 2010, in which it approved the Intervenor status to this proceeding and the confidential status of certain information, and scheduled December 9, 2010 as the date for Board staff written interrogatories, December 16, 2010 as the date for Intervenor status' written interrogatories, and January 13, 2011 for Woodstock Hydro's responses. Woodstock Hydro filed its responses to the interrogatories on January 13, 2011 as directed.

In its Application Woodstock Hydro included a capital contribution toward the construction of the Commerce Way Transformer Station ("Commerce Way TS") by Hydro One Networks Inc. This contribution formed a significant component of Woodstock Hydro's proposed rate base. In response to Energy Probe interrogatory # 3, Woodstock Hydro indicated that the in-service date

of the transformer station has been changed to a date beyond the 2011 test year. On January 31, Woodstock Hydro requested withdrawal of the information that it had filed in confidence relating to the construction of the transformer station, being Appendix E and Appendix F filed in response to Board staff interrogatory # 5(a) and Appendix A filed in response to Energy Probe # 3. On February 3, 2011 Woodstock Hydro filed updated evidence on its rate base excluding the capital contribution, the TS wholesale metering capital project, and related changes to the Application.

The Board issued Procedural Order No. 2 on February 25, 2011, scheduling a Technical Conference for March 21, 2011 and a Settlement Conference for March 24, 2011 (continuing on March 25, 2011 if necessary); and April 8, 2011 for filing a Settlement Proposal. The Technical Conference was held as scheduled on March 21, 2011. The evidence in this proceeding (referred to here as the "Evidence") consists of the Application and Woodstock Hydro's responses to both the initial interrogatories and the questions provided to Woodstock Hydro prior to and during the Technical Conference and its responses to the Undertakings given during the Technical Conference. It also includes the Appendices to this Agreement.

The Settlement Conference was duly convened on March 24, 2011 in accordance with Procedural Order No. 2, with Mr. Chris Haussmann as facilitator. The Settlement Conference concluded on the same day. Woodstock Hydro and the following Intervenors (the "Intervenors" and collectively including Woodstock Hydro the "Parties") participated in the Settlement Conference:

Energy Probe

SEC

VECC

The role adopted by OEB staff in the Settlement Conference is set out in page 5 of the OEB *Settlement Conference Guidelines* ("the Guidelines"). Although OEB Staff are not a party to this Agreement, as noted in the Guidelines, OEB Staff who did participate in the Settlement Conference are bound by the same confidentiality standards that apply to the Parties to the proceeding.

These settlement proceedings are subject to the rules relating to confidentiality and privilege contained in the Guidelines. The parties understand this to mean that the documents and other

information provided, the discussion of each issue, the offers and counter-offers, and the negotiations leading to the settlement – or not – of each issue during the Settlement Conference are strictly confidential and without prejudice. None of the foregoing is admissible as evidence in this proceeding, or otherwise, with one exception: the need to resolve a subsequent dispute over the interpretation of any provision of this Settlement Agreement.

A COMPLETE SETTLEMENT HAS BEEN REACHED IN THIS PROCEEDING:

The Parties are pleased to advise the Board that a complete settlement has been reached on all issues in the proceeding. This document comprises the Settlement Agreement (the “Agreement”) to the Board, and it is presented jointly by Woodstock Hydro and Energy Probe, SEC and VECC. It identifies the settled matters, and contains such references to the Evidence as are necessary to assist the Board in understanding the Agreement. The Parties confirm that the Evidence filed to date in respect of each settled issue, as supplemented in some instances by additional information recorded in this Agreement, supports the settlement of the matters identified in this Agreement. In addition, the Parties agree that the Evidence, supplemented where necessary by the additional information appended to this Agreement, contains sufficient detail, rationale and quality of information to allow the Board to make findings in keeping with the settlement reached by the Parties.

The Parties explicitly request that the Board consider and accept this Settlement Agreement as a package. None of these matters in respect of which a settlement has been reached is severable, with one exception discussed at the end of this paragraph. Numerous compromises were made by the Parties with respect to various matters to arrive at this comprehensive Agreement. The distinct issues addressed in this proposal are intricately interrelated, and reductions or increases to the agreed-upon amounts may have financial consequences in other areas of this proposal which may be unacceptable to one or more of the Parties. Subject to the one exception below, if the Board does not accept the Agreement in its entirety, then there is no Agreement unless the Parties agree that those portions of the Agreement that the Board does accept may continue as a valid settlement. The one exception relates to the effective date of the rates that are the subject of this Application. The Parties agree that it is appropriate that Woodstock Hydro’s 2011 rates and other charges for electricity distribution be effective May 1, 2011, and that in the event that the Board’s final rate order is not in place so as to allow for May 1, 2011 implementation, then Woodstock Hydro should be permitted to establish a rate rider that

will enable it to recover its incremental distribution revenue for those months commencing May 1, 2011 in respect of which the new rates and charges are not in place. However, the Parties also acknowledge that the effective date of a rate order is within the Board's discretion, and the Parties agree that they will be bound by the rest of this Agreement even if the Board were to determine that Woodstock Hydro's 2011 rates and other charges for electricity distribution will be effective on a date later than May 1, 2011. The Parties request an opportunity to make written submissions on this issue in the event that the Board is considering rejecting the settlement proposal with respect to an effective date of May 1, 2011.

It is further acknowledged and agreed that none of the Parties will withdraw from this Agreement under any circumstances, except as provided under Rule 32.0.5 of the Board's *Rules of Practice and Procedure*.

It is also agreed that this Agreement is without prejudice to any of the Parties re-examining these issues in any subsequent proceeding and taking positions inconsistent with the resolution of these issues in this Agreement. However, none of the Parties will in any subsequent proceeding take the position that the resolution therein of any issue settled in this Agreement, if contrary to the terms of this Agreement, should be applicable for all or any part of the 2011 Test Year.

References to the Evidence supporting this Agreement on each issue are set out in each section of the Agreement. The Appendices to the Agreement provide further evidentiary support. The Parties agree that this Agreement and the Appendices form part of the record in EB-2010-0145. The Appendices were prepared by the Applicant. The Intervenors are relying on the accuracy and completeness of the Appendices in entering into this Agreement.

The Parties believe that the Agreement represents a balanced proposal that protects the interests of Woodstock Hydro's customers, employees and shareholder and promotes economic efficiency and cost effectiveness. It also provides the resources which will allow Woodstock Hydro to manage its assets so that the highest standards of performance levels are achieved and customers' expectations for the safe, reliable delivery of electricity, at reasonable prices, are met.

ORGANIZATION AND SUMMARY OF THE SETTLEMENT AGREEMENT:

There is no approved Issues List for this proceeding. However, for the purposes of organizing this Agreement, the Parties have followed the Board's Filing Guidelines that address all of the revenue requirement components, load forecast, deferral and variance account dispositions, cost allocation and rate design and other issues relevant to determining Woodstock Hydro's 2011 delivery rates.

The following Appendices accompany this Settlement Agreement

- Appendix A – Summary of the Significant Items Adjusted as a result of this Agreement
- Appendix B – Updated Fixed Asset Continuity Schedules including Depreciation
- Appendix C – Updated Cost of Power
- Appendix D – 2011 Test Year Updated Load Forecast
- Appendix E – 2011 Test Year Updated Other Revenue
- Appendix F – 2011 Test Year Updated OM&A
- Appendix G – 2011 Test Year Updated PILs
- Appendix H – 2011 Test Year Updated Cost of Capital
- Appendix I – 2011 Test Year Updated Revenue Deficiency
- Appendix J – 2011 Test Year Updated Revenue to Cost Ratios
- Appendix K – Summary of Updated Customer Impacts
- Appendix L – Updated LRAM Rates
- Appendix M – 2011 Updated RTSR
- Appendix N - 2011 EDDVAR rate riders
- Appendix O – Updated Revenue Requirement Workform.

UNSETTLED MATTERS

There are no unsettled matters in this proceeding.

OVERVIEW OF THE SETTLED MATTERS :

This Agreement will allow Woodstock Hydro to continue to make the necessary investments in maintenance and operation expenditures as well as capital investments to maintain the safety and reliability of the electricity distribution service that it provides. This Agreement will allow Woodstock Hydro to maintain current capital investment levels in infrastructure to ensure a reliable distribution system; to manage current and future staffing levels, skills and training to ensure regulatory compliance with Codes and Regulations; to promote conservation programs including the Ministry of Energy directives; and to continue to provide the high level of customer service Woodstock Hydro customers have come to expect.

The Parties agree that no rate classes face bill impacts in this proceeding that require mitigation efforts.

The revised Base Revenue Requirement for the 2011 Test Year is \$7,703,066. This revenue requirement reflects the updated cost of capital parameters issued by the Board on March 3, 2011. This represents a revenue deficiency of \$980,945, which is a reduction of \$775,672 or 44.2% from the deficiency of \$1,756,617 set out in the pre-filed evidence. Through the settlement process, Woodstock Hydro has agreed to certain adjustments from its original 2011 Cost of Service Application. These changes are described in the following sections.

1. ADMINISTRATION (Exhibit 1)

- 1.1 Has Woodstock Hydro responded to all relevant Board Directives from previous proceedings?

Status: Complete Settlement

Supporting Parties: Woodstock Hydro, Energy Probe, SEC, VECC

Evidence: Exhibit 1, Tab 1 Schedule 15

For the purpose of obtaining complete settlement of all issues, the Parties accept Woodstock Hydro's Evidence that there are no outstanding obligations or orders from previous Board decisions.

2. RATE BASE (Exhibit 2)

2.1 Are the amounts proposed for Rate Base appropriate?

Status: Complete Settlement

Supporting Parties: Woodstock Hydro, Energy Probe, SEC, VECC

Evidence: Exhibit 2, Tab 1
Interrogatory responses OEB Staff IR # 5
Interrogatory responses Energy Probe IR # 3, 6, 11, TCQ #1,
Interrogatory response SEC IR # 5
Interrogatory response VECC IR # 21

For the purpose of obtaining complete settlement of all issues, the Parties agree that Woodstock Hydro's Rate Base should be \$28,117,605 for the 2011 Test Year. The following adjustments result in an agreed-upon reduction in the total Rate Base in the amount of \$3,517,989 from \$31,635,594 as filed and as subsequently adjusted by the removal of the capital contribution in respect of the Commerce Way TS and the TS wholesale metering capital project, to \$28,117,605 for the purposes of this Settlement Agreement. This reflects the following material changes:

- The 2010 Bridge Year capital expenditures will be reduced by \$2,711,435 as set out in section 2.2 below;
- The 2011 Test Year capital expenditures will be reduced by \$1,925,462 as set out in section 2.3 below;
- The Working Capital Allowance has been increased by \$192,680 as set out in section 2.4 below; and
- An adjustment to the 2010 Bridge Year and 2011 Test Year depreciation expense which impacts accumulated depreciation as set out in section 4.2 below

The adjustments to Woodstock Hydro's Rate Base and Working Capital Allowance are set out in the following tables

Change in Rate Base			
Description	As per Applicaton	As per Settlement Agreement	Change
Gross Fixed Assets	\$ 46,912,979	\$ 42,276,118	\$ (4,636,861)
Accumulated Depreciation	\$ 19,146,375	\$ 19,134,991	\$ (11,385)
Net Book Value	\$ 27,766,604	\$ 23,141,127	\$ (4,625,477)
Average Net Book Value	\$ 26,422,100	\$ 22,711,431	\$ (3,710,669)
Working Capital	\$ 34,756,628	\$ 36,041,163	\$ 1,284,535
Working Capital Allowance	\$ 5,213,494	\$ 5,406,174	\$ 192,680
Rate Base	\$ 31,635,594	\$ 28,117,605	\$ (3,517,989)

Change in Working Capital			
Description	As per Applicaton	As per Settlement Agreement	Change
Cost of Power	\$ 30,587,421	\$ 32,004,163	\$ 1,416,742
Operations	\$ 785,560	\$ 785,560	\$ -
Maintenance	\$ 730,771	\$ 730,771	\$ -
Billing & Collecting	\$ 675,133	\$ 675,133	\$ -
Community Relations	\$ 42,382	\$ 42,382	\$ -
Administration & General Expense	\$ 1,808,415	\$ 1,808,415	\$ -
Taxes Other Than Income Taxes	\$ 126,946	\$ 126,946	\$ -
OM&A Adjustment Difference		\$ (132,207)	\$ (132,207)
Working Capital	\$ 34,756,628	\$ 36,041,163	\$ 1,284,535
Working Capital Allowance @ 15%	\$ 5,213,494	\$ 5,406,174	\$ 192,680

As discussed in the introduction to this Agreement, in its Application, Woodstock Hydro included a capital contribution toward the construction of the Commerce Way TS by Hydro One Networks Inc. This contribution formed a significant component of Woodstock Hydro's proposed rate base. In response to Energy Probe interrogatory # 3, Woodstock Hydro indicated that the in-service date of the transformer station has been changed to a date beyond the 2011 Test Year. On February 3, 2011 Woodstock Hydro filed updated evidence on its rate base excluding the capital contribution, the TS wholesale metering capital project, and related changes to the Application.

Although the capital contribution is no longer included in Woodstock Hydro's rate base for the 2011 Test Year, the Parties have considered the appropriate treatment of the capital contribution. For the purpose of obtaining complete settlement of all issues the Parties have agreed that it is reasonable and appropriate that the capital contribution be treated in the same manner as a capital expenditure. More particularly, the Parties submit that the Board should not distinguish between (a) a capital contribution paid by Woodstock Hydro to Hydro One for the construction of a transformer station to serve Woodstock Hydro; and (b) a capital expenditure made by Woodstock Hydro to construct its own transformer station. The Parties submit that under the Board's practices and procedures Woodstock Hydro is permitted to file an Incremental Capital Module application as part of a future IRM application in order that Woodstock Hydro is able to recover the appropriate amount of its incremental revenue requirement related to its capital contribution in respect of the Commerce Way TS and the cost of wholesale metering associated with the Commerce Way TS. The Parties respectfully request that the Board confirm that under the rules for the ICM a capital contribution is treated in the same manner as a capital expenditure, and that in all other respects the ICM operates the same for a capital expenditure by way of contribution as for a capital expenditure for utility-owned assets. In the event that the Board is unable to confirm such interpretation, the Parties request that the Board establish in this proceeding, an alternative solution to allow recovery of the expected capital contribution and related capital expenditures, and the Parties request an opportunity to provide submissions to the Board on such alternative solutions.

2.2 Are the amounts proposed for the 2010 Bridge Year Capital Expenditures appropriate?

Status: Complete Settlement

Supporting Parties: Woodstock Hydro, Energy Probe, SEC, VECC

Evidence: Exhibit 2, Tab 2, Schedule 3, page 39-48, Table 2-19
Interrogatory response OEB Staff IR # 6, TCQ # 1
Interrogatory response Energy Probe IR # 7
Interrogatory response VECC TCQ # 13

For the purposes of obtaining complete settlement of all issues, the parties agree that the calculation of the 2010 Bridge Year capital additions in the amount of \$2,370,602, as set out in Interrogatory response to Energy Probe IR #7 and excluding \$200,000 for construction work in progress, is correct and that the amount proposed is appropriate. The revised 2010 Bridge Year capital additions in the amount of \$2,370,602 is \$2,711,435 lower than the original amount of \$5,082,037 and reflects the following adjustments:

- removal of the 2010 TS Capital Contribution for \$2,500,000; and
- adjustments to 2010 capital additions of \$211,435 based on the 2010 preliminary amounts as provided in Energy Probe IR#7.

A reconciliation between the original and the agreed-upon 2010 Bridge Year additions is included in Appendix B.

2.3 Are the amounts proposed for the 2011 Test Year capital additions appropriate?

Status: Complete Settlement

Supporting Parties: Woodstock Hydro, Energy Probe, SEC, VECC

Evidence: Exhibit 2, Tab 2, Schedule 3, page 49-57, Table 2-20
Interrogatory responses OEB Staff IR # 5, 6, TCQ # 1
Interrogatory responses Energy Probe IR # 8, 11, TCQ # 1
Interrogatory response SEC IR# 5
Interrogatory responses VECC IR # 21, 22, 23 TCQ # 14

For the purposes of obtaining complete settlement of all issues, the parties agree to a reduction in the 2011 Test Year capital additions in the amount of \$1,925,426 reflecting the following adjustments:

- The removal of \$1,600,000 for 2011 capital contributions for the Commerce Way TS;
and
- The removal of \$325,426 for the Commerce Way TS wholesale meter project

A reconciliation between the original and the agreed-upon 2011 Test Year additions is included in Appendix B.

2.4 Has the Working Capital Allowance been determined appropriately?

Status: Complete Settlement

Supporting Parties: Woodstock Hydro, Energy Probe, SEC, VECC

Evidence: Exhibit 2, Tab 4, Schedule 1

Interrogatory response OEB Staff IR # 10

Interrogatory response Energy Probe IR # 12

For the purposes of obtaining complete settlement of all issues, the parties agree that the amount proposed for Woodstock Hydro's Working Capital Allowance and rate base as shown in section 2.1 shall be increased by \$192,680 reflecting the following adjustments:

- i) Woodstock Hydro will update its Cost of Power calculation as follows:
 - The total kWh purchases will be based on the total kWh determined in the revised load forecast as set out in section 3.1 adjusted for the agreed-upon loss factors.
 - The commodity rates to be used are based upon the rates issued in the October 18, 2010 Regulated Price Plan Report. The non-RPP cost of power is \$67.36 per MWh and the RPP cost of power is \$64.66 per MWh. The detail calculation associated with prices is outlined in Appendix C; and
- ii) Woodstock Hydro will make adjustments related to OM&A changes as set out in section 4.1 below.

3. OPERATING REVENUE (Exhibit 3)

3.1 Is the load forecast appropriate?

Status: Complete Settlement

Supporting Parties: Woodstock Hydro, Energy Probe, SEC, VECC

Evidence: Exhibit 3, Tab 2, Schedule 1

Interrogatory responses Board Staff IR # 11, 12, 13, 14, TCQ # 2, 3

Interrogatory responses Energy Probe IR # 13, 14, TCQ # 6

Interrogatory responses VECC IR # 2, 3, 4, 5, 6, 7, 8, TCQ # 2, 4, 30, 31, 32, 33

For the purposes of obtaining complete settlement of all issues, the parties agree that Woodstock Hydro's proposed 2011 Test Year load forecast is to be increased by a total of 18,802,617 kWh to 388,000,000 kWhs (see Appendix D), up from 369,917,383 kWhs in the pre-filed Evidence (Exhibit 3, Tab 2, Schedule 1, page 17, Table 3-18). The 388,000,000 kWhs assumes kWh consumption has been reduced by one tenth (1/10th) of Woodstock Hydro's OEB/OPA directed CDM target of 18.88 million kWhs.

The agreed-upon load forecast is used in the updated cost of power calculation (see Appendix C) of this Agreement, in the billing determinants in rate design and in the updated bill impact tables (see Appendix K).

The Parties have agreed that any revenue variance, above or below the CDM Target adjustment of 1,888,000 kWhs (i.e. 1/10th of 18.88 million kWhs), shall be recovered or reimbursed, as the case may be, through an LRAM application following the Board's standard rules for LRAM.

3.2 Is the proposed amount for 2011 Test Year Other Revenue appropriate?

Status: Complete Settlement

Supporting Parties: Woodstock Hydro, Energy Probe, SEC, VECC

Evidence: Exhibit 3, Tab 3, Schedule 2
Interrogatory responses Energy Probe IR # 9, 15, 16, 17, TCQ #5
Interrogatory responses SEC IR # 7,
Interrogatory responses VECC IR # 9, 11

For the purposes of obtaining complete settlement of all issues, the parties agree that the forecast for Other Revenues in the Test Year of \$495,279 is appropriate. This represents an increase of \$12,000 (see Appendix E) reflecting the following adjustment:

- A total of \$50,000 will be recovered over a four year period on account of revenue from the disposal of assets. In the Application, Woodstock Hydro had included \$500 in revenue on account of gains on the disposal of utility assets in the 2011 Test Year. Therefore the gain on disposal of utility assets in the 2011 Test Year should be increased by \$12,000, to a 2011 total of \$12,500. This increase brings the 2011 recovery to one-quarter of the agreed upon total amount of \$50,000.

3.3 Are the proposed Specific Service Charges for 2010 appropriate?

Status: Complete Settlement

Supporting Parties: Woodstock Hydro, Energy Probe, SEC, VECC

Evidence: Exhibit 8, Tab 3, Schedule 3, Page 13-17

Exhibit 8, Tab 7 Schedule 1

For the purposes of obtaining complete settlement of all issues, the Parties accept the Specific Service Charges proposed by Woodstock Hydro.

4. OPERATING COSTS (Exhibit 4)

4.1 Are the overall levels of the 2011 Test Year Operation, Maintenance and Administration costs appropriate?

Status: Complete Settlement

Supporting Parties: Woodstock Hydro, Energy Probe, SEC, VECC

Evidence: Exhibit 4, Tab 1 Schedule 3

Interrogatory responses Board Staff IRs # 15,16,17,18,

Interrogatory responses Energy Probe IR # 2, 10, 18, 19, 20, 21,22,
23, 24, 25 , TCQ # 8, 9

Interrogatory responses SEC IR # 8, 9, 10, 12

Interrogatory responses VECC IR #10, 20, 24, 25, TCQ # 15, 16

For the purposes of obtaining complete settlement of all issues, the Parties agree to a reduction of the OM&A expenditures in the amount of \$132,207 from a forecast of \$4,169,207 proposed in the Application to a forecast of \$4,037,000 for the 2011 Test Year (see Appendix F). This will allow Woodstock Hydro to maintain its position as a low cost utility while ensuring that its customers will continue to receive safe and reliable distribution service.

The LEAP Emergency Financial Assistance, referred to in the OEB's letter dated October 20, 2010, is included in the OM&A envelope of \$4,037,000.

4.2 Is Woodstock Hydro's depreciation expense appropriate?

Status: Complete Settlement

Supporting Parties: Woodstock Hydro, Energy Probe, SEC, VECC

Evidence: Exhibit 2 Tab 1, Tab 2, Exhibit 4 Tab 3

Interrogatory responses Energy Probe IR # 4, 5, TCQ # 1, 2, 3, 4

Interrogatory response SEC IR # 6

Settlement Agreement 2.2, 2.3

For the purposes of obtaining complete settlement of all issues, the Parties agree that Woodstock Hydro's 2011 Test Year depreciation expense as filed is appropriate, subject to the following change:

- A decrease of \$94,974 to reflect the agreed-upon changes in the 2010 Bridge Year and the 2011 Test Year capital expenditures in sections 2.2 and 2.3 of this Settlement Agreement. The 2011 Depreciation Expense is reduced from \$2,031,382 to \$1,936,408 and the details are outlined in Appendix B.

4.3 Is the amount proposed for the 2011 Test Year Payment in Lieu of Taxes, including CCA calculations, appropriate?

Status: Complete Settlement

Supporting Parties: Woodstock Hydro, Energy Probe, SEC, VECC

Evidence: Exhibit 4, Tab 3

Interrogatory responses Energy Probe IR # 25, TCQ # 9

For the purposes of obtaining complete settlement of all issues, the Parties agree that the amount proposed by Woodstock Hydro for the 2011 Test Year Payment in Lieu of Taxes ("PILs"), including CCA calculations, is appropriate, subject to a reduction in grossed-up 2011 PILs in the amount of \$4,025, reflecting the following adjustment:

- Woodstock Hydro will increase the Apprenticeship Tax Credit amount from \$5,000 per eligible Apprentice to \$12,000 (the sum of available Ontario and federal credits) per eligible Apprentice, and reduce the number of eligible Apprentices from 3 to 2 in order to reflect the equivalent of two Apprentices through the test year and IRM period. The result is an increase of \$9,000 to the Apprenticeship Tax Credit from the original amount of \$15,000 (3 * \$5,000), to \$24,000 (2 * \$12,000).
- The Parties also agree to the change in PILs (see Appendix G) reflecting the updated cost of capital for 2011 cost of service applications issued by the Board on March 3, 2011.

5. COST OF CAPITAL (Exhibit 5)

5.1 Are the proposed Capital Structure and Rate of Return on Equity appropriate?

Status: Complete Settlement

Supporting Parties: Woodstock Hydro, Energy Probe, SEC, VECC

Evidence: Exhibit 5

For the purposes of obtaining complete settlement of all issues, the Parties agree that Woodstock Hydro's proposed debt to equity ratio for rate making purposes of 60% (comprised of 56% long term debt and 4% short term debt) to 40% is appropriate.

For the purposes of its Application, Woodstock Hydro used the cost of capital parameters applicable to cost of service applications for the 2010 Test Year. This included a Return on Equity of 9.85%. The Parties agree that Woodstock Hydro's cost of capital parameters will be adjusted to reflect the Board's updated cost of capital parameters for cost of service applications for distribution rates effective May 1, 2011. The updated parameters, issued on March 3, 2011, include a Return on Equity of 9.58%.

5.2 Is the proposed Return on Debt appropriate?

Status: Complete Settlement

Supporting Parties: Woodstock Hydro, Energy Probe, SEC, VECC

Evidence: Exhibit 5
Interrogatory response OEB Staff IR # 19
Interrogatory response SEC IR # 3
Interrogatory response Energy Probe TCQ #10

For the purposes of obtaining complete settlement of all issues, the Parties agree that Woodstock Hydro's proposed return on debt as set out in Schedule H is appropriate.

For the purposes of its Application, Woodstock Hydro used the cost of capital parameters applicable to cost of service applications for the 2010 Test Year. This included a Short Term Debt Rate of 2.07% and Weighted Long Term Debt rate of 5.13% as determined by Woodstock Hydro's third party long term debt rates. Accordingly, the Board's deemed Long Term Debt Rate of 5.87% was not relevant to this Application because Woodstock Hydro has no affiliate debt. Woodstock Hydro's cost of capital parameters have been adjusted to reflect the Board's updated cost of capital parameters for cost of service applications for distribution rates effective May 1, 2011. The updated parameters, issued on March 3, 2011, include a Short Term Debt Rate of 2.46% and a Long Term Debt Rate of 5.32%. As noted above, however, the Board's deemed Long Term Debt Rate of 5.32% is not relevant to this Application because Woodstock Hydro has no affiliate debt. Woodstock Hydro's Average Long Term Debt Rate has been updated to 5.02%, to reflect the removal of Long Term Debt associated with the Commerce Way TS Capital Contribution.

6. CALCULATION OF REVENUE DEFICIENCY OR SURPLUS (Exhibit 6)

6.1 Is the Revenue Deficiency for the 2011 Test Year appropriate?

Status: Complete Settlement

Supporting Parties: Woodstock Hydro, Energy Probe, SEC, VECC

Evidence: Exhibit 6

Interrogatory response Energy Probe TCQ #12

Undertakings: JT1.4

For purposes of obtaining complete settlement of all issues, the parties accept and rely on the calculation by Woodstock Hydro of the Test Year revenue deficiency of \$980,945 as detailed in Appendix I.

7. COST ALLOCATION (Exhibit 7)

7.1 Is Woodstock Hydro's cost allocation appropriate?

Status: Complete Settlement

Supporting Parties: Woodstock Hydro, Energy Probe, SEC, VECC.

However, Energy Probe takes no position with regards to the USL class.

Evidence: Exhibit 7

Interrogatory responses OEB Staff IR # 20, 21, 22

Interrogatory response Energy Probe IR# 14

Interrogatory response SEC IR# 13

Interrogatory responses VECC # 8, 12, TCQ # 3

For purposes of obtaining complete settlement of all issues, the Parties accept Woodstock Hydro's proposed approach to cost allocation, subject to the following:

- In the Application, Woodstock Hydro had proposed to shift the revenue-to-cost ratios for the Residential Class and the GS < 50 kW Class from 105.2% and 92.7%, to 102.6% and 96.3% respectively. The Parties have agreed that the revenue-to-cost ratios for these classes will remain at their current levels. As a result of the revised load forecast, the cost allocation model was updated and the current levels for the Residential and GS<50 Classes are now 105.31% and 92.73%, respectively.
- As proposed in the Application, the Parties have agreed that the GS> 1,000 kW Class and the Street Lighting Class move to 50% of the difference between their current ratios and the Board-approved ranges for those classes for the 2011 Test Year. As a result of the revised load forecast, the cost allocation model was updated and the current revenue-to-cost ratios for the GS > 1,000 kW Class and Street Lighting Class are 56.54% and 24.37%, respectively.
- The Parties have agreed that for the 2011 test year the additional revenue derived from the shift in GS>1000 kW and Street Lighting Classes will be distributed to the GS 50-999 kW and USL Classes by reducing the revenue to cost ratios for these classes to the same level to achieve revenue neutrality. The revenue to cost ratios for these classes are the highest among Woodstock Hydro's customer classes.

- Woodstock Hydro has also confirmed, and the Parties have agreed, that the revenue to cost ratios for the GS > 1,000 kW Class and Street Lighting Class will be moved one-half of the remainder of the way to the applicable Board-approved ranges in 2012, and the remainder of the way to the applicable Board-approved ranges in 2013. The Parties have agreed that in order to maintain revenue neutrality the additional revenue will be distributed to the GS 50-999 kW and USL Classes to the point at which the revenue to cost ratio for the GS 50-999 kW and USL Classes is equal to the revenue to cost ratio for the Residential Class. Once this occurs any remaining revenue will be distributed to the Residential, GS 50-999 kW and USL Classes in order to reduce the revenue to cost ratio for the three classes to the same level.

7.2 Are the proposed revenue-to-cost ratios appropriate?

Status: Complete Settlement

Supporting Parties: Woodstock Hydro, Energy Probe, SEC, VECC

Evidence: Exhibit 7,

For the purposes of obtaining complete settlement of all issues, the Parties agree to Woodstock Hydro's Proposed Revenue to Cost Ratios with the adjustments set out in section 7.1 above (see Appendix J).

8. RATE DESIGN (Exhibit 8)

8.1 Are the proposed customer classes appropriate?

Status: Complete Settlement

Supporting Parties: Woodstock Hydro, Energy Probe, SEC, VECC

Evidence: Exhibit 8, Tab 1

Interrogatory responses OEB Staff IR # 23, 26

For the purposes of obtaining complete settlement of all issues, the Parties agree that it is appropriate for the Board to establish a new General Service 50kW to 999 kW Class and a new General Service > 1,000 kW Class, and to eliminate the General Service 50 kW-4,999kW Class, Large Use Class, the Embedded Rate Class and Low Voltage Wheeling Charge, and that no other changes are necessary with respect to Woodstock Hydro's existing customer classes.

8.2 Are the customer charges and the fixed-variable splits for each class appropriate?

Status: Complete Settlement

Supporting Parties: Woodstock Hydro, Energy Probe, SEC, VECC

Evidence: Exhibit 8, Tab 2, Schedule 1
Interrogatory response SEC IR # 13
Interrogatory responses VECC IR # 14, TCQ # 6

For the purposes of obtaining complete settlement of all issues, the Parties have agreed to accept the customer charges and the fixed-variable splits resulting from this Agreement (see Appendix J). The Parties note the following with respect to the proposed GS 50-999 kW and GS > 1,000 kW Classes:

- In the Application, Woodstock Hydro had proposed to set the monthly customer charges for these classes at \$360.69 and \$2,335.85, respectively. The Parties have agreed that those charges will be reduced to \$149.36 and \$441.03, respectively. These values represent Minimum System with PLCC Adjustment (i.e. the Ceiling Fixed Charge) from the revised Cost Allocation Model.

8.3 Are the customer bill impacts appropriate?

Status: Complete Settlement

Supporting Parties: Woodstock Hydro, Energy Probe, SEC, VECC

Evidence: Exhibit 1, Tab 2, Schedule 1, and Appendix E
Exhibit 8, Tab 10, Schedule 1, and Appendix B
Interrogatory response OEB Staff IR # 23
Interrogatory response VECC # 16

For the purposes of obtaining complete settlement of all issues, the Parties agree that the bill impacts provided in Appendix K of the Agreement are appropriate.

8.4 Are the proposed Retail Transmission Service Rates appropriate?

Status: Complete Settlement

Supporting Parties: Woodstock Hydro, Energy Probe, SEC, VECC

Evidence: Exhibit 8, Tab 4, Schedule 1

Interrogatory response VECC IR # 15

For the purposes of obtaining complete settlement of all issues, the Parties agree that Woodstock Hydro's proposed Retail Transmission Service Rates will be calculated as follows:

- The 2011 wholesale transmission network costs will be allocated to rate classes based on the proportion of retail transmission network service revenue at existing rates by rate class which is determined by applying the current 2010 retail transmission network rates to the forecasted 2011 retail transmission network billing determinants.
- The resulting allocated wholesale transmission network costs will be divided by the 2011 retail transmission network billing determinants to determine 2011 retail transmission network rates.
- The 2011 wholesale transmission connection costs will be allocated to rate classes based on the proportion of retail transmission connection service revenue at existing rates by rate class which is determined by applying the current 2010 retail transmission connection rates to the forecasted 2011 retail transmission connection billing determinants.
- The resulting allocated wholesale transmission connection costs will be divided by the 2011 retail transmission connection billing determinants to determine 2011 retail transmission connection rates.

The resulting changes in Woodstock Hydro's Retail Transmission Service Rates from those proposed in the Application are as shown in Appendix M.

8.5 Are the proposed Loss Factors appropriate?

Status: Complete Settlement

Supporting Parties: Woodstock Hydro, Energy Probe, SEC, VECC

Evidence: Exhibit 8, Tab 5, Schedule 1

For the purposes of obtaining complete settlement of all issues, the Parties accept Woodstock Hydro's proposed loss factors.

8.6 Are the proposed LRAM /SSM recovery amounts and rate riders appropriate?

Status: Complete Settlement

Supporting Parties: Woodstock Hydro, Energy Probe, SEC, VECC

Evidence: Exhibit 8, Tab 6, Schedule 1

Interrogatory responses VECC IR # 30, 31, 32, 33, TCQ # 7, 8, 9, 10, 11, 12

For the purposes of its Application, Woodstock Hydro included the preliminary OPA results to calculate the original LRAM/SSM amount of \$564,854. The final 2009 OPA audited results were provided in response to VECC TCQ #12. For the purposes of obtaining complete settlement of all issues, the Parties agree that the final 2009 OPA audited results will be accepted and the LRAM/SSM amount of \$603,853 will be recoverable over a three year period.

The resulting changes to Woodstock Hydro's LRAM /SSM recovery amounts based on the final OPA audited results, and the changes to the rate riders by class, are included in Appendix L

9. DEFERRAL AND VARIANCE ACCOUNTS (Exhibit 9)

9.1 Are the balances in the Deferral and Variance Accounts appropriate?

Status: Complete Settlement

Supporting Parties: Woodstock Hydro, Energy Probe, SEC, VECC

Evidence: Exhibit 9, Tab 2, Schedule 1 and Schedule 2, and Appendix C
Interrogatory response VECC IR # 17

For the purposes of obtaining complete settlement of all issues, the Parties accept the balances in Woodstock Hydro's Deferral and Variance Accounts.

9.2 Are the methods of disposition of the Deferral and Variance Accounts appropriate?

Status: Complete Settlement
Supporting Parties: Woodstock Hydro, Energy Probe, SEC, VECC
Evidence: Exhibit 9, Tab 3, Tab 4, Tab 5, and Appendix B

For the purposes of obtaining complete settlement of all issues, the Parties agree that the methods of disposition of the Deferral and Variance Accounts are appropriate.

The Parties have also agreed that Woodstock Hydro will withdraw the following requests, set out at Exhibit 9, Tab 2, Schedule 3 of the Application:

- That the Board approve Woodstock Hydro's request for recovery of a one-time expense in the amount of \$57,743.72, representing Woodstock Hydro's contribution toward the settlement of long-standing litigation against all former municipal electric utilities ("MEUs") in the Province in relation to late payment penalty ("LPP") charges collected pursuant to, first, Ontario Hydro rate schedules and, after industry restructuring, Ontario Energy Board rate orders (the "LPP Class Action").

The Parties acknowledge that Woodstock Hydro's recovery of this amount has been addressed through the Board's Decision and Order EB-2010-0295 dated February 22, 2011. Accordingly, on February 28, 2011, WHSI filed detailed calculations and supporting documentation outlining the derivation of the rate riders to recover the one-time expense of \$57,743.72, based on the methodology outlined in that Decision.

- That a deferral account be established to record costs for future recovery for MDM/R and Smart Metering Entity implementation.

The Parties acknowledge that future recovery of costs for MDM/R and Smart Metering Entity implementation will be addressed through a generic process outside of the cost of service rate-making process.

For the purposes of obtaining complete settlement of all issues, the Parties accept that all other Deferral and Variance Accounts will be recovered from or rebated to customers as proposed by Woodstock Hydro in the Application. That proposal includes the following measures with respect to Deferral and Variance Accounts

- To amend the 2010 Approved Rate Rider for Deferral/Variance Account Disposition (2010) to exclude the 1588 Power – Global Adjustment sub-account balance;
- To add a separate Non-RPP Customer Rate Rider for the recovery of 1588 Global Adjustment sub-account balances to December 31, 2008 that were originally included in the 2010 Approved Rate Rider for Deferral/Variance Account Disposition;
- To maintain the original 4-year disposition period as approved in the EB-2009-0211 for both rate riders and the sunset date of April 30, 2014, as set out in Exhibit 9. Tab 1, Schedule 2;
- To dispose of the Deferral and Variance Account Balance for Account 1588 Power – Sub account Global Adjustment as at April 30, 2011 as a separate rate rider, over a one-year period using the methods of recovery described in Exhibit 9, Tab 3;
- To dispose of the following Deferral and Variance Account Balances as at April 30, 2011 over a one-year period using the methods of recovery described in Exhibit 9, Tab 3:

1508	Other Regulatory Assets - Sub-account OEB Cost Assessments
1508	Other Regulatory Assets – Sub-account Pension Contributions
1580	Wholesale Market Service Charges Variance
1584	Transmission Network Variance
1586	Transmission Connection Variance
1590	Power (Excluding Global Adjustment)
1590	Regulatory Asset Recovery
- To continue the Deferral Account 1508, IFRS Transition Costs.

9.3 Are the Smart Meter charges, disposition rate rider and rate adder appropriate?

Status: Complete Settlement

Supporting Parties: Woodstock Hydro, Energy Probe, SEC, VECC

Evidence: Exhibit 9, Tab 4 Schedule 3, Schedule 4, and Appendix F
Interrogatory response OEB Staff IR # 7
Interrogatory responses VECC IR # 26, 27, 28, 29

For the purposes of obtaining complete settlement of all issues, the Parties agree that Woodstock Hydro will dispose of its Smart Meter variance account balances based on the 2009 audited balances. The revenue requirement is calculated to the end of the 2010 Bridge Year resulting in an under recovery of \$217,894. The under recovery will be recovered by way of a rate rider over one year in the amount of \$1.20 per month and applied to all metered customers.

Woodstock Hydro will continue to use the Smart Meter variance accounts for capital expenditures incurred in the 2010 Bridge Year and the 2011 Test Year and related OM&A costs for disposition at a later date. The Parties agree that a Smart Meter Adder of \$0.47 per month per metered customer is required to recover incremental net costs of \$85,996 and that this Smart Meter Adder is appropriate for inclusion in Woodstock Hydro's 2011 Schedule of Rates and Charges.

APPENDIX A

Summary of the Significant Items Adjusted as a result of this Agreement

	Original as per Application	Settlement Submission	Difference
Rate Base			
Average Fixed Assets	\$26,422,100	\$22,711,431	(\$3,710,669)
Working Capital Allowance	\$5,213,494	\$5,406,174	\$192,680
Rate Base	\$31,635,594	\$28,117,605	(\$3,517,989)
Capital Additions			
2010 Bridge Year	\$5,082,037	\$2,370,602	(\$2,711,435)
2011 Test Year	\$6,287,831	\$4,362,369	(\$1,925,462)
Other Revenue	\$483,279	\$495,279	\$12,000
LRAM/SSM Amount	\$564,854	\$603,853	\$38,999
Loss Factor	1.0431	1.0431	0
Load Forecast (kWh's)	\$369,917,383	\$388,000,000	\$18,082,617
RPP Cost of Power Rate	\$0.06938	\$0.06736	(\$0.00202)
Non-RPP Cost of Power Rate	\$0.06438	\$0.06466	\$0.00028
Cost of Power	\$30,587,421	\$32,004,163	\$1,416,742
Cost of Capital			
Long Term Debt Rate	5.13%	5.02%	(0.11%)
Short Term Debt Rate	2.07%	2.46%	0.39%
Return on Equity	9.85%	9.58%	(0.27%)
Weighted Debt Rate	4.93%	4.85%	(0.08%)
Regulated Rate of Return	6.90%	6.74%	(0.16%)
Deemed Long -Term Debt Component %	56%	56%	0%
Deemed Short-Term Debt Component %	4%	4%	0%
Deemed Equity Component %	40%	40%	0%
Return on Long Term Debt	\$908,703	\$790,003	(\$118,700)
Return on Short Term Debt	\$26,194	\$27,668	\$1,473
Return on Equity	\$1,246,442	\$1,077,467	(\$168,976)
Total Return on Capital	\$2,181,339	\$1,895,137	(\$286,202)
Deemed Interest	\$934,897	\$817,670	(\$117,226)
OM&A Expenses	\$4,169,207	\$4,037,000	(\$132,207)
Depreciation Expense			
2010 Bridge Year	\$1,958,372	\$1,949,412	(\$8,960)
2011 Test Year	\$2,031,382	\$1,936,408	(\$94,974)
PILS	\$333,825	\$329,800	(\$4,025)
Service Revenue Requirement	\$8,715,753	\$8,198,345	(\$517,408)
Revenue Offset	\$483,279	\$495,279	\$12,000
Base Revenue Requirement	\$8,232,474	\$7,703,066	(\$529,408)
Revenue Deficiency	\$1,756,617	\$980,945	(\$775,672)

APPENDIX B – Updated Fixed Asset Continuity Schedules Including Depreciation

2010

2011

Fixed Asset Continuity Schedule (Distribution & Operations)
 As at December 31, 2010

		Gross Costs				Accumulated Depreciation					
CCA Class	OEB	Description	Opening Balance	Additions	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	Net Book Value
N/A	1805	Land	21,836			21,836	0			0	21,836
CEC	1806	Land Rights	0			0	0			0	0
47	1808	Buildings and Fixtures	190,774			190,774	67,337	7,581		74,919	115,855
13	1810	Leasehold Improvements	0			0	0			0	0
47	1815	Transformer Station Equipment - Normally Primary above 50 kV	0			0	0			0	0
47	1820	Distribution Station Equipment - Normally Primary below 50 kV	622,658	0		622,658	291,941	32,466		324,408	298,251
47	1825	Storage Battery Equipment	0			0	0			0	0
47	1830	Poles, Towers and Fixtures	7,703,317	785,836		8,489,153	2,865,963	406,188		3,272,151	5,217,002
47	1835	Overhead Conductors and Devices	3,527,922	243,558		3,771,480	1,387,094	178,068		1,565,162	2,206,318
47	1840	Underground Conduit	3,569,058	788,113		4,357,171	1,170,238	180,907		1,351,145	3,006,027
47	1845	Underground Conductors and Devices	4,662,011	632,833		5,294,844	1,863,562	224,644		2,088,206	3,206,638
47	1850	Line Transformers	6,776,071	530,077		7,306,148	1,737,080	320,368		2,057,448	5,248,700
47	1855	Services	2,293,421	229,075		2,522,496	383,974	100,956		484,930	2,037,566
47	1860	Meters	4,280,382	1,465,902		5,746,284	2,449,859	347,505		2,797,364	2,948,920
N/A	1865	Other Installations on Customer's Premises	0			0	0			0	0
N/A	1905	Land	17,530			17,530	0			0	17,530
CEC	1906	Land Rights	0			0	0			0	0
1	1908	Buildings and Fixtures	904,723	110,836		1,015,559	182,904	40,524		223,427	792,132
13	1910	Leasehold Improvements	0			0	0			0	0
8	1915	Office Furniture and Equipment	206,391	34,438		240,829	137,434	16,514		153,947	86,882
52	1920	Computer Equipment - Hardware	1,009,475	150,745		1,160,220	790,325	112,400		902,725	257,495
12	1925	Computer Software	1,219,036	123,882		1,342,918	958,835	130,301		1,089,136	253,782
10	1930	Transportation Equipment	1,355,849	6,248		1,362,097	1,034,739	89,975		1,124,714	237,383
8	1935	Stores Equipment	51,839	8,808		60,647	31,988	3,772		35,760	24,886
8	1940	Tools, Shop and Garage Equipment	245,236	20,353		265,589	175,458	17,446		192,904	72,685
8	1945	Measurement and Testing Equipment	111,963	8,137		120,100	78,159	5,667		83,825	36,275
8	1950	Power Operated Equipment	0	0		0	0	0		0	0
8	1955	Communication Equipment	27,869	22,619		50,488	9,813	5,026		14,839	35,649
8	1960	Miscellaneous Equipment	485	1,404		1,889	485	140		625	1,264
47	1970	Load Management Controls - Customer Premises	0	0		0	0	0		0	0
47	1975	Load Management Controls - Utility Premises	0	0		0	0	0		0	0
47	1980	System Supervisory Equipment	336,973	0		336,973	86,172	22,396		108,568	228,405
47	1985	Sentinel Lighting Rentals	0			0	0	0		0	0
47	1990	Other Tangible Property	0			0	0	0		0	0
47	1995	Contributions and Grants	(3,412,745)	(1,349,531)		(4,762,276)	(492,846)	(199,685)		(692,531)	(4,069,745)
47	1996	Hydro One Substation Contribution*	0	0		0	0	0		0	0
17	2005	NUP Owned - Generation Facility Assets	0	0		0	0	0		0	0
		Total before Work in Process	35,722,073	3,813,333	0	39,535,406	15,210,513	2,043,159	0	17,253,672	22,281,734
94	2055	Work in Process*	87,708	200,000	87,708	200,000	0	0		0	200,000
		Total after Work in Process	35,809,781	4,013,333	87,708	39,735,406	15,210,513	2,043,159	0	17,253,672	22,481,734

1930	Transportation
1935	Stores Equipment

Less: Fully Allocated Depreciation	
Transportation	89,975
Stores	3,772
Net Depreciation	1,949,412

Reconciliation of FA Continuity to 2010 Bridge year Capital Expenditures	
Net FA Additions excluding CWIP	3,813,333
GL 1960 smart meters	(1,384,779)
GL 1920 smart meter hw	(10,697)
GL 1925 smart meter sw	(47,255)
2010 Bridge Year Capital Additions Per Energy Probe IRR #7 Table 2-19	2,370,602
Smart Meter assets are included in the 2010 FA continuity schedule to allow for a full year depreciation in 2010 & 2011 assets in service as at Dec 31 2009.	

Reconciliation of Depreciation Original to Final	
Original Net Depreciation (Table 2-9)	1,958,372
Add: full year 2010 additions (EP IRR#4)	174,302
Less: full year TS contribution(EP IRR#4, Feb 3 update)	(100,000)
Less: adjustments Energy Probe TCQ 2	(78,573)
Less: adjust for 2010 preliminary amts	(4,689)
Final Net Depreciation	1,949,412

Original FA Additions excluding CWIP (Table 2-9)	6,524,768
Less smart meter assets	(1,442,731)
Subtotal (Original Table 2-10)	5,082,037
Less: removal of TS contribution	(2,500,000)
Less: variance from original to 2010 preliminary amounts	(211,435)
2010 Bridge Year Capital Additions Per Energy Probe IRR #7 Table 2-19	2,370,602

Fixed Asset Continuity Schedule (Distribution & Operations)
 As at December 31, 2011

		Gross Costs					Accumulated Depreciation				
CCA Class	OEB	Description	Opening Balance	Additions	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	Net Book Value
N/A	1805	Land	21,836			21,836	0			0	21,836
CEC	1806	Land Rights	0			0	0			0	0
47	1808	Buildings and Fixtures	190,774			190,774	74,919	7,581		82,500	108,274
13	1810	Leasehold Improvements	0			0	0			0	0
47	1815	Transformer Station Equipment - Normally Prima	0			0	0			0	0
47	1820	Distribution Station Equipment - Normally Prima	622,658	0		622,658	324,408	32,466		356,874	265,784
47	1825	Storage Battery Equipment	0			0	0			0	0
47	1830	Poles, Towers and Fixtures	8,489,153	602,927		9,092,079	3,272,151	412,303		3,684,453	5,407,626
47	1835	Overhead Conductors and Devices	3,771,480	300,873		4,072,354	1,565,162	181,680		1,746,841	2,325,512
47	1840	Underground Conduit	4,357,171	472,513		4,829,684	1,351,145	186,972		1,538,116	3,291,568
47	1845	Underground Conductors and Devices	5,294,844	373,275		5,668,120	2,088,206	225,294		2,313,500	3,354,620
47	1850	Line Transformers	7,306,148	507,727		7,813,875	2,057,448	325,921		2,383,369	5,430,506
47	1855	Services	2,522,496	199,814		2,722,309	484,930	104,953		589,882	2,132,427
47	1860	Meters	5,746,284	30,457		5,776,741	2,797,364	323,318		3,120,682	2,656,059
N/A	1865	Other Installations on Customer's Premises	0			0	0			0	0
N/A	1905	Land	17,530			17,530	0			0	17,530
CEC	1906	Land Rights	0			0	0			0	0
1	1908	Buildings and Fixtures	1,015,559	90,000		1,105,559	223,427	42,324		265,751	839,808
13	1910	Leasehold Improvements	0			0	0			0	0
8	1915	Office Furniture and Equipment	240,829	25,000		265,829	153,947	15,900		169,848	95,981
10	1920	Computer Equipment - Hardware	1,160,220	140,000		1,300,220	902,725	110,283		1,013,008	287,212
12	1925	Computer Software	1,342,918	60,000		1,402,918	1,089,136	125,344		1,214,480	188,438
10	1930	Transportation Equipment	1,362,097	450,000	178,962	1,633,136	1,124,714	118,100	178,962	1,063,853	569,283
8	1935	Stores Equipment	60,647	40,000		100,647	35,760	5,772		41,533	59,114
8	1940	Tools, Shop and Garage Equipment	265,589	20,000		285,589	192,904	15,483		208,387	77,201
8	1945	Measurement and Testing Equipment	120,100	10,000		130,100	83,825	6,169		89,994	40,106
8	1950	Power Operated Equipment	0	0		0	0			0	0
8	1955	Communication Equipment	50,488	20,000		70,488	14,839	5,756		20,596	49,892
8	1960	Miscellaneous Equipment	1,889	0		1,889	625	140		766	1,123
47	1970	Load Management Controls - Customer Premises	0	0		0	0			0	0
47	1975	Load Management Controls - Utility Premises	0	0		0	0			0	0
47	1980	System Supervisory Equipment	336,973	20,000		356,973	108,568	23,063		131,631	225,342
47	1985	Sentinel Lighting Rentals	0			0	0			0	0
47	1990	Other Tangible Property	0			0	0			0	0
47	1995	Contributions and Grants	(4,762,276)	(442,913)		(5,205,188)	(692,531)	(208,543)		(901,074)	(4,304,115)
47	1996	Hydro One Substation Contribution	0	0		0	0	0		0	0
17	2005	NUP Owned - Generation Facility Assets	0			0	0			0	0
		Total before Work in Process	39,535,406	2,919,673	178,962	42,276,118	17,253,672	2,060,280	178,962	19,134,991	23,141,127
94		Work in Process	200,000	0	0	200,000	0	0	0	0	200,000
		Total after Work in Process	39,735,406	2,919,673	178,962	42,476,118	17,253,672	2,060,280	178,962	19,134,991	23,341,127

	1930	Transportation
	1935	Stores Equipment

Less: Fully Allocated Depreciation	
Transportation	118,100
Stores	5,772
Net Depreciation	1,936,408

Reconciliation of FA Continuity to 2011 Test year Capital Expenditures	
FA Additions excluding CWIP	2,919,673
GL 1960 smart meters	1,384,779
GL 1920 smart meter hw	10,697
GL 1925 smart meter sw	47,255
2011 Test Year Capital Additions	4,362,405

Original FA Additions excluding CWIP (Original Table 2-11)	4,845,100
Add: smart meter assets	1,442,731
Subtotal (Original Table 2-20)	6,287,831
Less: removal of TS contribution	(1,600,000)
Less: removal of TS Wholesale Metering Project	(325,462)
2011 Test Year Capital Additions	4,362,369

Reconciliation of Depreciation Original to Final	
Original Net Depreciation (Table 2-11)	2,031,382
Less: 1/2 year TS contribution (EP IR#4, Feb 3 update)	(132,000)
Less: 1/2 year TS Wholesale Meter(EP IR#4, Feb 3 update)	(6,509)
Add: adjustments Energy Probe TCQ 1	34,997
Add: adjustments Energy Probe TCQ 3	11,591
Less: adjust for 2010 preliminary amts	(3,053)
Final Net Depreciation	1,936,408

APPENDIX C

Updated Cost of Power

Appendix C - Updated Cost of Power

Electricity - Commodity	Allocator	2011 Forecasted Metered kWhs	2011 Proposed Loss Factor	2011		
				kWh	Rate	Amount
RPP - Commodity	39.5%	146,927,428	1.0431	153,260,000	0.06736	\$10,323,594
Non-RPP -Commodity & GA	60.5%	225,040,744	1.0431	234,740,000	0.06466	\$15,179,266
TOTAL	100.0%	371,968,172		388,000,000		\$25,502,860

Electricity - Commodity	2011 Forecasted Metered kWhs	2011 Proposed Loss Factor	2011		
			kWh	Average Rate	Amount
Residential	126,660,107	1.0431	132,119,158	0.06689	\$8,837,227
GS<50kW	49,817,450	1.0431	51,964,582	0.06689	\$3,475,819
GS>50 - 999 kW	122,660,771	1.0431	127,947,450	0.06466	\$8,273,615
GS>1000	69,723,917	1.0431	72,729,017	0.06466	\$4,702,961
Street Lighting	2,490,098	1.0431	2,597,421	0.06555	\$170,271
Unmetered Scattered Load	615,829	1.0431	642,372	0.06689	\$42,967
TOTAL	371,968,172		388,000,000		\$25,502,860

Transmission - Network	Class per Load Forecast	Volume Metric	2011		
			kWh	Proposed Rate	Amount
Residential		kWh	132,119,158	\$0.0055	\$726,535
GS<50kW		kWh	51,964,582	\$0.0050	\$257,651
GS>50 - 999 kW		kW	395,652	\$2.1345	\$844,503
GS>1000		kW	148,980	\$2.1345	\$317,992
Street Lighting		kW	8,539	\$1.5754	\$13,451
Unmetered Scattered Load		kWh	642,372	\$0.0050	\$3,185
TOTAL					\$2,163,317

Transmission - Connection	Class per Load Forecast	Volume Metric	2011		
			kWh	Proposed Rate	Amount
Residential		kWh	132,119,158	\$0.0045	\$600,536
GS<50kW		kWh	51,964,582	\$0.0042	\$216,098
GS>50 - 999 kW		kW	395,652	\$1.8091	\$715,764
GS>1000		kW	148,980	\$1.8091	\$269,516
Street Lighting		kW	8,539	\$1.3352	\$11,401
Unmetered Scattered Load		kWh	642,372	\$0.0042	\$2,671
TOTAL					\$1,815,986

Wholesale Market Service	Class per Load Forecast	Volume Metric	2011		
			kWh	Rate	Amount
Residential		kWh	132,119,158	\$0.0052	\$687,020
GS<50kW		kWh	51,964,582	\$0.0052	\$270,216
GS>50 - 999 kW		kWh	127,947,450	\$0.0052	\$665,327
GS>1000		kWh	72,729,017	\$0.0052	\$378,191
Street Lighting		kWh	2,597,421	\$0.0052	\$13,507
Unmetered Scattered Load		kWh	642,372	\$0.0052	\$3,340
TOTAL					\$2,017,600

Rural Rate Assistance	Class per Load Forecast	Volume Metric	2011		
			kWh	Rate	Amount
Residential		kWh	132,119,158	\$0.0013	\$171,755
GS<50kW		kWh	51,964,582	\$0.0013	\$67,554
GS>50 - 999 kW		kWh	127,947,450	\$0.0013	\$166,332
GS>1000		kWh	72,729,017	\$0.0013	\$94,548
Street Lighting		kWh	2,597,421	\$0.0013	\$3,377
Unmetered Scattered Load		kWh	642,372	\$0.0013	\$835
TOTAL					\$504,400

2011	
4705-Power Purchased	\$25,502,860
4708-Charges-WMS	\$2,522,000
4714-Charges-NW	\$2,163,317
4716-Charges-CN	\$1,815,986
4730-Rural Rate Assistance	
4750-Low Voltage	
TOTAL	32,004,163

included in GL 4708

		0.06736	0.06466			
RPP	NON RPP	RPP kWh	NON RPP kWh	TOTAL	NON RPP kW	
82.5%	17.5%	104,498,224	22,161,884	126,660,107		
82.5%	17.5%	41,099,396	8,718,054	49,817,450		
0.0%	100.0%	0	122,660,771	122,660,771	395,652	
0.0%	100.0%	0	69,723,917	69,723,917	148,980	
33.0%	67.0%	821,732	1,668,366	2,490,098	5,721	
82.5%	17.5%	508,077	107,752	615,829		
		146,927,429	225,040,743	371,968,172	550,353	

Jan 2011 - Dec 2011 Pricing		
	Months	Price
Nov 10 - Jan 11	1	\$43.59
Feb 11 - Apr 11	3	\$40.59
May 11 - Jul 11	3	\$35.20
Aug 11 - Oct 11	3	\$37.57
Nov 11 - Jan 12	2	\$37.87
Weighted Average		38.28
Global Adjustment		26.38
Non-RPP Price		64.66
Load Weighted Price for RPP Consumers		42.16
Forecast Wholesale Electricity Price		39.23
Ratio		1.074687739
May-Apr Weighted Average		38.28416667
May-Apr Load Weighted Price for RPP Consumers		41.14
Global Adjustment		26.38
Adjustment to Address Bias		1.00
Adjustment to Clear Existing Variance		-1.16
RPP Price		67.36

APPENDIX D

2011 Test Year Updated Load Forecast

Appendix D - 2011 Test Year Updated Load Forecast

Test Year	Original As per Application	As per Settlement	Change
Predicted kWh Purchases	369,917,383	388,000,000	18,082,617
Loss Adjustment Factor	1.0431	1.0431	-
2011 Test Year Billed kWh	354,632,713	371,968,172	17,335,459
By Class			
Residential			
Customers	13,785	13,785	-
kWh	117,418,066	126,660,107	9,242,041
GS < 50			
Customers	1,171	1,171	-
kWh	46,182,407	49,817,450	3,635,043
General Service 50 to 999 kW			
Customers	193	193	-
kWh	118,202,396	122,660,771	4,458,375
kW	381,271	395,652	14,381
General Service > 1000 kW			
Customers	7	7	-
kWh	69,723,917	69,723,917	-
kW	148,980	148,980	-
Streetlight			
Connections	4,369	4,369	-
kWh	2,490,098	2,490,098	-
kW	8,539	8,539	-
USL			
Connections	135	135	-
kWh	615,829	615,829	-
Total			
Customer/Connections	19,660	19,660	-
kWh	354,632,713	371,968,172	17,335,459
kW from applicable classes	538,790	553,171	14,381

APPENDIX E

2011 Test Year Updated Other Revenue

Appendix E - 2011 Test Year Updated Other Revenue

Account	Description	2011 Test Year as Filed	2011 As Proposed	Change
4235	Specific Service Charges	234,290	234,290	0
4225	Late Payment Charges	54,254	54,254	0
4080	SSS Admin Fees	38,565	38,565	0
4082	Retail Services Revenues	25,400	25,400	0
4084	STR Revenues	1,000	1,000	0
4210	Rent from Electric Property	40,885	40,885	0
4355	Gain on Disposition of Utility & Other Property	1,000	12,500	11,500
4375	Revenues from Non-Utility Operations	829,344	829,344	0
4380	Expenses of Non-Utility Operations	(770,512)	(770,512)	0
4390	Miscellaneous Non-Operating Income	15,350	15,350	0
4405	Interest and Dividend Income	45,700	45,700	0
	Specific Service Charges	234,290	234,290	0
	Late Payment Charges	54,254	54,254	0
	Other Distribution Revenues	105,850	105,850	0
	Other Income and Expenses	120,882	132,382	11,500
	Total Other Operating Revenue	515,276	526,776	11,500
	Adjustments to Determine Net Revenue Offset:			
	Less: CDM Revenue	(376,707)	(376,707)	0
	Less: CDM Expense	346,707	346,707	0
	Less: Revenue from Non-Utility Generation	(8,756)	(8,756)	0
	Less: Expense from Non-Utility Generation	25,959	25,959	0
	Less: Regulatory Asset Carrying Charges	(18,700)	(18,700)	0
	Less: 50% of Gain on Disposition	(500)	0	500
	Less: Reconciliation to Revenue Requirement Model			0
	Net Revenue Offset For Distribution Rates	483,279	495,279	12,000

APPENDIX F

2011 Test Year Updated OM&A

Appendix F - 2011 Test Year Updated OM&A			
Description	As per Applicaton	As per Settlement Agreement	Change
Operations	\$ 785,560	\$ 785,560	\$ -
Maintenance	\$ 730,771	\$ 730,771	\$ -
Billing & Collecting	\$ 675,133	\$ 675,133	\$ -
Community Relations	\$ 42,382	\$ 42,382	\$ -
Administration & General Expense	\$ 1,808,415	\$ 1,808,415	\$ -
Taxes Other Than Income Taxes	\$ 126,946	\$ 126,946	\$ -
OM&A Adjustment Difference		\$ (132,207)	\$ (132,207)
Total OM&A	\$ 4,169,207	\$ 4,037,000	\$ (132,207)

APPENDIX G

2011 Test Year Updated PILS



PILS OR INCOME TAXES WORK FORM

Name of LDC: Woodstock Hydro Services Inc
 File Number: EB-2010-0145
 Rate Year: 2011

Data Input Sheet

Applicants Rate Base

Average Net Fixed Assets

Gross Fixed Assets - Re-Basing Opening	\$ 39,535,406	A
Add: CWIP Re-Basing Opening	\$ 200,000	B
Re-Basing Capital Additions	\$ 2,919,673	C
Re-Basing Capital Disposals	-\$ 178,962	D
Re-Basing Capital Retirements	\$ -	E
Deduct: CWIP Re-Basing Closing	-\$ 200,000	F
Gross Fixed Assets - Re-Basing Closing	\$ 42,276,118	G
Average Gross Fixed Assets		

\$40,905,762 H = (A + G) / 2

Accumulated Depreciation - Re-Basing Opening	\$ 17,253,672	I
Re-Basing Depreciation Expense	\$ 2,060,280	J
Re-Basing Disposals	-\$ 178,962	K
Re-Basing Retirements	\$ -	L
Accumulated Depreciation - Re-Basing Closing	\$ 19,134,991	M
Average Accumulated Depreciation		

\$18,194,331 N = (I + M) / 2

Average Net Fixed Assets

\$22,711,431 O = H - M

Working Capital Allowance

Working Capital Allowance Base	\$ 36,041,163	P
Working Capital Allowance Rate	15.0%	Q

Working Capital Allowance

\$ 5,406,174 R = P * Q

Rate Base

\$28,117,605 S = O + R

Return on Rate Base

Deemed ShortTerm Debt %	4.00%	T	\$ 1,124,704	W = S * T
Deemed Long Term Debt %	56.00%	U	\$ 15,745,859	X = S * U
Deemed Equity %	40.00%	V	\$ 11,247,042	Y = S * V

Short Term Interest	2.46%	Z	\$ 27,668	AC = W * Z
Long Term Interest	5.02%	AA	\$ 790,003	AD = X * AA
Return on Equity (Regulatory Income)	9.58%	AB	\$ 1,077,467	AE = Y * AB

Return on Rate Base

\$ 1,895,137 AF = AC + AD + AE

Questions that must be answered

	Historic Yes or No	Bridge Yes or No	Test Year Yes or No
1. Does the applicant have any Investment Tax Credits (ITC)?	No	No	No
2. Does the applicant have any Scientific Research and Experimental	No	No	No
3. Does the applicant have any Capital Gains or Losses for tax purposes?	No	No	No
4. Does the applicant have any Capital Leases?	No	No	No
5. Does the applicant have any Loss Carry-Forwards (non-capital or net capital)?	Yes	Yes	Yes
6. Since 1999, has the applicant acquired another regulated applicant's assets?	No	No	No
7. Did the applicant pay dividends? <i>If Yes, please describe what was the tax treatment in the manager's summary.</i>	Yes	Yes	Yes
8. Did the applicant elect to capitalize interest incurred on CWIP for tax purposes?	No	No	No



PILS OR INCOME TAXES WORK

Name of LDC: Woodstock Hydro Services Inc
 File Number: EB-2010-0145
 Rate Year: 2011

Schedule 10 CEC Test Year

Cumulative Eligible Capital 6,131

Additions

Cost of Eligible Capital Property Acquired during Test Year	0			
Other Adjustments	0			
Subtotal	<u>0</u>	$\times 3/4 =$	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 20, 2002	0	$\times 1/2 =$	0	
			<u>0</u>	0
Amount transferred on amalgamation or wind-up of subsidiary	0			0
Subtotal				<u>6,131</u>

Deductions

Proceeds of sale (less outlays and expenses not otherwise deductible) from the disposition of all ECP during Test Year	0			
Other Adjustments	0			
Subtotal	<u>0</u>	$\times 3/4 =$	0	<u>0</u>

Cumulative Eligible Capital Balance 6,131

Current Year Deduction (Carry Forward to Tab "Test Year Taxable Income")	6,131	$\times 7% =$	429
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Cumulative Eligible Capital - Closing Balance 5,701



PILS OR INCOME TAXES WORK FORM

Name of LDC: Woodstock Hydro Services Inc

File Number: EB-2010-0145

Rate Year: 2011

Taxable Income Test Year

	T2 S1 line #	Test Year	Taxable Income
Net Income Before Taxes			1,077,467
Additions:			
Interest and penalties on taxes	103		
Amortization of tangible assets 2-4 ADJUSTED ACCOUNTING DATA P489	104		2,060,280
Amortization of intangible assets 2-4 ADJUSTED ACCOUNTING DATA P490	106		416
Recapture of capital cost allowance from Schedule 8	107		
Gain on sale of eligible capital property from Schedule 10	108		
Income or loss for tax purposes- joint ventures or partnerships	109		
Loss in equity of subsidiaries and affiliates	110		
Loss on disposal of assets	111		
Charitable donations	112		
Taxable Capital Gains	113		
Political Donations	114		
Deferred and prepaid expenses	116		
Scientific research expenditures deducted on financial statements	118		
Capitalized interest	119		
Non-deductible club dues and fees	120		
Non-deductible meals and entertainment expense	121		1,000
Non-deductible automobile expenses	122		
Non-deductible life insurance premiums	123		
Non-deductible company pension plans	124		
Tax reserves beginning of year	125		
Reserves from financial statements- balance at end of year	126		1,359,987
Soft costs on construction and renovation of buildings	127		
Book loss on joint ventures or partnerships	205		
Capital items expensed	206		
Debt issue expense	208		
Development expenses claimed in current year	212		
Financing fees deducted in books	216		
Gain on settlement of debt	220		
Non-deductible advertising	226		
Non-deductible interest	227		
Non-deductible legal and accounting fees	228		
Recapture of SR&ED expenditures	231		
Share issue expense	235		
Write down of capital property	236		
Amounts received in respect of qualifying environment trust per paragraphs 12(1)(z.1) and 12(1)(z.2)	237		
Other Additions: (please explain in detail the nature of the item)			
Interest Expensed on Capital Leases	290		
Realized Income from Deferred Credit Accounts	291		
Pensions	292		
Non-deductible penalties	293		
Change in settlement sales variance deferred asset & smart meter recovery charges & sick leave	294		
	295		
	296		
	297		
Total Additions			3,421,683
Deductions:			
Gain on disposal of assets per financial statements	401		
Dividends not taxable under section 83	402		
Capital cost allowance from Schedule 8	403		2,048,992
Terminal loss from Schedule 8	404		
Cumulative eligible capital deduction from Schedule 10 CEC	405		429
Allowable business investment loss	406		
Deferred and prepaid expenses	409		
Scientific research expenses claimed in year	411		
Tax reserves end of year	413		
Reserves from financial statements - balance at beginning of year	414		1,359,987
Contributions to deferred income plans	416		
Book income of joint venture or partnership	305		
Equity in income from subsidiary or affiliates	306		
Other deductions: (Please explain in detail the nature of the item)			
Interest capitalized for accounting deducted for tax	390		
Capital Lease Payments	391		
Non-taxable imputed interest income on deferral and variance accounts	392		
	393		
	394		
	395		
	396		
	397		
Total Deductions			3,409,408
NET INCOME FOR TAX PURPOSES			1,089,742
Charitable donations	311		
Taxable dividends received under section 112 or 113	320		
Non-capital losses of preceding taxation years from Schedule 7-1	331		
Net-capital losses of preceding taxation years (Please show calculation)	332		
Limited partnership losses of preceding taxation years from Schedule 4	335		
REGULATORY TAXABLE INCOME			1,089,742



PILS OR INCOME TAXES WORK FORM

Name of LDC: Woodstock Hydro Services Inc
 File Number: EB-2010-0145
 Rate Year: 2011

PILs, Tax Provision

						Wires Only	
Regulatory Taxable Income						\$ 1,089,742	A
Ontario Income Taxes							
Income tax payable	Ontario income tax	11.75%	B	\$ 128,045	C = A * B		
Small business credit	Ontario Small Business Threshold	\$ 500,000	D				
	Rate reduction	-7.25%	E	-\$ 36,250	F = D * E		
Ontario Income tax						\$ 91,795	J = C + F
Combined Tax Rate and PILs	Effective Ontario Tax Rate	8.42%	K = J / A				
	Federal tax rate	16.50%	L				
	Combined tax rate					24.92%	M = L + L
Total Income Taxes						\$ 271,602	N = A * M
Investment Tax Credits						-	O
Miscellaneous Tax Credits						\$ 24,000	P
Total Tax Credits						\$ 24,000	Q = O + P
Corporate PILs/Income Tax Provision for Test Year						\$ 247,602	R = N - Q
Corporate PILs/Income Tax Provision Gross Up							
				75.08%	S = 1 - M	\$ 82,198	T = R / S - N
Income Tax (grossed-up)						\$ 329,800	U = R + T
Ontario Capital Tax (not grossed-up)						\$ -	V
Tax Provision for Test Year Rate Recovery						\$ 329,800	W = U + V

APPENDIX H

2011 Test Year Updated Cost of Capital

Debt & Capital Cost Structure

Weighted Debt Cost								
Description	Debt Holder	Affiliated with LDC?	Date of issuance	Principal	Term (Years)	Rate%	Year Applied to	Interest Cost
Initial debt issue	City of Woodstock	Y		10,941,862	15	6.76%	2006	739,232
Initial debt issue	City of Woodstock	Y		10,941,862	15	6.76%	2007	739,232
Initial debt issue	City of Woodstock (6.75% Jan 1- Sep 30) / CIBC (4.975% Oct 1-Dec 31)	N	Oct 1 2008	10,941,862	15	6.31%	2008	690,514
Initial debt issue	CIBC	N	Oct 1 2008	10,941,862	15	4.98%	2009	544,358
Initial debt issue	CIBC	N	May 1 2010	10,941,862	15	5.09%	2010	557,123
Smart meter financing	Infrastructure Ontario	N	Sept 1 2010	1,800,000	15	4.21%	2010	25,260
HONI TS Cap Cont # 1	CIBC	N	May 1 2010		15		2010	0
Initial debt issue	CIBC	N	May 1 2010	10,941,862	15	5.15%	2011	563,506
Smart meter financing	Infrastructure Ontario	N	Sept 1 2010	1,800,000	15	4.21%	2011	75,780
HONI TS Cap Cont # 1	CIBC	N	May 1 2010		15		2011	0
HONI TS Cap Cont # 2	CIBC	N	May 1 2011		15		2011	0
HONI TS Cap Cont # 3	CIBC	N	Dec 1 2011		15		2011	0
2006 Total Long Term Debt				10,941,862	Total Interest Cost for 2006			739,232
							Weighted Debt Cost Rate for 2006	6.76%
2007 Total Long Term Debt				10,941,862	Total Interest Cost for 2007			739,232
							Weighted Debt Cost Rate for 2007	6.76%
2008 Total Long Term Debt				10,941,862	Total Interest Cost for 2008			690,514
							Weighted Debt Cost Rate for 2008	6.31%
2009 Total Long Term Debt				10,941,862	Total Interest Cost for 2009			544,358
							Weighted Debt Cost Rate for 2009	4.98%
2010 Total Long Term Debt				12,741,862	Total Interest Cost for 2010			582,383
							Weighted Debt Cost Rate for 2010	4.57%
2011 Total Long Term Debt (Weighted)*				12,741,862	Total Interest Cost for 2011			639,286
							Weighted Debt Cost Rate for 2011	5.02%

Deemed Capital Structure for 2011				
Description	\$	% of Rate Base	Rate of Return	Return
Long Term Debt	15,745,859	56.00%	5.02%	790,003
Unfunded Short Term Debt	1,124,704	4.00%	2.46%	27,668
Total Debt	16,870,563	60.00%		817,670
Common Share Equity	11,247,042	40.00%	9.58%	1,077,467
Total equity	11,247,042	40.00%		1,077,467
Total Rate Base	28,117,605	100.00%	6.74%	1,895,137

APPENDIX I

2011 Test Year Updated Revenue Deficiency

**Woodstock Hydro Services Inc.
 Revenue Deficiency Determination**

Description	2010 Bridge Actual	2011 Test Existing Rates	2011 Test - Required Revenue
Revenue			
Revenue Deficiency			980,945
Distribution Revenue	6,350,730	6,722,121	6,722,121
Other Operating Revenue (Net)	384,328	495,279	495,279
Total Revenue	6,735,059	7,217,400	8,198,345
Costs and Expenses			
Administrative & General, Billing & Collecting	2,293,602	2,393,723	2,393,723
Operation & Maintenance	1,474,146	1,516,331	1,516,331
Depreciation & Amortization	1,949,412	1,936,408	1,936,408
Property Taxes	123,852	126,946	126,946
Capital Taxes	8,690	0	0
Deemed Interest	729,100	817,670	817,670
Total Costs and Expenses	6,578,801	6,791,079	6,791,079
Less OCT Included Above	0	0	0
Total Costs and Expenses Net of OCT	6,578,801	6,791,079	6,791,079
Utility Income Before Income Taxes	156,258	426,321	1,407,266
Income Taxes:			
Corporate Income Taxes	76,551	101,898	329,800
Total Income Taxes	76,551	101,898	329,800
Utility Net Income	79,706	324,423	1,077,467
Capital Tax Expense Calculation:			
Total Rate Base	26,586,423	28,117,605	28,117,605
Exemption	15,000,000	15,000,000	15,000,000
Deemed Taxable Capital	11,586,423	13,117,605	13,117,605
Ontario Capital Tax	8,690	0	0
Income Tax Expense Calculation:			
Accounting Income	156,258	426,321	1,407,266
Tax Adjustments to Accounting Income	131,004	12,275	12,275
Taxable Income	287,262	438,597	1,419,542
Income Tax Expense	76,551	101,898	329,800
Tax Rate Refecting Tax Credits	26.65%	23.23%	23.23%
Actual Return on Rate Base:			
Rate Base	26,586,423	28,117,605	28,117,605
Interest Expense	729,100	817,670	817,670
Net Income	79,706	324,423	1,077,467
Total Actual Return on Rate Base	808,806	1,142,093	1,895,137
Actual Return on Rate Base	3.04%	4.06%	6.74%
Required Return on Rate Base:			
Rate Base	26,586,423	28,117,605	28,117,605
Return Rates:			
Return on Debt (Weighted)	4.57%	4.85%	4.85%
Return on Equity	9.85%	9.58%	9.58%
Deemed Interest Expense	729,100	817,670	817,670
Return On Equity	1,047,505	1,077,467	1,077,467
Total Return	1,776,605	1,895,137	1,895,137
Expected Return on Rate Base	6.68%	6.74%	6.74%
Revenue Deficiency After Tax	967,799	753,044	0
Revenue Deficiency Before Tax	1,319,400	980,945	0
Tax Exhibit			2011
Deemed Utility Income			1,077,467
Tax Adjustments to Accounting Income			12,275
Taxable Income prior to adjusting revenue to PILs			1,089,742
Tax Rate			23.23%
Total PILs before gross up			253,178
Grossed up PILs			329,800

APPENDIX J

2011 Test Year Updated Revenue to Cost Ratios

Appendix J - 2011 Test Year Updated Revenue to Cost Ratios

Class	Dist Revenue At Existing Rates % (per Application)	Dist Revenue At Existing Rates % (per Settlement)	Fixed Distribution Revenue (per Application)	Fixed Distribution Revenue (per Settlement)	Variable Distribution Revenue (per Application)	Variable Distribution Revenue (per Settlement)	Transformer allowance (per Application)	Transformer allowance (per Settlement)	Gross Dist Revenue (per Application)	Gross Dist Revenue (per Settlement)	Cost Ratios per Cost Allocation Model (per Application)	Cost Ratios per Cost Allocation Model (per Settlement)
Residential	62.80%	63.12%	\$ 2,272,249	\$ 2,104,119	\$ 2,760,791	\$ 2,757,737		\$ -	\$ 5,033,040	\$ 4,861,856	105.25%	105.31%
GS < 50 kW	13.43%	13.60%	\$ 399,313	\$ 345,400	\$ 752,540	\$ 702,173		\$ -	\$ 1,151,853	\$ 1,047,573	92.67%	92.73%
GS 50 kW - 999 kW	18.66%	18.36%	\$ 835,369	\$ 345,918	\$ 643,136	\$ 924,326	\$ 162,440	\$ 162,440	\$ 1,640,945	\$ 1,432,684	127.06%	115.47%
GS>1000 kW	3.55%	3.42%	\$ 196,212	\$ 37,046	\$ 151,066	\$ 283,501	\$ 63,473	\$ 63,473	\$ 410,750	\$ 384,020	58.72%	68.27%
Street Lighting	1.16%	1.12%	\$ 115,308	\$ 105,526	\$ 75,367	\$ 68,974		\$ -	\$ 190,675	\$ 174,500	24.64%	47.19%
microFIT Generator service	0.004%	0.00%	\$ 252	\$ 252	\$ -	\$ -		\$ -	\$ 252	\$ 252		100.00%
USL	0.39%	0.37%	\$ 21,502	\$ 19,567	\$ 9,370	\$ 8,527		\$ -	\$ 30,872	\$ 28,094	126.50%	122.08%
TOTAL	100%	100%	\$ 3,840,204	\$ 2,957,830	\$ 4,392,269	\$ 4,745,237	\$ 225,913	\$ 225,913	\$ 8,458,386	\$ 7,928,979		

Transition of Revenue to Cost Ratios							
Class	Cost Ratios per Cost Allocation Model (per Application)	2011 Cost Ratios per Cost Allocation Model (per Settlement)	2011 Proposed Ratios	2012 Proposed Ratios	2013 Proposed Ratios	Board Targets Min to Max	
Residential	105.25%	105.31%	105.31%	105.31%	104.91%	85.00%	115.00%
GS < 50 kW	92.67%	92.73%	92.73%	92.73%	92.73%	80.00%	120.00%
GS 50 kW - 999 kW	127.06%	128.05%	115.61%	109.42%	104.91%	80.00%	180.00%
GS>1000 kW	58.72%	56.54%	68.27%	74.13%	80.00%	80.00%	180.00%
Street Lighting	24.64%	24.37%	47.19%	58.59%	70.00%	70.00%	120.00%
USL	126.50%	124.16%	115.61%	109.42%	104.91%	80.00%	120.00%

APPENDIX K

Summary of Updated Customer Impacts

Appendix K- Summary of Updated Customer Impacts

Class	Typical kWh usage	Typical kW Demand	Delivery Charge Impact % as per Application	Delivery Charge Impact % as per Settlement	Change	Total Bill Impact % as per Application	Total Bill Impact % as per Settlement	Change
Residential	800		22.19%	14.23%	(7.96%)	7.60%	4.85%	(2.75%)
GS < 50 kW	2,000		23.61%	11.09%	(12.52%)	6.29%	2.92%	(3.37%)
GS 50 kW - 999 kW	200,000	500	(12.99%)	7.67%	20.67%	(2.23%)	1.21%	3.44%
GS>1000 kW	2,000,000	3,500	15.99%	2.98%	(13.01%)	1.74%	0.26%	(1.48%)
Street Lighting	380,000	560	112.32%	102.33%	(9.99%)	21.43%	19.52%	(1.91%)
USL	500		37.78%	27.43%	(10.34%)	13.62%	9.88%	(3.75%)

Class	Fixed Rates per Application	Fixed Rates per Settlement	Variable Rates per Application	Variable Rates per Settlement
Residential	13.74	12.72	0.0235	0.0218
GS < 50 kW	28.42	24.58	0.0163	0.0141
GS 50 kW - 999 kW	360.69	149.36	2.1129	2.7507
GS>1000 kW	2335.85	441.03	1.44	2.329
Street Lighting	2.20	2.01	8.8266	8.0779
USL	13.27	11.40	0.0152	0.0131

APPENDIX L

Updated 2011 Test Year LRAM Rate Riders

2011 Test Year - LRAM and SSM Rider

Rate Class	Amounts (Up to 2009)		Billing Units (2011)	Metrics	Rate Riders			Two Year Rate Rider	Three Year Rate Rider	Number of Years to Use (2 or 3)	Rate Rider to Use
	LRAM	SSM			LRAM	SSM	Total	Total	Total		Total
	\$	\$			\$/unit (kWh or kW)	\$/unit (kWh or kW)	\$/unit (kWh or kW)	\$/unit (kWh or kW)	\$/unit (kWh or kW)	3	\$/unit (kWh or kW)
Residential	\$406,522.04	-\$ 4,696.00	126,660,107	kWh	0.0032	0.0000	0.0032	0.0016	0.0011		0.0011
GS < 50 kW	\$ 45,210.80	\$ 2,767.22	49,817,450	kWh	0.0009	0.0001	0.0010	0.0005	0.0003		0.0003
GS 50 kW - 999 kW	\$ 95,596.01		395,652	kW	0.2416	0.0000	0.2416	0.1208	0.0805		0.0805
GS>1000 kW	\$ 35,996.00		148,980	kW	0.2416	0.0000	0.2416	0.1208	0.0805		0.0805
Street Lighting			8,539	kW	0.0000	0.0000	0.0000	0.0000	0.0000		0.0000
USL	\$ 19,143.22	\$ 3,313.60	615,829	kWh	0.0311	0.0054	0.0365	0.0182	0.0122		0.0122
Total	602,468.07	1,384.82									

603,852.89

Appendix M

Updated 2011 Retail Service Transmission Rates (RTSR)

Appendix M - Updated 2011 Test Year RTSRs

<u>Transmission - Network</u>		Volume			% of RTSR revenue @	Allocate		
Class per Load Forecast	Metric	2011 billing determininants	2010 - Current RTSR		2010 rates	2011 purchases to rate class	Proposed 2011 RTSR	
Residential	kWh	132,119,158	\$0.0061	\$805,927	33.58%	\$726,535	\$0.0055	\$ 726,535.29
GS<50kW	kWh	51,964,582	\$0.0055	\$285,805	11.91%	\$257,651	\$0.0050	\$ 257,650.63
GS>50 - 999 kW	kW	395,652	\$2.3677	\$936,785	39.04%	\$844,503	\$2.1345	\$ 844,502.98
GS>1000 - 4999 kW	kW	148,980	\$2.3677	\$352,740	14.70%	\$317,992	\$2.1345	\$ 317,991.60
Street Lighting	kW	8,539	\$1.7475	\$14,921	0.62%	\$13,451	\$1.5754	\$ 13,451.36
Unmetered Scattered Load	kWh	642,372	\$0.0055	\$3,533	0.15%	\$3,185	\$0.0050	\$ 3,185.01
TOTAL GL 4066				\$2,399,712	100.00%	\$2,163,317		\$2,163,317

Combined Rate (For Rate Design Model)		
\$ 0.01004	Residential	
\$ 0.00912	GS<50kW	
\$ 3.94353	GS>50 - 999 kW	
\$ 3.94353	GS>1000 - 4999 kW	
\$ 2.91055	Street Lighting	
\$ 0.00912	Unmetered Scattered Load	

<u>Transmission - Connection</u>		Volume			% of RTSR revenue @	Allocate		
Class per Load Forecast	Metric	2010 - Current RTSR			2010 rates	2011 purchases to rate class	Proposed 2011 RTSR	
Residential	kWh	132,119,158	\$0.0047	\$620,960	33.07%	\$600,536	\$0.0045	\$ 600,536.09
GS<50kW	kWh	51,964,582	\$0.0043	\$223,448	11.90%	\$216,098	\$0.0042	\$ 216,098.30
GS>50 - 999 kW	kW	395,652	\$1.8706	\$740,107	39.41%	\$715,764	\$1.8091	\$ 715,763.94
GS>1000 - 4999 kW	kW	148,980	\$1.8706	\$278,682	14.84%	\$269,516	\$1.8091	\$ 269,515.82
Street Lighting	kW	8,539	\$1.3806	\$11,788	0.63%	\$11,401	\$1.3352	\$ 11,400.69
Unmetered Scattered Load	kWh	642,372	\$0.0043	\$2,762	0.15%	\$2,671	\$0.0042	\$ 2,671.35
TOTAL GL 4068				\$1,877,747	100.00%	\$1,815,986		\$1,815,986

From Load Forecast Model	2011 UTR Rates	2011 Purchase Cost
2011 forecast Transmission Network kW	728,390	2.97 \$ 2,163,317
2011 forecast Transmission Connection kW	744,257	2.44 \$ 1,815,986

APPENDIX N

Updated 2011 Test Year EDDVAR Rate Riders

Appendix N - Updated 2011 Test Year EDDVAR Rate Riders

Rate Class	Group 1	Group2	Total	2011 Forecast Quantities	Billing Factor	Rate
Residential	\$ (100,226)	\$ 197,419	\$ 97,193	126,660,107	kWh	\$ 0.00077
General Service <50 kW	\$ (40,088)	\$ 50,346	\$ 10,259	49,817,450	kWh	\$ 0.00021
General Service 50 - 999 kW	\$ (117,193)	\$ 98,619	\$ (18,574)	395,652	kW	\$ (0.04695)
General Service >1,000 kW	\$ (77,636)	\$ 47,237	\$ (30,399)	148,980	kW	\$ (0.20404)
Unmetered Scattered Load	\$ (650)	\$ 275	\$ (375)	615,829	kWh	\$ (0.00061)
StreetLighting	\$ (2,431)	\$ 3,847	\$ 1,416	8,539	kW	\$ 0.16583
TOTAL	\$ (338,224)	\$ 397,744	\$ 59,520			

Rate Class	RSVA 1588 Power Sub-Account - Global Adjustment	2011 Forecast Non-RPP Quantities	Billing Factor	Rate
Residential	\$ 1,537	22,161,884	kWh	\$ 0.00007
General Service <50 kW	\$ 829	8,718,054	kWh	\$ 0.00010
General Service 50 - 999 kW	\$ 11,493	395,652	kW	\$ 0.02905
General Service >1,000 kW	\$ 7,430	148,980	kW	\$ 0.04988
Unmetered Scattered Load	\$ -	107,752	kWh	\$ -
StreetLighting	\$ 238	5,721	kW	\$ 0.04162
TOTAL	\$ 21,527			

APPENDIX O

Updated 2011 Test Year Revenue Requirement Work Form



REVENUE REQUIREMENT WORK FORM

Name of LDC: Woodstock Hydro Services Inc
 File Number: EB-2010-0145
 Rate Year: 2011

Version: 2.11

Data Input							(1)
	Initial Application	Adjustments	Settlement Agreement	(7)	Adjustments	Per Board Decision	
1 Rate Base							
Gross Fixed Assets (average)	\$44,579,910	(\$3,674,148)	\$ 40,905,762			\$40,905,762	
Accumulated Depreciation (average)	(\$18,157,810)	(5) (\$36,521)	-\$ 18,194,331			(\$18,194,331)	
Allowance for Working Capital:							
Controllable Expenses	\$4,169,207	(\$132,207)	\$ 4,037,000			\$4,037,000	
Cost of Power	\$30,587,421	\$1,416,742	\$ 32,004,163			\$32,004,163	
Working Capital Rate (%)	15.00%		15.00%			15.00%	
2 Utility Income							
Operating Revenues:							
Distribution Revenue at Current Rates	\$6,475,857	\$246,264	\$6,722,121		\$0	\$6,722,121	
Distribution Revenue at Proposed Rates	\$8,232,474	(\$529,407)	\$7,703,066		\$0	\$7,703,066	
Other Revenue:							
Specific Service Charges	\$234,290	\$0	\$234,290		\$0	\$234,290	
Late Payment Charges	\$54,254	\$0	\$54,254		\$0	\$54,254	
Other Distribution Revenue	\$105,850	\$0	\$105,850		\$0	\$105,850	
Other Income and Deductions	\$88,885	\$12,000	\$100,885		\$0	\$100,885	
Operating Expenses:							
OM+A Expenses	\$4,042,261	(\$132,207)	\$ 3,910,054			\$3,910,054	
Depreciation/Amortization	\$2,031,382	(\$94,973)	\$ 1,936,408			\$1,936,408	
Property taxes	\$126,946	\$ -	\$ 126,946			\$126,946	
Capital taxes	\$0		\$0			\$0	
Other expenses	\$ -	\$ -	0			\$0	
3 Taxes/PILs							
Taxable Income:							
Adjustments required to arrive at taxable income	(\$177,112)	(3)	\$12,275			\$12,275	
Utility Income Taxes and Rates:							
Income taxes (not grossed up)	\$254,405		\$253,178			\$253,178	
Income taxes (grossed up)	\$333,825		\$329,800			\$329,800	
Capital Taxes	\$ -	(6)	\$ -	(6)		\$0	(6)
Federal tax (%)	16.50%		16.50%			16.50%	
Provincial tax (%)	7.29%		6.73%			6.73%	
Income Tax Credits							
4 Capitalization/Cost of Capital							
Capital Structure:							
Long-term debt Capitalization Ratio (%)	56.0%		56.0%			56.0%	
Short-term debt Capitalization Ratio (%)	4.0%	(2)	4.0%	(2)		4.0%	(2)
Common Equity Capitalization Ratio (%)	40.0%		40.0%			40.0%	
Preferred Shares Capitalization Ratio (%)	0.0%		0.0%			0.0%	
	100.0%		100.0%			100.0%	
Cost of Capital							
Long-term debt Cost Rate (%)	5.13%		5.02%			5.02%	
Short-term debt Cost Rate (%)	2.07%		2.46%			2.46%	
Common Equity Cost Rate (%)	9.85%		9.58%			9.58%	
Preferred Shares Cost Rate (%)	0.00%		0.00%			0.00%	

Notes:

- through 6 (Rate Base through Revenue Requirement), except for Notes that the utility may wish to use to support the data. Notes should be put on the applicable pages to explain numbers shown.
- (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.
 - (6) Not applicable as of July 1, 2010
 - (7) Select option from drop-down list by clicking on cell M10. This column allows for the application update reflecting the end of discovery or Argument-in-Chief. Also, the outcome of any Settlement Process can be reflected.
- The provincial tax rate above is the effective tax rate, inclusive of other tax credits: Application \$15K, Settlement \$24K. Variance \$12K



REVENUE REQUIREMENT WORK FORM

Version: 2.11

Name of LDC: Woodstock Hydro Services Inc
 File Number: EB-2010-0145
 Rate Year: 2011

Rate Base						
Line No.	Particulars	Initial Application	Adjustments	Settlement Agreement	Adjustments	Per Board Decision
1	Gross Fixed Assets (average) (3)	\$44,579,910	(\$3,674,148)	\$40,905,762	\$ -	\$40,905,762
2	Accumulated Depreciation (average) (3)	(\$18,157,810)	(\$36,521)	(\$18,194,331)	\$ -	(\$18,194,331)
3	Net Fixed Assets (average) (3)	\$26,422,100	(\$3,710,669)	\$22,711,431	\$ -	\$22,711,431
4	Allowance for Working Capital (1)	\$5,213,494	\$192,680	\$5,406,174	\$ -	\$5,406,174
5	Total Rate Base	\$31,635,594	(\$3,517,989)	\$28,117,605	\$ -	\$28,117,605

(1) Allowance for Working Capital - Derivation						
6	Controllable Expenses	\$4,169,207	(\$132,207)	\$4,037,000	\$ -	\$4,037,000
7	Cost of Power	\$30,587,421	\$1,416,742	\$32,004,163	\$ -	\$32,004,163
8	Working Capital Base	\$34,756,628	\$1,284,535	\$36,041,163	\$ -	\$36,041,163
9	Working Capital Rate % (2)	15.00%	0.00%	15.00%	0.00%	15.00%
10	Working Capital Allowance	\$5,213,494	\$192,680	\$5,406,174	\$ -	\$5,406,174

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

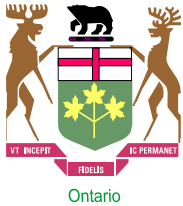
Version: 2.11

Name of LDC: Woodstock Hydro Services Inc
 File Number: EB-2010-0145
 Rate Year: 2011

		Utility income				
Line No.	Particulars	Initial Application	Adjustments	Settlement Agreement	Adjustments	Per Board Decision
Operating Revenues:						
1	Distribution Revenue (at Proposed Rates)	\$8,232,474	(\$529,407)	\$7,703,066	\$ -	\$7,703,066
2	Other Revenue (1)	\$483,279	(\$978,558)	\$495,279	\$ -	\$495,279
3	Total Operating Revenues	\$8,715,753	(\$1,507,965)	\$8,198,345	\$ -	\$8,198,345
Operating Expenses:						
4	OM+A Expenses	\$4,042,261	(\$132,207)	\$3,910,054	\$ -	\$3,910,054
5	Depreciation/Amortization	\$2,031,382	(\$94,973)	\$1,936,408	\$ -	\$1,936,408
6	Property taxes	\$126,946	\$ -	\$126,946	\$ -	\$126,946
7	Capital taxes	\$ -	\$ -	\$ -	\$ -	\$ -
8	Other expense	\$ -	\$ -	\$ -	\$ -	\$ -
9	Subtotal (lines 4 to 8)	\$6,200,589	(\$227,180)	\$5,973,408	\$ -	\$5,973,408
10	Deemed Interest Expense	\$934,897	(\$117,226)	\$817,670	\$ -	\$817,670
11	Total Expenses (lines 9 to 10)	\$7,135,485	(\$344,407)	\$6,791,079	\$ -	\$6,791,079
12	Utility income before income taxes	\$1,580,267	(\$1,163,558)	\$1,407,266	\$ -	\$1,407,266
13	Income taxes (grossed-up)	\$333,825	(\$4,025)	\$329,800	\$ -	\$329,800
14	Utility net income	\$1,246,442	(\$1,159,533)	\$1,077,467	\$ -	\$1,077,467

Notes

(1)	Other Revenues / Revenue Offsets					
	Specific Service Charges	\$234,290	\$ -	\$234,290	\$ -	\$234,290
	Late Payment Charges	\$54,254	\$ -	\$54,254	\$ -	\$54,254
	Other Distribution Revenue	\$105,850	\$ -	\$105,850	\$ -	\$105,850
	Other Income and Deductions	\$88,885	\$12,000	\$100,885	\$ -	\$100,885
	Total Revenue Offsets	\$483,279	\$12,000	\$495,279	\$ -	\$495,279



REVENUE REQUIREMENT WORK FORM

Version: 2.11

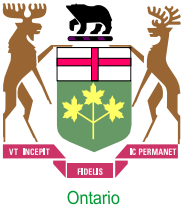
Name of LDC: Woodstock Hydro Services Inc
 File Number: EB-2010-0145
 Rate Year: 2011

Taxes/PILs				
Line No.	Particulars	Application	Settlement Agreement	Per Board Decision
<u>Determination of Taxable Income</u>				
1	Utility net income before taxes	\$1,246,442	\$1,077,467	\$1,077,467
2	Adjustments required to arrive at taxable utility income	(\$177,112)	\$12,275	\$12,275
3	Taxable income	<u>\$1,069,330</u>	<u>\$1,089,742</u>	<u>\$1,089,742</u>
<u>Calculation of Utility income Taxes</u>				
4	Income taxes	\$254,405	\$253,178	\$253,178
5	Capital taxes	\$ - (1)	\$ - (1)	\$ - (1)
6	Total taxes	<u>\$254,405</u>	<u>\$253,178</u>	<u>\$253,178</u>
7	Gross-up of Income Taxes	<u>\$79,420</u>	<u>\$76,622</u>	<u>\$76,622</u>
8	Grossed-up Income Taxes	<u>\$333,825</u>	<u>\$329,800</u>	<u>\$329,800</u>
9	PILs / tax Allowance (Grossed-up Income taxes + Capital taxes)	<u>\$333,825</u>	<u>\$329,800</u>	<u>\$329,800</u>
10	Other tax Credits	\$ -	\$ -	\$ -
<u>Tax Rates</u>				
11	Federal tax (%)	16.50%	16.50%	16.50%
12	Provincial tax (%)	<u>7.29%</u>	<u>6.73%</u>	<u>6.73%</u>
13	Total tax rate (%)	<u>23.79%</u>	<u>23.23%</u>	<u>23.23%</u>

Notes

(1) Capital Taxes not applicable after July 1, 2010 (i.e. for 2011 and later test years)

10 Provincial tax % is the effective tax rate inclusive of other tax credits: Application \$15K, Settlement \$24K



REVENUE REQUIREMENT WORK FORM

Version: 2.11

Name of LDC: Woodstock Hydro Services Inc
 File Number: EB-2010-0145
 Rate Year: 2011

Capitalization/Cost of Capital

Line No.	Particulars	Capitalization Ratio	Cost Rate	Return	
Initial Application					
		(%)	(\$)	(%)	(\$)
Debt					
1	Long-term Debt	56.00%	\$17,715,933	5.13%	\$908,703
2	Short-term Debt	4.00%	\$1,265,424	2.07%	\$26,194
3	Total Debt	60.00%	\$18,981,357	4.93%	\$934,897
Equity					
4	Common Equity	40.00%	\$12,654,238	9.85%	\$1,246,442
5	Preferred Shares	0.00%	\$ -	0.00%	\$ -
6	Total Equity	40.00%	\$12,654,238	9.85%	\$1,246,442
7	Total	100.00%	\$31,635,594	6.90%	\$2,181,339

Settlement Agreement					
		(%)	(\$)	(%)	(\$)
Debt					
1	Long-term Debt	56.00%	\$15,745,859	5.02%	\$790,003
2	Short-term Debt	4.00%	\$1,124,704	2.46%	\$27,668
3	Total Debt	60.00%	\$16,870,563	4.85%	\$817,670
Equity					
4	Common Equity	40.00%	\$11,247,042	9.58%	\$1,077,467
5	Preferred Shares	0.00%	\$ -	0.00%	\$ -
6	Total Equity	40.00%	\$11,247,042	9.58%	\$1,077,467
7	Total	100.00%	\$28,117,605	6.74%	\$1,895,137

Per Board Decision					
		(%)	(\$)	(%)	(\$)
Debt					
8	Long-term Debt	56.00%	\$15,745,859	5.02%	\$790,003
9	Short-term Debt	4.00%	\$1,124,704	2.46%	\$27,668
10	Total Debt	60.00%	\$16,870,563	4.85%	\$817,670
Equity					
11	Common Equity	40.00%	\$11,247,042	9.58%	\$1,077,467
12	Preferred Shares	0.00%	\$ -	0.00%	\$ -
13	Total Equity	40.00%	\$11,247,042	9.58%	\$1,077,467
14	Total	100.00%	\$28,117,605	6.74%	\$1,895,137

Notes

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



REVENUE REQUIREMENT WORK FORM

Version: 2.11

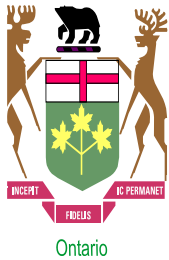
Name of LDC: Woodstock Hydro Services Inc
 File Number: EB-2010-0145
 Rate Year: 2011

Revenue Sufficiency/Deficiency

Line No.	Particulars	Initial Application		Settlement Agreement		Per Board Decision	
		At Current Approved Rates	At Proposed Rates	At Current Approved Rates	At Proposed Rates	At Current Approved Rates	At Proposed Rates
1	Revenue Deficiency from Below		\$1,756,617		\$980,945		\$980,945
2	Distribution Revenue	\$6,475,857	\$6,475,857	\$6,722,121	\$6,722,121	\$6,722,121	\$6,722,121
3	Other Operating Revenue Offsets - net	\$483,279	\$483,279	\$495,279	\$495,279	\$495,279	\$495,279
4	Total Revenue	\$6,959,136	\$8,715,753	\$7,217,400	\$8,198,345	\$7,217,400	\$8,198,345
5	Operating Expenses	\$6,200,589	\$6,200,589	\$5,973,408	\$5,973,408	\$5,973,408	\$5,973,408
6	Deemed Interest Expense	\$934,897	\$934,897	\$817,670	\$817,670	\$817,670	\$817,670
	Total Cost and Expenses	\$7,135,485	\$7,135,485	\$6,791,079	\$6,791,079	\$6,791,079	\$6,791,079
7	Utility Income Before Income Taxes	(\$176,350)	\$1,580,267	\$426,321	\$1,407,266	\$426,321	\$1,407,266
8	Tax Adjustments to Accounting Income per 2009 PILs	(\$177,112)	(\$177,112)	\$12,275	\$12,275	\$12,275	\$12,275
9	Taxable Income	(\$353,462)	\$1,403,155	\$438,597	\$1,419,542	\$438,597	\$1,419,542
10	Income Tax Rate	23.79%	23.79%	23.23%	23.23%	23.23%	23.23%
11	Income Tax on Taxable Income	(\$84,092)	\$333,825	\$101,898	\$329,800	\$101,898	\$329,800
12	Income Tax Credits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
13	Utility Net Income	(\$92,257)	\$1,246,442	\$324,423	\$1,077,467	\$324,423	\$1,077,467
14	Utility Rate Base	\$31,635,594	\$31,635,594	\$28,117,605	\$28,117,605	\$28,117,605	\$28,117,605
	Deemed Equity Portion of Rate Base	\$12,654,238	\$12,654,238	\$11,247,042	\$11,247,042	\$11,247,042	\$11,247,042
15	Income/Equity Rate Base (%)	-0.73%	9.85%	2.88%	9.58%	2.88%	9.58%
16	Target Return - Equity on Rate Base	9.85%	9.85%	9.58%	9.58%	9.58%	9.58%
17	Sufficiency/Deficiency in Return on Equity	-10.58%	0.00%	-6.70%	0.00%	-6.70%	0.00%
18	Indicated Rate of Return	2.66%	6.90%	4.06%	6.74%	4.06%	6.74%
19	Requested Rate of Return on Rate Base	6.90%	6.90%	6.74%	6.74%	6.74%	6.74%
20	Sufficiency/Deficiency in Rate of Return	-4.23%	0.00%	-2.68%	0.00%	-2.68%	0.00%
21	Target Return on Equity	\$1,246,442	\$1,246,442	\$1,077,467	\$1,077,467	\$1,077,467	\$1,077,467
22	Revenue Deficiency/(Sufficiency)	\$1,338,700	(\$0)	\$753,044	\$ -	\$753,044	\$ -
23	Gross Revenue Deficiency/(Sufficiency)	\$1,756,617 (1)		\$980,945 (1)		\$980,945 (1)	

Notes:

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



REVENUE REQUIREMENT WORK FORM

Version: 2.11

Name of LDC: Woodstock Hydro Services Inc
 File Number: EB-2010-0145
 Rate Year: 2011

Revenue Requirement					
Line No.	Particulars	Application	Settlement Agreement	Per Board Decision	
1	OM&A Expenses	\$4,042,261	\$3,910,054	\$3,910,054	
2	Amortization/Depreciation	\$2,031,382	\$1,936,408	\$1,936,408	
3	Property Taxes	\$126,946	\$126,946	\$126,946	
4	Capital Taxes	\$ -	\$ -	\$ -	
5	Income Taxes (Grossed up)	\$333,825	\$329,800	\$329,800	
6	Other Expenses	\$ -	\$ -	\$ -	
7	Return				
	Deemed Interest Expense	\$934,897	\$817,670	\$817,670	
	Return on Deemed Equity	\$1,246,442	\$1,077,467	\$1,077,467	
8	Distribution Revenue Requirement before Revenues	<u>\$8,715,753</u>	<u>\$8,198,345</u>	<u>\$8,198,345</u>	
9	Distribution revenue	\$8,232,474	\$7,703,066	\$7,703,066	
10	Other revenue	<u>\$483,279</u>	<u>\$495,279</u>	<u>\$495,279</u>	
11	Total revenue	<u>\$8,715,753</u>	<u>\$8,198,345</u>	<u>\$8,198,345</u>	
12	Difference (Total Revenue Less Distribution Revenue Requirement before Revenues)	<u>(\$0) (1)</u>	<u>\$ - (1)</u>	<u>\$ - (1)</u>	

Notes

(1) Line 11 - Line 8



REVENUE REQUIREMENT WORK FORM

Version: 2.11

Name of LDC: Woodstock Hydro Services Inc
 File Number: EB-2010-0145
 Rate Year: 2011

Residential

Consumption kWh

	Charge Unit	Current Board-Approved			Proposed			Impact		
		Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change	
1	Monthly Service Charge	monthly	\$ 11.1000	1	\$ 11.10	\$ 12.7200	1	\$ 12.72	\$ 1.62	14.59%
2	Smart Meter Rate Adder	monthly	\$ 1.6300	1	\$ 1.63	\$ 0.4700	1	\$ 0.47	-\$ 1.16	-71.17%
3	Service Charge Rate Adder(s)			1	\$ -		1	\$ -	\$ -	
4	Service Charge Rate Rider(s)			1	\$ -		1	\$ -	\$ -	
5	Distribution Volumetric Rate	per kWh	\$ 0.0190	800	\$ 15.20	\$ 0.0218	800	\$ 17.44	\$ 2.24	14.74%
6	Low Voltage Rate Adder			800	\$ -		800	\$ -	\$ -	
7	Volumetric Rate Adder(s)			800	\$ -		800	\$ -	\$ -	
8	Volumetric Rate Rider(s)			800	\$ -		800	\$ -	\$ -	
9	Smart Meter Disposition Rider	monthly		800	\$ -		800	\$ -	\$ -	
10	LRAM & SSM Rate Rider	per kWh		800	\$ -	\$ 0.0011	800	\$ 0.88	\$ 0.88	
11	Deferral/Variance Account Disposition Rate Rider	per kWh	-\$ 0.0014	800	-\$ 1.12	-\$ 0.0014	800	-\$ 1.14	-\$ 0.02	2.14%
12	Smart Meter Disposition Rider	monthly			\$ -	\$ 1.2000	1	\$ 1.20	\$ 1.20	
13	Deferral/Variance Account Disposition Rate Rider 2011	per kWh			\$ -	\$ 0.0008	800	\$ 0.61	\$ 0.61	
14	Non-RPP Rate Rider 2010	per kWh			\$ -	\$ 0.0004	800	\$ 0.31	\$ 0.31	
15	Non-RPP Rate Rider 2011				\$ -	\$ 0.0001	800	\$ 0.06	\$ 0.06	
16	Sub-Total A - Distribution				\$ 26.81			\$ 32.55	\$ 5.74	21.40%
17	RTSR - Network	per kWh	\$ 0.0061	835.2	\$ 5.09	\$ 0.0055	834.48	\$ 4.59	-\$ 0.51	-9.93%
18	RTSR - Line and Transformation Connection	per kWh	\$ 0.0047	835.2	\$ 3.93	\$ 0.0045	834.48	\$ 3.79	-\$ 0.13	-3.37%
19	Sub-Total B - Delivery (including Sub-Total A)				\$ 35.83			\$ 40.93	\$ 5.10	14.23%
20	Wholesale Market Service Charge (WMSC)	per kWh	\$ 0.0052	835.2	\$ 4.34	\$ 0.0052	834.48	\$ 4.34	-\$ 0.00	-0.09%
21	Rural and Remote Rate Protection (RRRP)	per kWh	\$ 0.0013	835.2	\$ 1.09	\$ 0.0013	834.48	\$ 1.08	-\$ 0.00	-0.09%
22	Special Purpose Charge	per kWh	\$ 0.0003730	835.2	\$ 0.31	\$ 0.0003730	834.48	\$ 0.31	-\$ 0.00	-0.09%
23	Standard Supply Service Charge	monthly	\$ 0.2500	1	\$ 0.25	\$ 0.2500	1	\$ 0.25	\$ -	0.00%
24	Debt Retirement Charge (DRC)	per kWh	\$ 0.0070	835.2	\$ 5.85	\$ 0.0070	834.48	\$ 5.84	-\$ 0.01	-0.09%
25	Energy			835.2	\$ -		834.48	\$ -	\$ -	
26	Block 1 (RPP Summer)	per kWh	\$ 0.0650	600	\$ 39.00	\$ 0.0650	600	\$ 39.00	\$ -	0.00%
27	Block 2 (RPP Summer)		\$ 0.0750	235.2	\$ 17.64	\$ 0.0750	234.48	\$ 17.59	-\$ 0.05	-0.31%
28	Total Bill (before Taxes)				\$ 104.31			\$ 109.34	\$ 5.03	4.83%
29	HST		13%		\$ 13.56	13%		\$ 14.21	\$ 0.65	4.83%
30	Total Bill (including Sub-total B)				\$ 117.87			\$ 123.56	\$ 5.69	4.83%
31	Loss Factor (%)	Note 1	<input type="text" value="4.40%"/>			<input type="text" value="4.31%"/>				

Notes:

Note 1: Enter existing and proposed total loss factor (Secondary Metered Customer < 5,000 kW) as a percentage.



REVENUE REQUIREMENT WORK FORM

Version: 2.11

Name of LDC: Woodstock Hydro Services Inc
 File Number: EB-2010-0145
 Rate Year: 2011

General Service < 50 kW

Consumption 2000 kWh

	Charge Unit	Current Board-Approved			Proposed			Impact		
		Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change	
1	Monthly Service Charge	monthly	\$ 21.4500	1	\$ 21.45	\$ 24.5800	1	\$ 24.58	\$ 3.13	14.59%
2	Smart Meter Rate Adder	monthly	\$ 1.6300	1	\$ 1.63	\$ 0.4700	1	\$ 0.47	-\$ 1.16	-71.17%
3	Service Charge Rate Adder(s)			1	\$ -		1	\$ -	\$ -	
4	Service Charge Rate Rider(s)			1	\$ -		1	\$ -	\$ -	
5	Distribution Volumetric Rate	per kWh	\$ 0.0123	2000	\$ 24.60	\$ 0.0141	2000	\$ 28.20	\$ 3.60	14.63%
6	Low Voltage Rate Adder			2000	\$ -		2000	\$ -	\$ -	
7	Volumetric Rate Adder(s)			2000	\$ -		2000	\$ -	\$ -	
8	Volumetric Rate Rider(s)			2000	\$ -		2000	\$ -	\$ -	
9	Smart Meter Disposition Rider	monthly		2000	\$ -		2000	\$ -	\$ -	
10	LRAM & SSM Rider	per kWh		2000	\$ -	\$ 0.0003	2000	\$ 0.60	\$ 0.60	
11	Deferral/Variance Account Disposition Rate Rider	per kWh	-\$ 0.0014	2000	-\$ 2.80	-\$ 0.0014	2000	-\$ 2.86	-\$ 0.06	2.14%
12	Smart Meter Disposition Rider	monthly			\$ -	\$ 1.2000	1	\$ 1.20	\$ 1.20	
13	Deferral/Variance Account Disposition Rate Rider 2011	per kWh			\$ -	\$ 0.0002	2000	\$ 0.41	\$ 0.41	
14	Non-RPP Rate Rider 2010 & 2011	per kWh			\$ -	\$ 0.0005	2000	\$ 0.97	\$ 0.97	
15	Non-RPP Rate Rider 2011	per kWh			\$ -	0.0000	2000	\$ 0.04	\$ 0.04	
16	Sub-Total A - Distribution				\$ 44.88			\$ 53.61	\$ 8.73	19.46%
17	RTSR - Network	per kWh	\$ 0.0055	2088	\$ 11.48	\$ 0.0050	2086.2	\$ 10.34	-\$ 1.14	-9.93%
18	RTSR - Line and Transformation Connection	per kWh	\$ 0.0043	2088	\$ 8.98	\$ 0.0042	2086.2	\$ 8.68	-\$ 0.30	-3.37%
19	Sub-Total B - Delivery (including Sub-Total A)				\$ 65.34			\$ 72.63	\$ 7.29	11.15%
20	Wholesale Market Service Charge (WMSC)	per kWh	\$ 0.0052	2088	\$ 10.86	\$ 0.0052	2086.2	\$ 10.85	-\$ 0.01	-0.09%
21	Rural and Remote Rate Protection (RRRP)	per kWh	\$ 0.0013	2088	\$ 2.71	\$ 0.0013	2086.2	\$ 2.71	-\$ 0.00	-0.09%
22	Special Purpose Charge	per kWh	\$ 0.0003730	2088	\$ 0.78	\$ 0.0003730	2086.2	\$ 0.78	-\$ 0.00	-0.09%
23	Standard Supply Service Charge	monthly	\$ 0.2500	1	\$ 0.25	\$ 0.2500	1	\$ 0.25	\$ -	0.00%
24	Debt Retirement Charge (DRC)	per kWh	\$ 0.0070	2088	\$ 14.62	\$ 0.0070	2086.2	\$ 14.60	-\$ 0.01	-0.09%
25	Energy	per kWh		2088	\$ -		2086.2	\$ -	\$ -	
26			\$ 0.0650	750	\$ 48.75	\$ 0.0650	750	\$ 48.75	\$ -	0.00%
27			\$ 0.0750	1338	\$ 100.35	\$ 0.0750	1336.2	\$ 100.22	-\$ 0.14	-0.13%
28	Total Bill (before Taxes)				\$ 243.66			\$ 250.79	\$ 7.13	2.93%
29	HST		13%		\$ 31.68	13%		\$ 32.60	\$ 0.93	2.93%
30	Total Bill (including Sub-total B)				\$ 275.33			\$ 283.39	\$ 8.06	2.93%
31	Loss Factor	Note 1			4.40%			4.31%		

Notes:

Note 1: See Note 1 from Sheet 1A. Bill Impacts - Residential