EB-2013-0147

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 Kitchener-Wilmot Hydro Inc. for an order approving rates and other charges for the distribution of electricity to be effective January 1, 2014.

BEFORE: Ken Quesnelle
Presiding Member and Vice-Chair

Emad Elsayed
Member

DECISION AND ORDER
March 20, 2014

Kitchener-Wilmot Hydro Inc. ("KWHI") filed an application (the "Application") with the Ontario Energy Board (the "Board") on May 17, 2013 seeking approval for changes to the rates that KWHI charges for electricity distribution, to be effective January 1, 2014. The Board assigned the Application file number EB-2013-0147. An amended application, under CGAAP with updated asset lives and depreciation rates for fixed assets and in accordance with capitalization policies consistent with IFRS and Board policies, was filed on June 21, 2013, and additional information was filed on August 9 and 13, 2013.

Energy Probe Research Foundation ("Energy Probe"), the School Energy Coalition ("SEC") and the Vulnerable Energy Consumers Coalition ("VECC") were granted intervenor status and eligibility for costs.

Following an initial round of written interrogatories and responses, the Board established procedures to facilitate a technical conference which was held on October 28, 2013 and a settlement conference which was held on November 7 and 8, 2013. KWHI filed a proposed partial settlement agreement between itself and the registered intervenors (collectively, “the parties”) on December 3, 2013.

As documented in the proposed partial settlement agreement, the following issues remained unsettled:

> **Issue 2.2:**
>
> Is the working capital allowance for the test year appropriate?

and

> **Issue 4.1:**
>
> Is the overall OM&A forecast for the test year appropriate?

The following issue was identified in the proposed partial settlement agreement as being incomplete due to its relation to issue 2.2:

> Issue 1.1:
>
> Has KWHI responded appropriately to all relevant Board directions from previous proceedings?

Issue 2.2 and Issue 1.1 are directly linked by the question of whether KWHI had complied with all directions from previous Board decisions in deciding not to conduct and file a lead-lag study to support its proposed working capital allowance (“WCA”) in this application.

The Board’s findings on these matters are provided on a hierarchical basis, determining as a first order, whether KWHI ought to have conducted a lead-lag study in response to the Board’s earlier decision. This is addressed in the section titled Working Capital Allowance.

The Board conducted an oral hearing at the Board's offices on January 9, 2014, hearing testimony on the unsettled issues. The Board deferred its decision with respect to the proposed partial settlement agreement, requesting an undertaking from KWHI with respect to the proposal on Issue 2.3 relating to capital expenditures.

Undertakings arising from the oral hearing were filed on January 16, 2014. Board staff, VECC and Energy Probe filed submissions on January 23, 2014. SEC filed its submission on January 30, 2014. KWHI filed its reply submission on February 6, 2014.

KWHI originally submitted a base revenue requirement of $37,414,668 to be recovered in rates effective January 1, 2014. This reflected a revenue sufficiency of $793,268. KWHI revised its base revenue requirement to $38,551,837. The revisions were due to factors such as corrections and adjustments as well as the reflection of the Cost of Capital parameters issued by the Board on November 25, 2013 applicable to 2014 cost of service rates applications. Drivers for the change in the proposed revenue requirement are:

- Increased 2014 net fixed assets of $183,997,292 from $182,923,299, reflecting:
    - Increased 2013 capital additions of $1,414,300, and corresponding increased depreciation expense of $71,798;
    - Increased 2013 capital expenditures of $724,900;
    - Decreased 2013 contributed capital of $689,500;
    - Reduced 2014 capital additions of $17,154,331, reduced by $610,310 ($500,000 reduction per Issue 2.3 of the proposed partial settlement agreement, $118,700 reduction to remove renewable generation assets for calculation through the direct benefit);
- Depreciation expense reduction of $101,384, related to changes in 2013 and 2014 capital additions;
- Cost of power increase from $184,456,632 to $189,973,376 per the updated 2014 load forecast in the proposed partial settlement agreement;
- Reduced OM&A from $18,523,200 to $18,480,760,[1] as difference of $42,440 reflecting a non-labour inflation rate change from 2.0% to 1.6%;
- Increases in the costs of capital due to increases in the deemed long-term debt rate and the return on equity (ROE), resulting in increases of, respectively, $868,343 and $383,066; and

[1] The OM&A excludes $394,000 in forecasted 2014 property taxes.

- Increased grossed up PILs of $63,733 reflecting the increases in the rate base and ROE.[2]

Based on this updated revenue requirement, KWHI's proposed rates would recover a revenue deficiency of $130,436.

The following issues are addressed below in considering KWHI's application:

- The proposed partial settlement agreement;
- Effective date for new rates;
- Working Capital Allowance;
- Operating, Maintenance & Administration expenses ("OM&A"); and
- Implementation.

THE PROPOSED PARTIAL SETTLEMENT AGREEMENT

KWHI filed the proposed partial settlement agreement and supporting documents on December 3, 2014. The proposed partial settlement agreement is included as Appendix A to this Decision and Order.

The Board deferred its determination with respect to the proposed partial settlement agreement, but proceeded to hear the unsettled issues as documented in the proposed partial settlement agreement in the hearing on January 9, 2014. At the commencement of the proceeding, the Board sought further explanation on the proposal with respect to Issue 2.3: "Is the capital expenditure forecast for the test year appropriate?". In addition to the proposed agreement on a 2014 test year capital expenditure of $21,436,000, the parties also proposed that the threshold test for KWHI seeking approval for an Incremental Capital Module ("ICM") in any year during the next IRM term (i.e. 2015-2017) would be the annual capital budget set out in KWHI's Capital Expenditures Program 2013-2022[3] rather than the ICM threshold set out in the Board's Filing Requirements.[4]

In response to questions posed by the Board panel, KWHI undertook to provide a comparison of KWHI's 2015-2017 capital budgets compared to what the ICM threshold

[2] Proposed partial settlement agreement, December 3, 2013, Appendix A
[3] Exhibit 2/Tab 4/Schedule 4/Attachment 1/Appendix A
[4] *Filing Requirements for Distribution Rate Applications*, July 17, 2013, section 3.3.1.1

would be per the Board's documented ICM threshold formula. In its response to Undertaking J1.1, KWHI provided the following table:

Comparison of ICM Threshold versus KWHI's Forecasted Annual Capital Expenditures[5]

	2015	2016	2017
ICM Threshold	$13,116,596	$13,116,596	$13,116,596
Capital Expenditures Program	$19,270,000	$19,960,000	$20,795,000

As per the Undertaking descriptors, the ICM threshold levels shown assume a continuation of the current threshold level over the period for presentation purposes. It is understood that actual ICM Threshold levels would be based on actual customer numbers, etc.

Board Findings

The Board accepts the proposed partial settlement agreement as filed.

EFFECTIVE DATE FOR NEW RATES

KWHI applied for rates effective January 1, 2014. The Board issued an Interim Rate Order[6] on December 6, 2013, declaring KWHI's current rates interim effective January 1, 2014.

The partial settlement agreement accepted by the Board stipulates that KWHI's new rates are to be effective January 1, 2014.

Board Findings

New rates shall be implemented May 1, 2014. In its draft Rate Order filing, KWHI shall propose rate riders to calculate foregone revenues for the period January 1 to April 30, 2014.

Rate riders for Deferral and Variance Accounts and Stranded Meters should take into account the implementation date of May 1, 2014.

[5] Undertaking J1.1, January 16, 2014
[6] Interim Rate Order and Procedural Order No. 3, December 6, 2013

WORKING CAPITAL ALLOWANCE

In its previous cost of service rebasing application for 2010 rates (EB-2009-0267), KWHI proposed to undertake its own lead-lag study in its reply submission. The Board's decision in that proceeding acknowledged KWHI's proposal to conduct a lead-lag study, and found KWHI's proposal timely and appropriate. The Board provided its expectation that KWHI's next rebasing application would be supported by either its own lead-lag study or the outcome of a Board-led process.

Excerpt from the Board decision in EB-2009-0267:

> ***Lead-lag Study***
>
> *KW Hydro has proposed to conduct a lead-lag study in the preparation of its next cost of service rebasing application. The Board finds this proposal timely and appropriate; the Board notes that KW Hydro will have implemented smart meters and Time-of-Use ("TOU") rates by that time. The standard 15% formula is dated and has not been reviewed for a while, and there have been many changes in utility operations, and changes in technology and productivity.*
>
> *The Board notes that the appropriateness of the level of working capital is also being raised in other applications, and that the Board may initiate a generic proceeding/consultation on determining a new working capital methodology in advance of KW Hydro's next cost of service filing. In such case, the Board expects that KW Hydro will participate in such a process and will take into account the outcomes of such a process. The Board expects that KW Hydro will support its cash working capital allowance in its next rebasing application based on the outcomes of this Board-led process or based on the lead/lag study that KW Hydro stated it would individually undertake.*

In this Application, KWHI proposed that the WCA factored into the Rate Base for determining the 2014 revenue requirement should be based on 13% of the sum of controllable expenses plus the cost of power. KWHI is relying on the Board's letter of April 12, 2012,[7] in which the Board stated that the default factor for the WCA should be 13%. In its letter, the Board stated that a distributor could rely on this 13% factor unless it wanted to undertake its own lead-lag study or was directed to do so in a previous Board decision. The Revenue Requirement Work Form filed with the proposed partial settlement agreement, contains KWHI's estimated 2014 WCA of $17,096,438; subject to revision based on the Board's determinations on the unsettled issues.

[7] Exhibit K1.2, pp. 7-9

Board staff submitted that KWHI's reliance on the updated default WCA factor of 13% is reasonable in that KWHI was not directed to do its own lead-lag study, although that was an option available to it (and to any other distributor preparing a cost of service rates application). Instead, KWHI interpreted the April 12, 2012 Board-issued letter and direction as the result of a "Board-led" process, and relied on it.[8]

Board staff suggested that a consultation or working group, either led by the Board or the industry, to assess the working capital allowance requirements under monthly billing could be considered. This would be done in about a year, after KWHI and other distributors have converted to and have better information on leads and lags of costs and revenues under monthly billing.

Energy Probe submitted that KWHI should have consulted with Board staff prior to relying solely on the Board's letter of April 12, 2012, instead of conducting its own lead-lag study. Energy Probe submitted that there was no proceeding or consultation conducted which gave rise to the Board's determination to make the default WCA factor 13%, instead of 15%, of the sum of the cost of power plus controllable expenses.

Energy Probe submitted that KWHI should have conducted a lead-lag study and filed it as part of this Application since the distributor had decided to move to monthly billing.

VECC submitted that the Board's default approach of 13% as documented in the April 12, 2012 letter, and in the absence of company-specific information, was established based on the a number of lead-lag studies from distributors still doing bi-monthly billing for the majority of their customers. VECC submitted that "the Board's recommended use of the 13% WCA default value was a practical response to the evidence at hand rather than articulating a regulatory formula to be plugged in regardless of circumstances, such as the ROE formula."[9]

SEC argued that the Board's previous decision contained a direction to KWHI to carry out a study and submitted that the 13% default WCA factor announced in the April 12, 2012 letter did not apply to KWHI.[10]

[8] Tr. Vol. 1, pg. 35 l. 26 to pg. 36 l. 20
[9] VECC's submission, January 23, 2014, para. 5
[10] SEC's submission, January 30, 2014, paras. 2.2.2 and 2.2.3

KWHI submitted that it was not directed to conduct a lead-lag study in its 2010 cost of service rates application EB-2009-0267. It therefore disagrees with the assertions of Energy Probe and SEC. While acknowledging that the Board did not solicit input from distributors in its WCA review in early 2012 that gave rise to the 13% factor as the new default announced in the April 12, 2012 letter, KWHI submitted that the Board clearly turned its mind to the matter and determined the appropriateness of 13% as the new default. KWHI submitted that adoption of the 13% default is documented in the Board's filing requirements. KWHI submitted that its use of the 13% WCA factor was appropriate, as also submitted by Board staff.

KWHI acknowledged that it did not do a cost benefit analysis in deciding to move to monthly billing for residential and GS < 50 kW customers; instead its decision was based on the following factors:

- KWHI understood that the Minister of Energy might mandate monthly billing in the near future; and
- Convenience and easier budgeting from having smaller bills could lead to increased customer satisfaction.

KWHI also referenced recent Board decisions with respect to rates applications for Centre Wellington Hydro (EB-2012-0013), Co-operative Hydro Embrun (EB-2013-0122) and Hydro Hawkesbury (EB-2013-0139), where the Board accepted the WCA factor of 13%. KWHI stated that all of these distributors bill monthly.

KWHI noted that, while it has planned to implement monthly billing, its ability to do so will depend, in part, on the OM&A approved by the Board in this Decision. If KWHI does not implement monthly billing, the utility submitted that arguments about the WCA were no longer valid and that the WCA factor should remain at 13% as proposed.[11]

KWHI noted Board staff's suggestion that the Board consider a generic study to examine the impacts of monthly billing on working capital requirements, and suggested that this was more appropriate than were the suggestions of intervenors.

[11] KWHI's Reply Submission, February 6, 2014, pg. 8, para. 32

Board Findings

On the matter of whether KWHI responded to all relevant Board directions from previous proceedings, the Board accepts KWHI's interpretation of the Board's April 12, 2012 letter as being reasonable and therefore does not find that KWHI was required to perform and file a lead-lag study in support of this Application.

Based on the finding above, and in recognition of section 2.5.1.3 of the *Filing Requirements for Electricity Distribution Rate Applications*, which establishes the Board's expectation with respect to the WCA and allows for the default 13% approach in the absence of previous direction by the Board to undertake a lead/lag study; the Board does not find it necessary to consider whether any WCA other than the default 13% used by KWHI is more appropriate in this Application.

The Board notes that the WCA will need to be updated to reflect the Board's determinations with respect to KWHI's OM&A elsewhere in this Decision. This will be done as part of the draft Rate Order process.

OPERATIONS, MAINTENANCE & ADMINISTRATION EXPENSES

In the amended application filed on June 21, 2013, KWHI sought approval for OM&A expenses of $18,523,200 as part of its 2014 revenue requirement. In response to interrogatories and in the proposed partial settlement agreement, KWHI amended its 2014 OM&A expense proposal to $18,480,760. KWHI's proposed 2014 OM&A represents an 11.3% increase over the actual 2012 OM&A and a 33% increase over the 2010 Board approved OM&A.

Board staff noted that the reduction in OM&A in the updated application was $42,440, representing a reduction in the non-labour inflation rate (based on GDP-IPI) from 2.0% as originally applied for, to 1.6% based on the GDP-IPI annual percentage change used for 2013 IRM rate adjustments. Board staff noted that, on November 21, 2013, the Board issued its *Report of the Board on Rate Setting Parameters and Benchmarking under the Renewed Regulatory Framework for Ontario's Electricity Distributors*. Appendix C of that report documents the derivation of the new IPI, or Input Price Index, being used for IRM rate adjustments as of January 1, 2014. Non-labour inflation is measured by the GDP-IPI, but on the most recent Statistics Canada annual data available at the point. The GDP-IPI used for 2014 rates applications is 1.8%. Board staff submitted that the adjustment should thus be half of the $42,440, or $21,110, but noted that this was not a material amount.

Board staff noted that KWHI has estimated an OM&A expense of about $100,000 per year for ash tree removals due to the emerald ash borer. Board staff noted that; "[v]egetation management is to ensure that growth of trees, shrubs, grasses, etc. have sufficient clearance from electrical equipment and buildings for employee and public safety, to allow for safe access to and working around equipment and so that safety, quality and reliability are not put at unreasonable risk through contacts, including falling trees and branches taking down poles and wires." Estimating that the $100,000 would correspond to about 50 tree removals at $2,000 per tree, Board staff noted that proper maintenance of trees (and removal of dead or dying ones) is the responsibility of property owners, and submitted that this is not an expense that should be borne by ratepayers.

Noting that KWHI has not implemented monthly billing yet in 2014 and that there is still uncertainty as to when the utility will implement monthly billing, Board staff submitted that the annual incremental costs, estimated by KWHI at about $500,000, will not be fully incurred this year. Board staff submitted that OM&A expenses be reduced by $300,000 as monthly billing will not be in place for the full year. In subsequent years, the reduction in the working capital requirement or other realized benefits (e.g. decreased bad debt) should offset differences between 2014 partial year and full year monthly billing expense increases. Thus, Board staff submitted that KWHI's 2014 OM&A should be reduced to $18,080,000.

Energy Probe referenced the Board's previous decision for KWHI's 2010 rates application EB-2009-0267:

> "The Board finds it useful to look at OM&A levels from a number of perspectives: the specifics of the test year forecast; trends in spending over time, expectations for inflation and economic conditions; and comparisons with other distributors."[12]

Energy Probe stated that it concurred with the Board's comments, but submitted that adjustments for accounting changes and smart meters, as major factors, made comparisons of OM&A expense levels over time not possible at a detailed level. Energy

[12] Decision and Order EB-2009-0267, April 7, 2010, page 13

Probe submitted that comparisons at the overall level of OM&A could be done based on adjustments.

Energy Probe provided three separate analyses for deriving what it submitted should be reasonable OM&A budgets for 2014.[13] The following table summarizes these approaches and the results:

Approach	Description	Results	Reduction from KWHI's proposal
c) i)	Applying IRM actual and forecasted inflation less productivity and stretch factors and actual and forecasted customer growth to 2010 Board-approved	$17,297,301	$1,183,459 or 6.4%
c) ii)	Interim 2014 budget approved by KWHI's Board of Directors (Undertaking J1.9) with further adjustments	$16,499,457	$1,981,303 or 10.7%
c) iii)	Average OM&A per customer analysis (2012, with adjustments for inflation and growth for 2013 and 2014)	$16,677,108	$1,803,652 or 9.7%
e)	Average of c) i), c) ii) and c) iii) – Energy Probe's proposed OM&A	$16,824,622	$1,656,138 or 9.0%

Energy Probe submitted that the average of the three approaches be used and thus recommended that KWHI's 2014 expenses should be $16,824,622, and that this reduction includes removal of the incremental OM&A expenses of $401,500 for monthly billing.

SEC submitted that KWHI's proposed 2014 OM&A is too high, while acknowledging that the utility is a low cost distributor, based on comparisons to other distributors (e.g., through use of RRR data reported in OEB Yearbooks). SEC thus acknowledged that "some component of catchup or flexibility [in OM&A] may be appropriate."[14]

SEC submitted that accounting changes, due to implementation of modified CGAAP, and spending anomalies (e.g. for smart meter deployment) made year-over-year makes comparisons difficult. Starting with 2008 as a "typical" year, SEC conducted an analysis and submitted that KWHI's 2014 proposed OM&A was 33.78% above 2008 actuals and 22.74% over 2008 levels based on OM&A per customer.

[13] Energy Probe's submission, January 23, 2014, pp. 13-17
[14] SEC, *op. cit*., pg. 8, para. 3.1.1

SEC noted that OM&A under-spending occurred in some recent years, due to capital projects, such as a transformer station project. SEC submitted that the under-spend on OM&A was about $0.5M or 0.9% over the four years from 2010 to 2013. SEC submitted that this was not material.[15]

SEC noted that a 2% annual inflation adjustment would correspond closely to the cumulative 2010-2013 actual OM&A spending of $60.1 million. Noting that KWHI has historically been low-cost and that there have been legitimate OM&A under-spends due to capital projects in this period. SEC submitted that the allowed inflation on OM&A should be 2.5%, which would result in an OM&A of $17.6 million, a reduction of about $880,000 from the proposed OM&A. Alternatively, if the WCA is not reduced from 13%, SEC submitted that the incremental OM&A expenses of about $400,000 should be a further reduction, for $17.2 million. In this latter case, SEC submitted that the incremental costs and benefits of monthly billing should be treated as a productivity initiative during the IRM term, with costs borne by and benefits accruing to KWHI's shareholders.

VECC submitted that KWHI's proposed 2014 OM&A is 33% above the 2010 Board-approved, and 50% above 2010 actuals. While noting the KWHI is above-average in terms of Ontario distributors (i.e. lower average OM&A per customer), VECC submitted that KWHI should not be excused for regressing towards the mean.

VECC submitted that the envelope approach to setting OM&A is preferable to a bottom-up approach for rate-setting by the regulator, but noted that KWHI has not done this. VECC submitted that not using an envelope increases "the probability that the envelope [OM&A] will be exceeded."[16]

VECC provided an analysis based on "expected growth" that VECC has used with other distributors. VECC submitted that its analysis indicated that KWHI's 2014 OM&A should be $17,427,521 starting from 2010 Board-approved OM&A, a reduction of $1,095,679 from the original proposed OM&A of $18,523,200). A similar analysis,

[15] *Ibid*., pg. 10, paras. 3.3.2 to 3.3.6
[16] VECC, *op. cit*., pg, 5, para. 17

starting from 2010 actual OM&A expenses, would result in a 2014 OM&A forecast of $15,800,548 (a reduction of $2,722,652 from the KWHI's proposed OM&A).[17]

VECC questioned the incremental cost estimate of $711,000 shown in the evidence, submitting that responses to Undertaking J1.4 and interrogatory 4-EP-7 show that actual incremental costs may be about 50% of that estimate (i.e. about $350,000).[18]

VECC submitted that there will also be benefits, such as reduced bad debts under monthly billing, and was critical of KWHI's response to Undertaking J1.2[19] on the impacts and benefits on monthly billing. VECC quoted from the Util-Assist report from the Oakville Hydro's 2014 cost of service rates application (EB-2013-0159) filed in Energy Probe's compendium.[20] Finally, VECC submitted that, while there may be synergistic benefits to ratepayers, membership in the Electricity Distributors Association primarily benefits the distributors and their municipal shareholders, and suggested that transactions at less than arms length, like MEARIE insurance, should face increased scrutiny on the prudence of such costs.

In reply, KWHI submitted that the ash tree removal costs of $100,000 were for removal of trees near its poles and wires where such trees would pose a safety and reliability risk. KWHI notes that it is required to maintain trees found in proximity to its network and that it has no authority to direct property owners to remove such trees. KWHI also noted that the City of Kitchener plans to spend $6.7M for ash tree removal over the next ten years. KWHI submitted that the ash tree removal was different from its normal vegetation management, in that it needed to be proactive in removing dying trees before they fell. KWHI submitted that the ash tree removal expense of $100,000 should be allowed.

KWHI submitted that the $300,000 reduction in monthly billing proposed by Board staff was arbitrary, and noted that it estimates the incremental costs will be $499,500 after 2014 ($401,500 for monthly billing plus $98,000 for postal rate increase). KWHI submitted that monthly billing will be of benefit to its customers, but that arbitrary offsets may cause the utility to abandon the initiative.

[17] *Ibid*., pg. 7, table in para. 20. Based on the updated proposed OM&A of $18,480,760, the $17,427,521 starting from 2010 Board-approved would be a reduction of $1,053,239, while the $15,800,548 would be a reduction of $2,680,212.
[18] *Ibid*., pg. 8, para. 23
[19] *Ibid*., pg. 9, para. 25
[20] Exhibit K1.2, Energy Probe Compendium. Pages 16-23 are an excerpt from the Util-Assist Report. Undertaking J1.2 looks solely at the cash flow impacts and benefits listed on page 21 of Exhibit K1.2.

While operating under the previous IRM approach from 2011 to 2013, KWHI noted that it has or will, in 2014, introduce new OM&A programs, totaling $1,290,599 in incremental OM&A expenses. These include the ash tree removal, monthly billing, smart meter incremental OM&A, animal proofing, etc. KWHI also estimated that the annual O&M cost for a transformer station is $220,000 per year, and noted that an additional T.S. became fully operational in 2011.

KWHI submitted that, while it had operated under the inflation less productivity rate adjustments in the IRM term, it had cost increases that exceeded inflation. While submitting that individual items may not have been material, the utility submitted that collectively they were significant. KWHI noted that Insurance, OMERS and rebasing costs (amortized over 4 years) for 2014 are forecasted at $1,578,432, a 70% increase over 2010 Board-approved of $927,323. KWHI submitted that these are third-party costs over which KWHI has no control.

KWHI submitted that using 2010 as the starting point for any analysis was not valid, as 2010 was not a “typical” year. KWHI stated that OM&A expenses were low in that year as resources were diverted to priority capital projects, such as the new transformer station and smart meter deployment. KWHI also submitted that the envelope approach, along with the “typical” year assumption does not correspond with a utility’s actual needs, citing that maintenance schedules can be cyclical in nature and that there are costs to “catch up”. For the latter, KWHI noted that it has only recently added dedicated Human Resources staff, while other distributors of similar size have had this in place for years.

That being said, KWHI stated if it applied the analysis used by Energy Probe with inflation of 2.67% and the impacts of new OM&A expenses above, the 2014 OM&A budget would be $19,174,455. It submitted that its lower proposed budget of $18,480,700 demonstrates that it is an efficient distribution utility. KWHI submitted that no reductions to its proposed OM&A were warranted, as requested by intervenors.

KWHI noted that, while it used a bottom-up approach for budgeting, the entire capital and OM&A budget must pass scrutiny and be approved by the CEO and KWHI’s Board of Directors. It further noted that senior managers are given guidance on expected increases. KWHI disagreed with Energy Probe’s comments that line-by-line comparisons were not possible because of major drivers such as accounting changes and smart meters, and submitted that KWHI had provided such a comparison in Appendix 2-G.

Finally, KWHI submitted that the additional scrutiny of EDA and MEARIE costs suggested by VECC is not warranted. KWHI submitted that the increases are supported by the evidence and noted that the Board routinely allows such costs. This proceeding is not the forum for questioning these costs which would affect the industry generally.

Board Findings

The Board does not find it necessary to apply a, top-down approach in this case. KWHI has provided a clear and detailed explanation of the cost drivers that make up its proposed revenue requirement. The Board accepts KWHI's supporting rationale for its planned spending and proposed activities in all cases other than the costs associated with the move to monthly billing.

The Board finds that an allowance for less than the requested OM&A expenses related to the implementation of monthly billing is warranted. KWHI has not done any analysis to determine the potential for cost savings that would partially offset the cost they have submitted. KWHI has provided an update to the cost estimate due to the increase in postage costs that was announced by Canada Post in December 2013 and implemented in early 2014.

The total cost estimate for moving to monthly billing now stands at approximately $500K ($401,500 for monthly billing plus $98K for additional postage costs). KWHI is not seeking an increase in its OM&A expenses or revenue requirement to cover the additional postage costs.

The Board is of the view that there is sufficient potential for cost offsets associated with monthly billing to warrant their inclusion in the calculation of the revenue requirement associated with the move to monthly billing. For example, the Board anticipates that a correlation exists between KWHI's costs associated with arrears management and its customers receiving more frequent and therefore smaller bills.

The Board notes that by not adjusting its requested revenue requirement to cover the $98K of additional postage cost, KWHI will be absorbing this cost. Taking this into consideration as well as the fact that that no firm implementation date for monthly billing has been established, the Board considers an allowance of $300K, as opposed to the $401,500 requested, to be appropriate.

The Board finds that a 2014 OM&A expense level of $18,379, 260 ($18,480,760 less $101,500) is appropriate. This will also affect the WCA. KWHI should reflect this in determining the revenue requirement and distribution rates in its draft Rate Order filing.

IMPLEMENTATION

The Board has made findings in this Decision which change the proposed 2014 revenue requirement and therefore change the distribution rates from those proposed by KWHI. The Board's determinations on OM&A and the Working Capital Allowance will have indirect impacts on the revenue requirement and rates through rate base and taxes/PILs expense, in addition to the direct impacts. However, these impacts are formulaic in nature.

KWHI is permitted to create rate riders to recover the deferred incremental revenue requirement from January 1, 2014 to when rates are implemented on May 1, 2014. KWHI is directed to file a draft Rate Order that reflects the Board's determinations in this Decision.

In filing its draft Rate Order, the Board expects KWHI to file detailed supporting material, including all relevant calculations showing the impact of this decision on KWHI's revenue requirement, the allocation of the approved revenue requirement to the classes of customer and the determination of the final rates. Supporting documentation shall include, but not be limited to, filing a completed version of the Revenue Requirement Work Form Excel spreadsheet. If as a result of these calculations the total bill increase for any customer class would exceed 10%, the Board requires KWHI to file a mitigation plan as contemplated by the Board's Filing Requirements.

The Board will issue a Rate Order after the steps set out below are completed.

1. Kitchener-Wilmot Hydro Inc. shall file with the Board, and serve on registered intervenors, a draft Rate Order attaching a proposed Tariff of Rates and Charges reflecting the Board's findings in this Decision within **14 days** of the date of the issuance of this Decision.

2. Registered intervenors and Board staff shall file any comments on the draft Rate Order with the Board and serve them on all other registered parties within **7 days** of the date of filing of the draft Rate Order.

3. Kitchener-Wilmot Hydro Inc. shall file with the Board and serve on registered intervenors responses to any comments on its draft Rate Order within **7 days** of the date of receipt of VECC's and Board staff's comments.

COST AWARDS

1. Intervenors shall file with the Board and forward to Kitchener-Wilmot Hydro Inc. their respective cost claims within **7 days** from the date of issuance of the final Rate Order.

2. Kitchener-Wilmot Hydro Inc. shall file with the Board and forward to intervenors any objections to the claimed costs within **14 days** from the date of issuance of the final Rate Order.

3. Intervenors shall file with the Board and forward to Kitchener-Wilmot Hydro Inc. any responses to any objections for cost claims within **21 days** of the date of the final Rate Order.

4. Kitchener-Wilmot Hydro Inc. shall pay the Board's costs incidental to this proceeding upon receipt of the Board's invoice.

All filings with the Board must quote the file number EB-2013-0147, and be made through the Board's web portal at https://www.pes.ontarioenergyboard.ca/eservice/, and consist of two paper copies and one electronic copy in searchable / unrestricted PDF format. Filings must be received by the Board by 4:45 p.m. on the stated date. Parties should 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 e-mail their documents to the attention of the Board Secretary at BoardSec@ontarioenergyboard.ca.

DATED at Toronto, March 20, 2014

ONTARIO ENERGY BOARD

Original Signed By

Kirsten Walli
Board Secretary

Appendix A

To Decision and Order

Kitchener-Wilmot Hydro Inc.

Partial Settlement Agreement

EB-2013-0147

March 20, 2014

Margaret Nanninga
Vice-President Finance
mnanninga@kwhydro.on.ca

KITCHENER-WILMOT HYDRO INC.
P.O. BOX 9010
301 VICTORIA STREET SOUTH
KITCHENER, ONTARIO
N2G 4L2

Tel: (519) 749-6177
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www.kwhydro.ca

December 3, 2013

BY COURIER & RESS

Ms. Kirsten Walli, Board Secretary
ONTARIO ENERGY BOARD
2300 Yonge Street, 26th Floor, P.O. Box 2319
TORONTO, ON M4P 1E4

Re: Kitchener-Wilmot Hydro Inc.
2014 Cost of Service Rate Application (Board File No. EB-2013-0147)
Proposed Settlement Agreement

Dear Ms. Walli:

Pursuant to Procedural Order No. 2 in the above-captioned matter, a Settlement Conference was convened in this proceeding on November 7 and 8, 2013.

Kitchener-Wilmot Hydro Inc. ("KWHI") is pleased to advise that the parties have achieved a comprehensive partial settlement in this matter, leaving outstanding only the following matters:

i) KWHI's 2014 Test Year OM&A expenditures; and

ii) The appropriate percentage to be used in the calculation of KWHI's Working Capital Allowance.

Those matters will be the subject of an oral hearing.

Should you have any questions or require further information, please do not hesitate to contact me.

Respectfully submitted,

Original Signed By:

Margaret Nanninga, MBA, CGA
Vice-President Finance

Copies to: Keith Ritchie, OEB Staff
Maureen Helt, OEB Counsel
Intervenors of Record

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EB-2013-0147

ONTARIO ENERGY BOARD

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 Kitchener-Wilmot Hydro Inc. to the Ontario Energy Board for an Order approving just and reasonable rates and other charges, effective January 1, 2014.

KITCHENER-WILMOT HYDRO INC.

SETTLEMENT AGREEMENT

Filed: December 3, 2013

INTRODUCTION:

Kitchener-Wilmot Hydro Inc. ("KWHI") owns and operates the electricity distribution system within its licensed service area of 409.4 square kilometers in the City of Kitchener and the Township of Wilmot. KWHI serves approximately 89,049 customers.

KWHI filed its initial application (the "Application") with the Ontario Energy Board (the "Board") on May 17, 2013 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 KWHI charges for electricity distribution, to be effective January 1, 2014. The Board assigned File Number EB-2013-0147 to the Application. On June 21, 2013, KWHI re-submitted its Application using CGAAP as the accounting standard rather than MIFRS based on its decision to continue its financial reporting using CGAAP for the year 2014. Since 2012, KWHI has adopted revised service lives for its fixed assets and capitalization policies to be compliant with IFRS. 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").

Procedural Order No. 1, issued August 22, 2013, scheduled dates for written interrogatories from Board Staff and Intervenors, and for KWHI's responses. The Board issued Procedural Order No. 2 on October 18, 2013, setting October 24, 2013 for the delivery of Technical Conference questions; October 28, 2013 for a Technical Conference; November 7 and 8, 2013 for a Settlement Conference; and November 29, 2013 for the filing of any Settlement Proposal.

There is no Board-approved Issues List for this proceeding.

The evidence in this proceeding (referred to herein as the "Evidence") consists of the Application, KWHI's responses to interrogatories and the questions provided to KWHI prior to the Technical Conference; and its responses to Undertakings given during the Technical Conference. The Appendices to this Agreement also form part of the Evidence.

The Settlement Conference was duly convened in accordance with Procedural Order No. 2, with Mr. F. Chris Haussmann acting as the facilitator. The Settlement Conference concluded on November 8, 2013.

KWHI and the following Intervenors participated in the Settlement Conference:

- Energy Probe
- SEC
- VECC

KWHI and the Intervenors are collectively referred to below as the "Parties".

These settlement proceedings are subject to the rules relating to confidentiality and privilege contained in the Board's *Settlement Conference Guidelines* (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.

The role adopted by Board staff in the Settlement Conference is set out in page 5 of the Guidelines. Specifically, Board staff presented options for the consideration of the parties and advised on Board policy as required. Although Board staff are not a party to this Agreement, as noted in the Guidelines, Board staff who did participate in the Settlement Conference, are bound by the same confidentiality standards that apply to the Parties to the proceeding.

A PARTIAL SETTLEMENT HAS BEEN REACHED IN THIS PROCEEDING:

The Parties are pleased to advise the Board that a comprehensive partial settlement has been reached in the proceeding. This document comprises the Settlement Agreement (the "Agreement"), and it is presented to the Board jointly by KWHI, Energy Probe, SEC and VECC. It identifies the settled matters, and contains such references to the Evidence as is 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 Agreement as a package. None of the matters in respect of which a settlement has been reached is severable. 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. 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.

It is further acknowledged and agreed that none of the Parties will withdraw from this Agreement under any circumstances, except as provided under Rule 32.05 of the Board's *Rules of Practice and Procedure*.

Unless otherwise expressly stated in this Agreement, the agreement by the Parties to the settlement of each issue shall be interpreted as being for the purposes of settlement only, and not a statement of principle applicable in any other situation. The Parties determined their positions on each issue in this Agreement with the intention of optimizing the overall settlement in the public interest. Where, if at all, the Parties have agreed that a particular principle should be applicable generally, this Agreement so states expressly.

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 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 2014 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-2013-0147. 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 KWHI's customers, employees and shareholder and promotes economic efficiency and cost effectiveness. It also provides the resources which will allow KWHI to manage its assets so that the highest standards of performance levels are achieved and customers' expectations for the safe and reliable delivery of electricity, at reasonable prices are met.

The Parties have agreed that the effective date of the rates arising out of this proposed Agreement, and out of the Board's decision on OM&A and the appropriate percentage to be used in the calculation of the working capital allowance ("WCA"), should be January 1, 2014. In the event that it is not possible for the Board to issue its Rate Order in time for January 1, 2014 implementation, the Parties have agreed to a rate rider to refund/recover to or from ratepayers the difference in revenue collected from the effective date of January 1, 2014 through to the actual implementation date as determined by the Board.

ORGANIZATION AND SUMMARY OF THE SETTLEMENT AGREEMENT:

As noted above, there is no Board-approved Issues List for this proceeding. For the purposes of organizing this Agreement, the Parties have used the Issues List in the Guelph Hydro Electric Systems Inc. proceeding (EB-2011-0123) as a guide, as that Issues List addresses all of the revenue requirement components, load forecast, deferral and variance account dispositions, cost allocation and rate design and other issues that are also relevant to determining KWHI's 2014 distribution rates.

The following Appendices accompany this Settlement Agreement. The Parties note that, because the unsettled matters in this proceeding relate to KWHI's proposed OM&A and the WCA for the 2014 Test Year, the number of Appendices is necessarily limited.

- Appendix A – Summary of the Significant Items Adjusted as a result of this Agreement (excluding OM&A)
- Appendix B – 2014 Test Year Updated Load Forecast
- Appendix C – Fixed Asset Continuity Schedules
- Appendix D – Revenue Requirement Work Form
- Appendix E – Draft Accounting Order
- Appendix F – Cost Allocation Worksheet O1
- Appendix G – Group One and Group Two DVA accounts (inclusive of LRAMVA) balances as at December 31, 2013
- Appendix H – Rate Rider Calculations including:
    - Group One and Group Two DVA rate riders (inclusive of LRAMVA)
    - Global Adjustment rate rider
    - Account 1576 – Accounting Changes Under CGAAP rate rider
    - Lost CWIP rate rider
- Appendix 2-ED – Accounting Changes Under CGAAP

The Parties note that these Appendices represent the evidence and the settlement between the Parties at the time of filing the Agreement, but that some of the Appendices may need to be updated subject to the Board's determination of unsettled issues, as discussed below.

UNSETTLED MATTERS:

There are two unsettled matters in this proceeding which will be the subject of an oral hearing. Specifically, the matters of:

i) KWHI's 2014 Test Year OM&A expenditures; and

ii) The appropriate percentage to be used in the calculation of KWHI's WCA.

The Board's determination of the OM&A budget included in revenue requirement is expected to have other impacts on revenue requirement, for example because a change in the OM&A budget will result in changes to the WCA and rate base, and through those components changes to the cost of capital and PILs. All aspects of this Settlement Agreement are subject to the normal impacts that would arise on a change in OM&A and WCA.

OVERVIEW OF THE SETTLED MATTERS:

This Agreement will allow KWHI to continue to make the necessary capital investments to maintain the safety and reliability of the electricity distribution service that it provides.

Because the matter of 2014 Test Year OM&A remains outstanding, the revised Base Revenue Requirement for the 2014 Test Year cannot be determined at this time, but for the purposes of preparing the Appendices to this Agreement, the Parties have assumed that OM&A is as set out in the Application subject only to an adjustment of $42,440 as discussed under Issue 4.1 and the percentage to be used for the calculation of the WCA (13%) as set out in the Application.

A Revenue Requirement Work Form, incorporating all of the changes agreed in this Agreement, but assuming for all purposes the OM&A and WCA percentage as filed, is annexed as Appendix D. The assumption in that document of OM&A and the WCA as filed is not intended by any of the Parties to be indicative of the appropriateness of those OM&A and WCA amounts, or any of their components or impacts, but are instead placeholders pending the Board's determination on those issues.

Through the settlement process, KWHI has agreed to certain adjustments from its original 2014 Application. The changes are described in the following sections. The following table sets out the matters that are the subject of complete settlement; incomplete settlement; and no settlement. The matters that are the subject of incomplete settlement are not in dispute; rather, they cannot be finalized until the matters relating to OM&A and WCA are addressed and disposed by the Board.

Complete Settlement	Incomplete Settlement	No Settlement
1.2	1.1	
2.3, 2.4	2.1	2.2
3.1, 3.2, 3.3, 3.4, 3.5		
4.2, 4.3	4.4	4.1
5.1, 5.2		
	6.1	
7.2, 7.3	7.1	
8.2	8.1	
9.1, 9.2, 9.3, 9.4, 9.5		
10.1		

1.0 GENERAL

1.1 Has KWHI responded appropriately to all relevant Board directions from previous proceedings?

Direction from 2010 Cost of Service Application Decision (EB-2009-0267) regarding Implementation of HST

Status:	**Complete Settlement**
Supporting Parties:	KWHI, Energy Probe, SEC, VECC
Evidence:	Application: Exhibit 1, Tab 1, Schedule 15; Exhibit 9, Tab 1, Schedule 1, Exhibit 9, Tab 1, Schedule 11 Interrogatories: 9.0-Staff-43

In its Decision in KWHI's last cost of service application (EB-2009-0267), the Board directed KWHI to record incremental savings due to the implementation of HST using deferral account 1592 PILS and Tax Variances, "Sub-account HST/OVAT Input Tax Credits". The Parties accept that KWHI has appropriately addressed the disposition of the balance, in the amount of $162,202.

Direction from 2010 IRM Application (EB-2009-0267) regarding WCA

Status:	**No Settlement**
Supporting Parties:	KWHI, Energy Probe, SEC, VECC
Evidence:	Application: Exhibit 1, Tab 1, Schedule 15; Exhibit 1, Tab 2, Schedule 7; Exhibit 2, Tab 5, Schedule 1 Interrogatories: 2-Energy Probe-15

In its Decision in KWHI's last (2010) cost of service application, the Board ordered that KWHI support its WCA in its next cost of service application based on the outcome of a generic Board-led proceeding/consultation or on a lead lag study undertaken by KWHI. In 2012, the Board reviewed the results of lead/lag studies filed by distributors in cost of service applications and determined that the default value for the WCA factor going forward would be 13% of the sum of cost of power and controllable expense. This was communicated to all interested parties by way of a letter from the Board dated April 12, 2012. KWHI has used the Board's default percentage in this Application. The Intervenors have not accepted that this is the appropriate percentage for KWHI. KWHI did not complete a lead lag study. The Parties have not agreed upon the percentage to be used in the calculation of the WCA for KWHI, and that the percentage is to be determined by the Board.

1.2 What is the appropriate effective date for any new rates flowing from this Application?

Status: **Complete Settlement**

Supporting Parties: KWHI, Energy Probe, SEC, VECC

Evidence: Application: Exhibit 1, Tab 2, Schedule 1

The Parties accept that the appropriate effective date of the new rates flowing from this Application is January 1, 2014. The Parties anticipate that they will have a better indication as to the month in which the new rates can be implemented at the time the Board issues its Decision on the outstanding matters. As noted above, in the event that it is not possible for the Board to issue its Rate Order in time for January 1, 2014 implementation, the Parties have agreed to a rate rider to refund/recover to or from ratepayers the difference in revenue collected from the effective date of January 1, 2014 through to the actual implementation date as determined by the Board.

2.0 RATE BASE

2.1 Is the proposed rate base for the test year appropriate?

Status: **Incomplete Settlement**

Supporting Parties: KWHI, Energy Probe, SEC, VECC

Evidence: Application: Exhibit 2

Interrogatories: 2-Staff-8 to 2-Staff-12, 9-Staff-45, 2-Energy Probe-4 to 2-Energy Probe-16, 2.0-VECC-2 to 2.0-VECC-11

Technical Conference: 2-Staff-50tc to 2-Staff-52tc, 2-Energy-Probe-60 to 2-Energy Probe-62, 2- VECC TCQ-40

As stated in Issue 4.1, no agreement has been reached with respect to OM&A. The Parties acknowledge that rate base will be recalculated, based on the OM&A budget approved by the Board following an oral hearing.

The Parties agree that KWHI's forecast Rate Base of for the 2014 Test Year is calculated to be $211,093,730. The forecasted rate base has been calculated using KWHI's forecast average net fixed assets of $183,997,292 and WCA calculated on 13% of controllable distribution expenses net of depreciation expense on transportation equipment ($18,460,760 unsettled) and the cost of power of $189,973,376. A full calculation of the 2014 Rate Base is set out in Settlement Table #2 below. The 2013 revised capital expenditures and amortization expense have been updated to reflect 2013 estimated actuals and the 2014 test year forecast has also been adjusted accordingly.

Capital additions for 2014 have been reduced by $500,000. The reasons for this reduction are described under issue 2.3 below.

KWHI has agreed that, in the event that KWHI applies for an incremental capital module (ICM) during this rebasing period (2014 – 2017), KWHI will calculate the amount of any incremental capital for which it seeks ICM treatment using a higher threshold than is currently set out in

Board policy. The threshold KWHI will use to calculate its request will be the total amount of the annual capital budget of its Capital Expenditures Program for the relevant year as filed in Exhibit 2/Tab 4/Schedule 4/Attachment 1/Appendix A. Further details on the agreement for the ICM threshold are provided below under issue 2.3. The revised fixed asset continuity schedules are in Appendix C. The amortization expense for 2014 has been adjusted to reflect the agreed upon capital expenditure adjustments for the Test Year 2014.

The revised Rate Base value reflects the changes to the WCA described in Section 2.2 and, for the purposes of the Settlement Agreement, reflects KWHI's requested OM&A, adjusted downwards in the amount of $42,440 to reflect a revised forecast for 2014 inflation of 1.6% (from 2.0% used in the original application). The WCA has been calculated using a factor of 13%.

The changes to date to the WCA are set out in Settlement Table #3: Allowance for Working Capital, under Section 2.2 below.

Agreed upon adjustments to date to KWHI's proposed Overall Rate Base under CGAAP are set out in Settlement Table #2: Rate Base, below.

Settlement Table #2: Rate Base

		COS as Filed	Interrogatories & Undertakings	Settlement Submission	Difference Filing vs. Settlement
Average Gross Fixed Assets	A	330,626,013	332,012,413	331,762,413	1,136,400
Average Accumulated Depreciation	B	(147,702,714)	(147,767,751)	(147,765,121)	(62,406)
Average Net Fixed Assets	C=A+B	182,923,299	184,244,662	183,997,292	1,073,994
Allowance for Working Capital	D	26,438,702	27,019,002	27,096,438	657,735
Total Rate Base	E=C-D	209,362,001	211,263,664	211,093,730	1,731,729

2013 Fixed Assets

Net fixed assets as at December 31, 2013 have increased by $1,342,502. This increase is the result of:

- Increased capital additions in 2013 of $1,414,300 due to:

- revised capital expenditures forecast increasing capital expenditures for 2013 by $724,900, per 2-Energy Probe-6;
- CWIP balancing adjustment of ($100) stemming from 2013 revised capital expenditures;
- decreased forecast contributed capital in 2013 of $689,500 offset by;

- 2013 increased depreciation of $71,798 due to increased capital additions;

The resulting net book value for 2013 is $179,522,061 consisting of:

- 2013 gross fixed assets of $323,385,248 less;
- 2013 accumulated depreciation of $143,863,186.

2014 Fixed Assets

Net fixed assets as of December 31, 2014 have increased by $8,950,462 due to:

- Capital additions of $17,154,331, reduced by ($610,300) from the original Application consisting of:
    - Reduced 2014 capital expenditures of ($500,000), as discussed in issue 2.3;
    - Removal of renewable generation assets from fixed asset schedule and included in the calculation of the Direct Benefit calculation.. The impact is a reduction of ($118,700) in gross renewable generation assets;
    - CWIP balancing adjustment of ($8,400) stemming from 2013 revised capital expenditures; offset by
- Amortization of $8,203,869, including an overall decrease of $73,284 to 2014 depreciation from $8,277,153 for the year:
    - ($5,261) decrease to depreciation resulting from reduction to capital expenditures for 2014 of $500,000;
    - $3,277 in depreciation made during the interrogatories process;
    - Removal of renewable generation assets from fixed asset schedule and included in the calculation of the Direct Benefit calculation. The impact is a reduction of ($71,300) in accumulated depreciation.

The resulting net book value as at December 31, 2014 is $188,472,524 consisting of:

- 2014 gross fixed assets of $340,139,579 less;
- 2014 accumulated depreciation of $151,667,055.

.

Changes in the WCA are discussed in section 2.2 below.

2.2 Is the WCA for the test year appropriate?

Status: **No Settlement**

Supporting Parties: KWHI, Energy Probe, SEC, VECC

Evidence: Application: Exhibit 1, Tab 1, Schedule 15; Exhibit 1, Tab 2, Schedule 7, Exhibit 2, Tab 5, Schedule 1

Interrogatories: 4-Staff-20, 2-Energy Probe-15 to 2-Energy Probe-16, 4-Energy Probe-38, 2.0-VECC-2

Technical Conference: 4-Energy-Probe-71

The Parties have not reached a settlement on the issue of WCA. KWHI has calculated its WCA based on 13% of the eligible controllable expenses of $18,460,760 (inclusive of property taxes) and Cost of Power of $189,973,376. This reflects the following adjustments:

- KWHI's Cost of Power calculation was adjusted from the initial application amount of $184,456,632 to $189,973,376 as shown in Settlement Table #3a below, following settlement of KWHI's proposed 2014 load forecast (attached as Appendix B).

- The proposed 2014 OM&A for the Test Year is $18,875,560, a decrease of $42,440 from $18,918,000 in the original Application. OM&A expenses are discussed in further detail under item 4.1. In addition, for the purposes of the calculation of the WCA only, the Parties have agreed to further reduce OM&A by $414,800 to reflect the removal of allocated depreciation expenses on transportation equipment from total controllable expenses. The Parties agree that for all other purposes, this amount of $414,800 is appropriately included in OM&A recoverable as part of the revenue requirement.

The Parties have reached a partial agreement. No agreement has been reached on the level of OM&A allowed in rates or on the percentage of controllable expenses and cost of power to be used in calculating the WCA and these matters are to be decided by the Board. The Parties acknowledge that the WCA will be recalculated in the same manner, based on the OM&A budget and WCA percentage approved by the Board.

The Parties agree the adjustments shown in the Settlement Table #3 below, reflecting the settled matters as summarized elsewhere in this Agreement, will be made to KWHI's WCA calculation.

The revised cost of power forecast can be found below in Table #3a. The cost of electricity was updated to the latest forecast price. The Board announced the updated forecast RPP price on November 13, 2013.

Settlement Table #3: Allowance for Working Capital

		COS as Filed	Interrogatories & Undertakings	Settlement Submission	Difference Filing vs. Settlement
Controllable Expenses	A	18,918,000	18,875,560	18,460,760	(457,240)
Cost of Power	B	184,456,632	188,962,918	189,973,376	5,516,744
Working Capital Base	C=A+B	203,374,632	207,838,478	208,434,136	5,059,504
Working Capital Rate	D	13%	13%	13%	13%
Working Capital Allowance	E=C*D	26,438,702	27,019,002	27,096,438	657,735

Settlement Table #3a: 2014 Cost of Power

	COS as Filed	Interrogatories & Undertakings	Settlement Submission	Difference Filing vs. Settlement
Commodity (electricity) costs	156,464,984	160,903,174	161,770,175	5,305,191
Wholesale market costs	8,055,825	8,013,909	8,057,052	1,227
Transmission network costs	14,023,211	14,123,335	14,196,935	173,724
Transmission connection costs	2,858,508	2,879,829	2,894,776	36,268
Rural rate assistance costs	2,197,043	2,185,611	2,197,378	335
Smart meter entity costs	857,060	857,060	857,060	0
Total cost of power	184,456,632	188,962,918	189,973,376	5,516,744

2.3 Is the capital expenditure forecast for the test year appropriate?

Status:	**Complete Settlement**
Supporting Parties:	KWHI, Energy Probe, SEC, VECC
Evidence:	Application: Exhibit 2
	Interrogatories: 4-Staff-20, 2-Energy Probe-15 to 2-Energy Probe-16, 4-Energy Probe-38, 2.0-VECC-2
	Technical Conference: 2-Staff-51tc to 2-Staff-51tc, 2-Energy Probe-60 to 2-Energy Probe-61, 2.0-VECC-40
	Undertakings: JT1.16

The Parties accept 2014 net capital expenditures of $20,936,000 amended from KWHI's original application of $21,436,000. This reflects a reduction of $500,000 in planned capital expenditures for the 2014 Test Year. The reductions arise from reduced subdivision activity and, thus, forecasted expenditures for underground infrastructure have been reduced. The Parties agreed that the level of capital work could be reduced in 2014 without serious adverse effect on KWHI's distribution system. The resulting continuity schedule is shown in Appendix C.

KWHI has further agreed that its threshold to apply for ICM in any year of the three-year IRM period that will follow this rebasing period (2015 – 2017) will be the annual capital budget for that year as set out in KWHI's Capital Expenditures Program 2013-2022 (which can be found at Schedule 2/Tab 4/Schedule 4/Attachment 1/Appendix A of the Application), rather than the ICM Materiality Threshold as set out in section 3.3.1.1 of Board's Filing Requirements for Electricity Distribution Rate Applications dated July 17, 2013. KWHI has advised the Intervenors that it can carry out the capital plan set forth in its Capital Expenditures Program 2013-2022 without seeking additional funding for capital spending up to those levels during the IRM period. KWHI reserves its right to apply for ICM treatment for any capital expenditures during the IRM period that exceed its annual capital budgets as documented in the Capital Expenditures Program 2013-2022, subject to the availably of eligible spending as calculated by the Board's ICM model methodology. The Parties believe that their agreement in this regard is in the public interest in that it provides greater rate certainty during the IRM period, without negatively affecting KWHI's financial viability, ability to maintain adequate service quality and reliability, or ability to continue the sound management and renewal of its assets in accordance with its current asset management and capital expenditures plan..

2.4 Is the capitalization policy and allocation procedure appropriate?

Status: **Complete Settlement**

Supporting Parties: KWHI, Energy Probe, SEC, VECC

Evidence: Exhibit 2, Tab 2, Schedule 1

Interrogatories: 4.0-VECC-30

The Parties accept that KWHI's capitalization policy as set out in Exhibit 2, Tab 2, Schedule 1 of the original Application, is consistent with Board guidance**,** including the Board's letter of July 17, 2012, *Regulatory accounting policy direction regarding changes to depreciation and capitalization polices in 2012 and 2013.* Since 2012, KWHI has made the required change to its capitalization policies to be "IFRS-compliant".

3.0 LOAD FORECAST AND OPERATING REVENUE

3.1 Is the load forecast methodology including weather normalization appropriate?

Status: **Complete Settlement**

Supporting Parties: KWHI, Energy Probe, SEC, VECC

Evidence: Application: Exhibit 3, Tab 1, Schedules 1 to 5

Interrogatories: 3-Staff-14 to 3.0-Staff-17, 3-EP-18 to 3-EP-24, 3.0-VECC-12 to 3.0-VECC-16

Technical Conference: 3-Energy Probe-63, 3.0-VECC TCQ-44 to 3.0-VECC-51

Undertakings: JT1.4, JT1.5, JT1.6

The Parties accept KWHI's load forecast methodology, including weather normalization, following modifications made through the interrogatory process and one final adjustment to the employment and unemployment variables made through the settlement process as described in Section 3.3 below. The Parties believe that the changes made have resulted in a load forecast more indicative of 2014 consumption in KWHI's service territory. The data is shown in Settlement Table #3c below which uses a 3-month moving average, unadjusted for seasonality, using monthly data.

The Settlement Agreement does not include any adjustments to KWHI's proposed customers/connections. As a result of the adjustments to the proposed load forecast discussed below, the 2014 Test Year kWh load forecast, net of CDM and losses, is 1,790,041,981 kWh. The resulting billed consumption forecast for the 2014 Test Year is summarized in Settlement Table #3b found in section 3.2 below. The accepted CDM adjustment for 2014 is 17,167,541 kWh for the 2014 Test Year. The CDM adjustment is more fully explained at Issue 3.3.

3.2 Are the proposed customers/connections and load forecasts (both kWh and kW) for the test year appropriate?

Status: **Complete Settlement**

Supporting Parties: KWHI, Energy Probe, SEC, VECC

Evidence: Application: Exhibit 3, Tab 1, Schedules 1 to 5

Interrogatories: 3-Staff-14 to 3.0-Staff-17, 3-EP-18 to 3-EP-24, 3.0-VECC-12 to 3.0-VECC-16

Technical Conference: 3-Energy Probe-63, 3.0-VECC TCQ-44 to 3.0-VECC-51

Undertakings: JT1.4, JT1.5, JT1.6

The Parties agree to adjust the 2013 and 2014 forecasted employment and unemployment variables based on statistics obtained from Statistics Canada (Table 282-0054) Labour Force Survey Estimates (LFS), by provinces and economic regions based on 2006 Census boundaries. The new values for those variables show improvement in the employment and unemployment status in KWHI’s franchise area, and thus result in a small increase in the expected load. The Parties believe that the use of the updated data results in a load forecast more indicative of the consumption that KWHI will see in its service territory in 2014.

Settlement Table #3b – Load Forecast

Rate Class	CoS as Filed	Adjustments	Settlement Submission
Residential			
Customers	82,577	0	82,577
kWh	651,926,620	(198,465)	651,728,155
General Service <50kW			
Customers	7,830	0	7,830
kWh	241,614,912	68,295	241,683,206
General Service >50kW			
Customers	945	0	945
kWh	844,886,400	399,576	845,285,977
kW	2,183,248	53,224	2,236,471
Large Use			
Customers	1	0	1
kWh	31,798,990	0	31,798,990
kW	63,002	0	63,002
Street Lighting			
Connections	1,592	0	1,592
kWh	16,128,465	0	16,128,465
kW	45,145	0	45,145
Unmetered Scattered Load			
Connections	890	0	890
kWh	3,417,188	0	3,417,188
Total			
Customers/Connections	93,835	0	93,835
kWh	1,789,772,575	269,406	1,790,041,981
kW *from applicable classes*	2,291,395	53,224	2,344,619

3.3 Is the impact of CDM appropriately reflected in the load forecast?

Status: **Complete Settlement**

Supporting Parties: KWHI, Energy Probe, SEC, VECC

Evidence: Application: Exhibit 3, Tab 1, Schedules 1 to 5

Interrogatories: 3-Staff-14 to 3.0-Staff-17, 3-EP-18 to 3-EP-24, 3.0-VECC-12 to 3.0-VECC-16

Technical Conference: 3-Energy Probe-63, 3.0-VECC TCQ-44 to 3.0-VECC-51

Undertakings: JT1.4, JT1.5, JT1.6

The Parties agree that the adjustments made through the interrogatory process to the 2014 CDM program adjustment of 17,167,541 kWh on the 2014 load forecast, are appropriate. The agreed-upon CDM-related adjustments to KWHI's load forecast are set out in Settlement Table #3c, below.

Settlement Table #3c: CDM Adjustments to Load Forecast

Rate Class	Billed Load Forecast *before* CDM Adjustment (kWh)	Billed Load Forecast *after* CDM Adjustment (kWh)	CDM Adjustment (kWh)
Residential	654,814,525	651,728,155	(3,086,371)
General Service <50kW	244,707,481	241,683,206	(3,024,275)
General Service >50kW	856,342,873	845,285,977	(11,056,896)
Large Use	31,798,990	31,798,990	0
Street Lighting	16,128,465	16,128,465	0
Unmetered Scattered Load	3,417,188	3,417,188	0
	1,807,209,522	**1,790,041,981**	**(17,167,541)**

Rate Class	Billed Load Forecast *before* CDM Adjustment (kW)	Billed Load Forecast *after* CDM Adjustment (kW)	CDM Adjustment (kW)
General Service >50kW	2,236,471	2,207,595	(28,876)

The above CDM adjustment reflects the half year rule being applied to 2012 CDM programs persisting into 2013 and 2014 (3,200,000 kWh); a full year of 2013 CDM programs persisting into 2014 (9,311,694 kWh) along with the half year rule being applied to 2014 CDM programs (4,655,847 kWh in the 2014 Test Year).

The Parties agree to the amounts of 18,623,388 kWh and 31,326 kW for the purposes of determining the 2014 LRAMVA balance. This assumes the persistence of 2013 CDM programs into 2014 of 9,311,694 kWh on a full year basis and the forecasted results of the 2014 CDM programs being another 9,311,694 kWh, again on a full year basis. These values are different from the load forecast because the OPA results, against which the variances are calculated, are also prepared on a full-year rather than a half-year basis.

Settlement Table #3d: LRAMVA Calculation below provides details of the 2014 kWh savings which will be used in the calculation of the LRAMVA account.

Settlement Table #3d: LRAMVA Calculation

	2011	2012	2013	2014	Total
2011 Programs	13.1%	13.0%	13.0%	12.8%	51.8%
2012 Programs		6.7%	6.6%	6.5%	19.8%
2013 Programs			9.5%	9.5%	18.9%
2014 Programs				9.5%	9.5%
	13.1%	19.7%	29.0%	38.2%	100.0%
			kWh		
2011 Programs	12,882,629	12,777,283	12,766,733	12,588,174	51,014,819
2012 Programs		6,561,443	6,500,000	6,400,000	19,461,443
2013 Programs			9,311,694	9,311,694	18,623,388
2014 Programs				9,311,694	9,311,694
	12,882,629	19,338,726	28,578,427	37,611,562	98,411,344

Pursuant to Board guidance, the LRAMVA amount is to be allocated to the customer classes based on the percentages outlined in proportion of the class kWh to the total. Settlement Table #3e: LRAM Allocation per Customer Class, below provides details of this allocation.

Settlement Table #3e: LRAMVA Allocation per Customer Class

		Residential	GS<50	GS>50	Large User	Street Lighting	USL	Total
	kWh	3,348,102	3,280,740	11,994,546				18,623,388
	kW where applicable			31,326				31,326

3.4 Has the loss of one large user been treated appropriately in the load forecast?

Status: **Complete Settlement**

Supporting Parties: KWHI, Energy Probe, SEC, VECC

Evidence: Application: Exhibit 3, Tab 1, Schedule 4, Exhibit 3, Tab 1, Schedule 5 Exhibit 3, Tab 1, Schedule 13

Interrogatories: 3-Staff-14, 3-EP-23, 3.0-VECC-12, 3.0-VECC-14

Technical Conference: 3.0-VECC TCQ-45

KWHI has been advised that its largest customer will be closing operations in the near future, but at the present time KWHI has no information on when that closure will take place. The timing of the closure may have a material impact on load in 2014, or beyond. The Parties have agreed that this impact cannot reasonably be forecast, and that neither the ratepayers nor the utility should receive a windfall or a loss due to this forecast uncertainty. Therefore, consistent with the methodology used by the Board in similar cases (e.g. Bluewater Power Distribution Corporation's 2009 rates application EB-2008-0221), the Parties agree that KWHI will track all revenue collected, inclusive of all rate riders, from the large use customer ceasing operations in 2014. These revenues will be tracked in a variance account for the period January 1, 2014 through December 31, 2017, to be refunded to customers through a rate rider in a future rate application. A draft Accounting Order is attached as Appendix E.

3.5 Is the test year forecast of other revenues appropriate?

Status: **Complete Settlement**

Supporting Parties: KWHI, Energy Probe, SEC, VECC

Evidence: Application: Exhibit 3, Tab 3, Schedule 9, Exhibit 3, Tab 3, Schedule 10
Interrogatories: 3-Energy Probe-25 to 3.0-Energy Probe-26, 3.0-VECC-18
Technical Conference: 3-Staff-53tc, 3-Energy Probe-25

The Parties agree upon a forecast of $2,073,350 for Other Revenues; see Settlement Table #3f below. This total comprises the total of all distribution revenue offsets for 2014. This amount reflects the changes accepted through the settlement process, resulting in an increase of $34,150 outlined below and shown in Table #3f below.

Changes to distribution revenue offsets include:

1. Increase of $11,800 to reflect increased Occupancy Charges (16,680 units forecasted at $20/unit). This is due to calculation differences from the original Application.
2. Increase of $7,350 to reflect increased Reconnection Charges during Regular Hours. This is due to calculation differences from the original Application.
3. Adjustment to reflect 100% of gains on disposal of depreciable fixed assets (formerly 50%) of $30,000 to flow back to ratepayers, consistent with Board policy and practice.

Settlement Table #3f – Other Revenues

	COS as Filed	Interrogatories & Undertakings	Settlement Submission	Difference Filing vs. Settlement
Miscellaneous service revenues	1,745,400	1,745,400	1,764,550	19,150
SSS admin charge	251,800	251,800	251,800	0
Gain on disposal	15,000	15,000	30,000	15,000
MicroFit revenues	27,000	27,000	27,000	0
Total revenue offsets	2,039,200	2,039,200	2,073,350	34,150

4.0 OPERATING COSTS

4.1 Is the overall OM&A forecast for the test year appropriate?

Status: **No Settlement**

Supporting Parties: KWHI, Energy Probe, SEC, VECC

Evidence: Application: Exhibit 4

Interrogatories: 4-Staff-18 to 4-Staff-25, 4-Energy Probe-29 to 4-Energy Probe-41, 4-SEC-5 to 4-SEC-6, 4.0-VECC-20 to 4.0-VECC-30

Technical Conference: 4-Staff-5tc, 4-Energy Probe-66 to 4-Energy Probe-72, 4.0-VECC TCQ-41 to 4.0-VECC-43

Undertaking: JT1.10, JT1.18

KWHI's forecasted OM&A for 2014 is $18,875,560, which has been adjusted downward by $42,440 during the interrogatories process to reflect the Board's updated IRM related inflation factor of 1.6% for IRM rate applications with rates effective May 1, 2013 (decreased from 2% in the original Application). The OM&A forecast, thus revised, has not been agreed between the Parties, and is to be determined by the Board after a hearing.

4.2 Is the proposed level of depreciation/amortization expense for the test year appropriate?

Status: **Complete Settlement**

Supporting Parties: KWHI, Energy Probe, SEC, VECC

Evidence: Application: Exhibit 2, Tab 2, Schedule 1, Exhibit 2, Tab 2, Schedule 2, Exhibit 2, Tab 3, Schedule 3; Exhibit 4, Tab 7, Exhibit 10, Tab 1, Schedule 1

Interrogatories: 4-Staff-26, 4-Energy Probe-42 to 4-Energy Probe-44, 4-SEC-8, 4-VECC-30

Technical Conference: 4- Energy Probe-72

The Parties accept the useful lives and the depreciation expense reported in the continuity schedules in Appendix C. As cited in the Application, KWHI adopted revised depreciation rates under CGAAP as detailed in Exhibit 4, Tab 4, Schedule 1. KWHI implemented this depreciation approach effective from January 1, 2012 and has applied it to both the 2013 Bridge and 2014 Test Year in its Evidence. The service lives for fixed assets adopted by KWHI are all within the range recommended by a Kinectrics study, commissioned by KWHI, Cambridge & North Dumfries Hydro Inc., and Guelph Hydro Inc. and issued March 24, 2010. Given that this study is specific to these three distributors, parties accept the exact service lives proposed by KWHI. Depreciation expense in Appendix C has been revised to reflect the reduction in 2014 capital expenditures documented under issue 2.3 and agreed to by the Parties.

4.3 Is the test year forecast of property taxes appropriate?

Status: **Complete Settlement**

Supporting Parties: KWHI, Energy Probe, SEC, VECC

Evidence: Application: Exhibit 4, Tab 1, Schedule 1, Exhibit 4, Tab 1, Schedule 2

The Parties accept KWHI's methodology used to calculate the forecasted 2014 Test Year property taxes of $394,800.

4.4 Is the test year forecast of PILS appropriate?

Status: **Incomplete Settlement**

Supporting Parties: KWHI, Energy Probe, SEC, VECC

Evidence: Application: Exhibit 4, Tab 8

Interrogatories: 4-Staff-27 to 4-Staff-28, 4-Energy Probe-45 to 4-Energy Probe-49

Technical Conference: 4-Energy Probe-73

The Parties accept KWHI's methodology for the calculation of its 2014 Test Year PILs liability. Currently, that expense is forecast to be $497,060 as set out in Appendix D to this Settlement Agreement. The changes from the PILs calculation as set out in the Application result from other adjustments throughout this Agreement. The Parties have accepted that the PILs calculation may change depending on the Board's determination of the outstanding OM&A and WCA issues.

5.0 CAPITAL STRUCTURE AND COST OF CAPITAL

5.1 Is the proposed capital structure, rate of return on equity and short term debt rate appropriate?

Status: **Complete Settlement**

Supporting Parties: KWHI, Energy Probe, SEC, VECC

Evidence: Application: Exhibit 5

Interrogatories: 5-Staff-29 to 5-Staff-30, 5-Energy Probe-50 to 5-Energy Probe-52

The Parties agree that KWHI's proposed capital structure of 56% long term debt, 4% short term debt, and 40% equity is appropriate. For the purpose of calculating its revenue requirement, KWHI has used the short term debt rate and ROE, at rates of 2.11% and 9.36% respectively. These rates are the most up to date deemed short and long-term debt rates and ROE which were set out in the Cost of Capital Parameters updated for Cost of Service Applications effective January 1, 2014, issued by the Board on November 25, 2013.

The final calculations of KWHI's rate base and the resulting Cost of Capital are dependent on the Board's Decision with regard to OM&A (Issue 4.1) and WCA (Issue 2.2).

The updated values are seen in Settlement Table #5a below:

Settlement Table 5#a: Capital Structure and Rates

2014		
Description	**Deemed Portion**	**Effective Rate**
Long-Term Debt	56.00%	4.83%
Short-Tern Debt	4.00%	2.11%
Return On Equity	40.00%	9.36%
Weighted Debt Rate		**4.65%**
Regulated Rate of Return		**6.53%**

5.2 Is the proposed long term debt rate appropriate?

Status: **Complete Settlement**

Supporting Parties: KWHI, Energy Probe, SEC, VECC

Evidence: Application: Exhibit 5

Interrogatories: 5-Staff-29 to 5-Staff-30, 5-Energy Probe-50 to 5-Energy Probe-52

For the purpose of calculating its revenue requirement, KWHI has used a long-term debt rate of 4.83%. This reflects the weighted average cost of long-term debt based on a rate of 4.28% on a $7,006,713 due to Infrastructure Ontario and applying the Board's deemed long term debt rate applicable to cost of service applications for rates effective January 1, 2014 for affiliated debt totaling $76,962,142 due to the municipal shareholders. As discussed in Issue 5.1, KWHI has used the deemed long-term debt rates set out in the most recent Cost of Capital Parameters updated for Cost of Service Applications effective January 1, 2014, which were issued by the Board on November 25, 2013.

6.0 CALCULATION OF REVENUE DEFICIENCY OR SURPLUS

6.1 Is the calculation of Revenue Sufficiency accurate?

Status:	**Incomplete Settlement**
Supporting Parties:	KWHI, Energy Probe, SEC, VECC
Evidence:	Application: Exhibit 6
	Interrogatories: 6-Staff-31 to 6-Staff-32, 6-Energy Probe-53
	Technical Conference: 6-Energy Probe-74
	Undertakings: JT1.1

While all Parties accept KWHI's approach to calculating the revenue sufficiency or deficiency, the Parties acknowledge that the calculation of the revenue sufficiency or deficiency will be dependent on the Board's determination of the approved OM&A and WCA amounts. Appendix D to this Settlement Agreement, which is a Revenue Requirement Work Form, calculates the revenue sufficiency on the assumption that the OM&A and WCA are as filed (with the inflation factor adjustment as discussed in Issue 4.1), but such assumptions are a non-indicative placeholder pending the Board's decision on OM&A and WCA.

7.0 COST ALLOCATION

7.1 Is KWHI's cost allocation appropriate?

Status:	**Incomplete Settlement**
Supporting Parties:	KWHI, Energy Probe, SEC, VECC
Evidence:	Application: Exhibit 7
	Interrogatories: 7-Staff-33 to 7-Staff-34, 7-Energy Probe-54 to 7-Energy Probe-56, 7.0-VECC-35
	Technical Conference: 7.0-VECC TCQ -54 to 7-VECC TCQ-55
	Undertakings: JT1.7, JT1.8

The Parties agree that revenue-to-cost ratios for the 2014 Test Year, reflecting the agreed-upon 2014 Test Year Revenue Requirement, will be as set out in Settlement Table 7. The Parties agree that KWHI will move the revenue-to-cost ratios for the USL and Street lighting classes to 120% (as contemplated in the Application); move the revenue-to-cost ratio for the Embedded Distributor class to 100% (as contemplated in the Application); maintain the GS<50 kW and GS> 50 kW as calculated by the cost allocation model and shown in Table 7 below (as the Application had originally proposed moving them to 100%), and will move the Large User and Residential class to a common percentage that will maintain revenue neutrality. The changes made are consistent with the Board's practice in other cases, and have the effect of incrementally reducing the range of differences in revenue to cost ratios between classes.

The amount of KWHI's 2014 distribution revenue to input into the Cost Allocation model is dependent on the Board's Decision in WCA (Issue 2.2) and OM&A (Issue 4.1).

Settlement Table 7: Revenue to Cost Ratios

	Status Quo		Proposed	
Class	**Cost - Revenue Ratio %**	**Revenue allocation**	**Cost - Revenue Ratio %**	**Revenue allocation**
Residential	93.8%	$ 22,520,523	94.0%	$ 22,564,824
GS < 50	107.8%	$ 5,663,795	107.8%	$ 5,663,624
GS > 50	109.1%	$ 11,491,323	109.1%	$ 11,491,646
Large User	85.9%	$ 228,082	94.0%	$ 249,608
Street Lighting	137.5%	$ 495,386	120.0%	$ 432,188
USL	147.7%	$ 153,997	120.0%	$ 125,119
Embedded	73.4%	$ 72,079	100.0%	$ 98,176
Total		**$ 40,625,185**		**$ 40,625,185**

The Board's Cost Allocation Sheet O1 has been enclosed in Appendix F.

7.2 Are the proposed revenue-to-cost ratios for each class appropriate?

Status: **Complete Settlement**

Supporting Parties: KWHI, Energy Probe, SEC, VECC

Evidence: Application: Exhibit 7

Interrogatories: 7-Staff-33 to 7-Staff-34, 7-Energy Probe-54 to 7-Energy Probe-56, 7.0-VECC-35

Technical Conference: 7.0-VECC TCQ -54 to 7-VECC TCQ-55

Undertakings: JT1.7, JT1.8

The Parties accept the revenue-to-cost ratios for the 2014 Test Year, as set out under issue 7.1 above. The Parties acknowledge that KWHI's revenue-to-cost ratios remain subject to future Board policy changes of general application.

7.3 Are the costs assigned to the Embedded Distributor appropriate?

Status: **Complete Settlement**

Supporting Parties: KWHI, Energy Probe, SEC, VECC

Evidence: Application: Exhibit 3, Exhibit 7, Appendix 2-Q

Interrogatories: 3-Energy-Probe-21 to 3-Energy Probe-22, 3.0-VECC-13, 7-Staff-34, 7-Energy Probe-55 to 7-Energy Probe-56, 7.0-VECC-32 to 7.0-VECC-33

Technical Conference: 7.0-VECC TCQ-52 to 7.0-VECC TCQ-54

Undertakings: JT1.7

The Parties accept the costs assigned to the Embedded Distributor through the Direct Allocation worksheet, which forms part of the Board's Cost Allocation model. The assigned costs were originally calculated through Appendix 2-Q and adjusted through the Interrogatories process. The costs in the two documents now closely match one another. The directly allocated costs are presented in Table 7a below:

Settlement Table 7a: Costs Directly Assigned to Embedded Distributor

USoA Account #	Accounts	Direct Allocation	Total Allocated to Rate Classifications?	Embedded Distributor
1808	Buildings and Fixtures	$88,799	Yes	$88,799
1815	Transformer Station Equipment - Normally Primary above 50 kV	$565,221	Yes	$565,221
1830	Poles, Towers and Fixtures	$74,268	Yes	$74,268
1835	Overhead Conductors and Devices	$76,440	Yes	$76,440
1840	Underground Conduit	$2,415	Yes	$2,415
1845	Underground Conductors and Devices	$3,834	Yes	$3,834
1855	Services	$13,305	Yes	$13,305
2105	Accum. Amortization of Electric Utility Plant - Property, Plant, & Equipment	($284,658)	Yes	($284,658)
	Directly Allocated Net Fixed Assets			**$539,624**
5014	Transformer Station Equipment - Operation Labour	$2,647	Yes	$2,647
5015	Transformer Station Equipment - Operation Supplies and Expenses	$5,816	Yes	$5,816
5016	Distribution Station Equipment - Operation Labour	$51	Yes	$51
5017	Distribution Station Equipment - Operation Supplies and Expenses	$154	Yes	$154
5020	Overhead Distribution Lines and Feeders - Operation Labour	$50	Yes	$50
5025	Overhead Distribution Lines & Feeders - Operation Supplies and Expenses	$87	Yes	$87
5040	Underground Distribution Lines and Feeders - Operation Labour	$36	Yes	$36
5045	Underground Distribution Lines & Feeders - Operation Supplies & Expenses	$21	Yes	$21
5110	Maintenance of Buildings and Fixtures - Distribution Stations	$1,644	Yes	$1,644
5112	Maintenance of Transformer Station Equipment	$6,719	Yes	$6,719
5114	Maintenance of Distribution Station Equipment	$710	Yes	$710
5120	Maintenance of Poles, Towers and Fixtures	$737	Yes	$737
5125	Maintenance of Overhead Conductors and Devices	$2,233	Yes	$2,233
5130	Maintenance of Overhead Services	$3,447	Yes	$3,447
5145	Maintenance of Underground Conduit	$27	Yes	$27
5150	Maintenance of Underground Conductors and Devices	$42	Yes	$42
5155	Maintenance of Underground Services	$19	Yes	$19
5615	General Administrative Salaries and Expenses	$7,433	Yes	$7,433
5705	Amortization Expense - Property, Plant, and Equipment	$18,776	Yes	$18,776
	Total Expenses			$50,651
	Depreciation Expense			$18,776

Total Net Fixed Assets Excluding Gen Plant	$162,232,366	Allocated	Embedded Distributor
Approved Total PILs	$497,060	$1,653	$1,653
Approved Total Return on Debt	$5,887,748	$19,584	$19,584
Approved Total Return on Equity	$7,903,349	$26,288	$26,288
		Total	$98,177

8.0 RATE DESIGN

8.1 Are the fixed-variable splits for each class appropriate?

Status: **Incomplete Settlement**

Supporting Parties: KWHI, Energy Probe, SEC, VECC

Evidence: Application: Exhibit 8, Tab 1, Schedule 1

Interrogatories: 8-Staff-35 to 8-Staff-39, 8-Energy Probe-57 to 8-Energy Probe-58, 8.0-VECC-36

Technical Conference: 8.0-VECC TCQ-56 to 8.0-VECC TCQ-58

Undertakings: JT1.9

The Parties agree to the following monthly fixed charges

- For the Residential rate class, the fixed charge will increase to $10.50 from the existing $9.76, an increase of $0.74 or 7.6%. This remains within the range set out in the Board's policy. This change balances the impacts on lower volume Residential customers, while moving the fixed charge closer to that of other similar distributors and providing some further revenue stability for KWHI.
- For the GS>50kW rate class, the monthly fixed charge will decrease to $170, a decrease of $67.72 or 28.5%. While this remains above the ceiling in the Board's policy, it moves the fixed charge closer to the range.
- For all other rate classes, the current fixed/variable split will be used to determine the monthly fixed charge.

The resulting monthly fixed charges and the fixed/variable splits are provided in the following table. The charges are subject to change depending on the Board's determination of the outstanding issues in this proceeding as the amount of KWHI's 2014 distribution revenue is dependent on the Board's Decision in WCA (Issue 2.2) and OM&A (Issue 4.1).

Settlement Table #8: Fixed Charge Analysis

Customer Class	Current Volumetric Split	Current Fixed Charge Split	Total	Fixed Rate Based on Current Fixed/Variable Revenue Proportions	2013 Rates from OEB Approved Tariff	Minimum System with PLCC Adjustment (Ceiling Fixed Charge from Cost allocation Model)	Proposed Fixed Charges at Settlement
Residential	53.83%	46.17%	100.00%	9.81	9.76	13.37	10.50
GS <50 kW	55.37%	44.63%	100.00%	25.80	25.71	21.24	25.80
GS >50 kW	75.81%	24.19%	100.00%	238.53	237.72	79.99	170.00
Large Use	22.06%	77.94%	100.00%	15,948.88	14,501.61	126.08	15,948.88
Street Lighting	50.50%	49.50%	100.00%	0.70	0.80	5.31	0.70
Unmetered Scattered Load	38.40%	61.60%	100.00%	6.88	8.52	5.81	6.88
Embedded Distributor	100.00%		100.00%				

Variable charges are shown below in Settlement Table #8a:

Settlement Table #8a: 2014 Base Revenue Distribution Rates:

Customer Class	Connection	Customer	kW	kWh
Residential		10.50		0.0164
GS <50 kW		25.80		0.0124
GS >50 kW		170.00	4.4197	
Large Use		15,948.88	1.4600	
Street Lighting	0.70		4.6499	
Unmetered Scattered Load	6.88		0.0134	
Embedded Distributor				2.1997

8.2 Are the proposed retail transmission service rates ("RTSR") appropriate?

Status: **Complete Settlement**

Supporting Parties: KWHI, Energy Probe, SEC, VECC

Evidence: Application: Exhibit 8, Tab 1, Schedule 1

Interrogatories: 8-Staff-36 to 8-Staff-37

The Parties agree the Retail Transmission Service Rates ("RTSRs"), based on the updated Uniform Transmission Rates issued by the Board on April 4, 2013 in EB-2012-0143 and calculated based on the Board-issued RTSR Model, are appropriate, and are as set out in Settlement Table #8b below.

Settlement Table #8b: Retail Transmission Service Rates

	Unit	Proposed RTSR Network	Proposed RTSR Connection
Residential	kWh	$ 0.0072	$ 0.0014
General Service < 50 kW	kWh	$ 0.0062	$ 0.0013
General Service > 50 kW	kW	$ 3.2836	$ 0.6851
Large Use	kW	$ 3.0862	$ 0.6441
Unmetered Scattered Load	kWh	$ 0.0062	$ 0.0013
Street Lighting	kW	$ 1.9967	$ 0.4169
Embedded Distributor	kW	$ 3.0960	$ 0.6461

8.3 Are the proposed loss factors appropriate?

Status: **Complete Settlement**

Supporting Parties: KWHI, Energy Probe, SEC, VECC

Evidence: Application: Exhibit 8, Tab 2, Schedule 6

The Parties accept the proposed loss factors set out in KWHI's Application at Exhibit 8, Tab 2, Schedule 6. The proposed loss factors are similar to the loss factors calculated by KWHI and approved by the Board in previous rate applications and do not show any significant fluctuation.

When the Supply Facility Loss Factor of 0.0053 is applied to the Distribution Loss Factor of 1.0297, the resulting Total Loss Factor for secondary metered customers < 5,000 kW is 1.0351. This represents an increase from the current Total Loss Factor of 1.0320 but is based on recent historical actual information and is calculated in accordance with Board practice.

9.0 DEFERRAL AND VARIANCE ACCOUNTS

9.1 Are the account balances, cost allocation methodology and disposition period appropriate?

Status: **Complete Settlement**

Supporting Parties: KWHI, Energy Probe, SEC, VECC

Evidence: Application: Exhibit 9

Interrogatories: 1-Staff-7, 9- Staff-40 to 9-Staff-48, 9-Energy Probe-59, 9.0-VECC-37 to 9-VECC-38

Technical Conference: 1-Staff-50tc, 9-Staff-56tc, 9-Energy Probe-75

Undertakings: JT1.3

The Parties agree the account balances, cost allocation methodology and disposition period for the deferral and variance accounts as presented in the evidence cited above, adjusted for the matters discussed below, are appropriate.

The following issues were accepted by all Parties:

- KWHI will recover the balance of the Deferred IFRS transition account in the amount of $191,266 inclusive of interest, although total conversion to IFRS has not yet been completed.
- For KWHI, deferral of IFRS costs began in 2008 and the deferred costs are now of a material nature. Continued deferral of costs would increase bill impacts to customers as additional charges and carrying charges would accrue until KWHI files its next Cost of Service for 2018 rates.
- Although complete IFRS transition is not final and will not be until January 1, 2015, upon disposal of the accounts, KWHI would no longer defer its IFRS transitioncosts going forward as additional IFRS transition costs are expected to be immaterial. This would allow KWHI's IFRS transition costs account to be closed at this time and further prudence reviews and disposition requests could be avoided.
- Disposal of KWHI's IFRS transition costs at this time will give timely and more certainty of recovery of the amounts for KWHI, while also reducing the amounts to be

recovered from KWHI's ratepayers through the avoided carrying charges past December 31, 2014.50% of the balance including interest in account 1592 PILs and Tax Variance – HST/OVAT in the amount of $284,857 credit (net of interest) is being requested for disposition. The net amount recoverable, inclusive of interest to December 31, 2013, is $162,202.

- The result of the Direct Benefit Calculation for the balances of both account 1531 – Renewable Generation Capital and account 1532 Renewable Generation – OM&A result in the following amounts to be recovered through a rate rider as part of the general pool of DVA accounts:
    - $7,079 for 1531 –Renewable Connection Capital and;
    - $3,209 for 1532 – Renewable Connection OM&A.
- The remaining amount of $50,278, calculated as the Provincial Benefit portion of Accounts 1531 and 1532, is to be recovered through the IESO on a monthly basis.
- The balance to be recovered for account 1568 LRAMVA is $392,254.

The Parties agree that the balances of DVA accounts have been calculated based on previous Board guidance and/or Decisions and the costs prudently incurred.

Appendix G: Group One and Group Two Deferral and Variance Accounts (balances as at December 31, 2013), below summarizes the Parties' agreement with respect to the disposal of the balances of the accounts, including the updates that have occurred to the deferral and variance accounts for which disposal is sought in 2014. Note that Account 1576 – Accounting Changes Under CGAAP, Stranded Meters, GEA Direct Benefit and LRAMVA rate riders are addressed in the sections following.

9.2 Are the proposed rate riders to dispose of the account balances appropriate?

Status: **Complete Settlement**

Supporting Parties: KWHI, Energy Probe, SEC, VECC

Evidence: Application: Exhibit 9

Interrogatories: 1-Staff-7, 9- Staff-40 to 9-Staff-48, 9-Energy Probe-59, 9.0-VECC-37 to 9-VECC-38

Technical Conference: 1-Staff-50tc, 9-Staff-56tc, 9-Energy Probe-75

Undertakings: JT1.3

The Parties accept the proposed rate riders to dispose of those account balances that are the subject of disposition at this time on a final basis. The Parties have agreed to dispose of the balances over the 12-month period from January 1, 2014 to December 31, 2014. Refund or recovery of the rate riders on all of KWHI's DVA accounts over one year results in minimal rate impacts to KWHI's customers; as well as reducing the effect on KWHI's cash flow, and is consistent with the Board's guidelines in the EDDVAR report.

Appendix H includes the rate rider calculations for all Group One and Group Two DVA accounts as well as the Global Adjustment rate rider.

9.3 Are the net book value and rate riders relating to Stranded Meters appropriate?

Status: **Complete Settlement**

Supporting Parties: KWHI, Energy Probe, SEC, VECC

Evidence: Application: Exhibit 9, Tab 1, Schedule 1, Exhibit 9, Tab 1, Schedule 7

Interrogatories: 9-Staff-48, 2-Energy Probe-9, 2-Energy Probe-14

The Parties agree that KWHI has appropriately calculated the Stranded Meter net book value as at December 31, 2013 as $2,830,541, as set out in Table 9-19 of the Application. The Parties further agree on the allocation methodology utilized to calculate the Stranded Meter Rate Rider to be collected over a 1 year period for Residential and GS<50 kW customers. KWHI utilized the 2006 Cost Allocation Filing sheet 17.1 to determine the allocation to the Residential and GS< 50 kW rate classes. This approach is consistent with Board policy and practice as documented in *Guideline G-2011-0001: Smart Meter Funding and Cost Recovery – Final Disposition*, issued December 15, 2011.

The proposed stranded meter rate riders are reflected in Settlement Table #10 below.

Settlement Table #10

	Residential	GS<50 kW	Total
Net Book Value Segregated by Rate Class	4,635,080	1,797,750	6,432,830
Allocated Weighting Based on 2006 Cost Allocation Filing Sheet 17.1	72%	28%	100%
Number of Metered Customers	82,577	7,830	90,407
Rate Rider to Recover Stranded Meter Costs	$ 2.06	$ 8.42	
Recovery Period (months)	12	12	

9.4 Is the proposed balance and disposition of 1576 – Accounting Changes Under CGAAP to be disposed appropriate?

Status: **Complete Settlement**

Supporting Parties: KWHI, Energy Probe, SEC, VECC

Evidence: Application: Exhibit 9, Exhibit 10

Interrogatories: 1-Staff-7, 9- Staff-40 to 9-Staff-48, 9-Energy Probe-59, 9.0-VECC-37 to 9-VECC-38

Technical Conference: 1-Staff-50tc, 9-Staff-56tc, 9-Energy Probe-75

Undertakings: JT1.3

The Parties accept the proposed balance and resulting rate rider to dispose of Account 1576 – Accounting Changes Under CGAAP on a final basis. The rate of return used in the calculation has been updated to incorporate the updated Cost of Capital Parameters updated for Cost of Service Applications effective January 1, 2014, as issued by the Board on November 25, 2013. The Parties have agreed to dispose of the balance over the 12-month period from January 1, 2014 to December 31, 2014, rather than the four year period that is the Board's normal practice. Appendix 2-ED is attached. Appendix H calculates the disposal of Account 1576 through a one-year rate rider. The Parties accept that the disposition of the balance by way of a credit rate rider over a 12 month period will not cause significant rate or bill impact volatility, nor will refunding the Account 1576 balance over the shorter period pose a material adverse risk to KWHI's financial viability over this time period.

A one-year disposition period is consistent with the Board's letter of June 25, 2013 regarding accounting policy changes for accounts 1575 and 1576 where the Board communicated that it will allow greater flexibility, effective for the 2014 cost of service rate applications and subsequent rate years, in the disposition period chosen for disposal of account 1575 and 1576. Further, the Board stated that the disposition period allowed by the Board will be on a case-by case basis and that the Board will be guided primarily by considerations as bill impacts and the financial impact on distributors.

As noted above in 9.2 above, payment of the rate riders on all of KWHI's DVA accounts in one year results in minimal rate impacts to KWHI's customers resulting from the proposed disposition of all DVA balances in a single year including account 1576. When these riders are completed on December 31, 2014, the 0.92% total bill impact will be reversed. Such reversal is expected to cause minimal impacts on the customer's bill. In addition, even though the pay out of account 1576 over a one year period will represent a significant cash outlay for KWHI, it will not impact on KWHI's financial viability.

9.5 Is the proposed balance and disposition of Lost CWIP (resulting from account 1576 – Accounting Changes Under CGAAP) to be disposed appropriate?

Status:	**Complete Settlement**
Supporting Parties:	KWHI, Energy Probe, SEC, VECC
Evidence:	Application: Exhibit 9, Exhibit 10
	Interrogatories: 1-Staff-7, 9- Staff-40 to 9-Staff-48, 9-Energy Probe-59, 9.0-VECC-37 to 9-VECC-38
	Technical Conference: 1-Staff-50tc, 9-Staff-56tc, 9-Energy Probe-75
	Undertakings: JT1.3

The Parties accept the proposed balance and resulting rate rider to dispose of the Lost CWIP resulting from the balance of account 1576 – Accounting Changes Under CGAAP. The Parties agree that the Lost CWIP rate rider will be separate from the rate rider for account 1576 – Accounting Changes Under CGAAP. A sub-account is to be created as follows, Account 1508, Other Regulatory Assets, Sub-account CGAAP-CWIP Differential Deferral Account, to separately record the balance of the Lost CWIP, consistent with the Board's Rate Order EB-2012-0161 for PowerStream Inc.'s 2013 rates application.

The account balance is to be disposed of on a final basis. The Parties have agreed to dispose of the balances over the 12-month period from January 1, 2014 to December 31, 2014, to match the disposition period for Account 1576. Appendix H calculates the disposal of rate rider for Lost CWIP through a one-year rate rider.

10.0 GREEN ENERGY ACT PLAN

10.1 Is KWHI's Green Energy Act Plan, including the Smart Grid component of the plan appropriate?

Status: **Complete Settlement**

Supporting Parties: KWHI, Energy Probe, SEC, VECC

Evidence: Application: Exhibit 2, Tab 4, Schedule 7

Interrogatories: 2-Staff-8 to 2-Staff-11, 2.0-VECC-11

The Parties accept KWHI's basic Green Energy Act Plan. Only historical costs related to the *Green Energy Act*, *2009* up to December 31, 2012, included in section 9.1 above, are being recovered as part of the deferral and variance account disposition. There are no other costs being included in revenue requirement for 2014 rates or beyond arising from this application.

Appendix A

Summary of Significant Changes

	COS as Filed	Interrogatories & Undertakings	Settlement Submission	Difference Filing vs. Settlement
Rate Base:				
Net Fixed Assets (1)	182,923,299	184,244,662	183,997,292	1,073,994
Working Capital Base (WCB)	203,374,632	207,838,478	208,434,136	5,059,504
Working Capital Factor (WCF)	13%	13%	13%	13%
Working Capital Allowance (WCA) (2)	26,438,702	27,019,002	27,096,438	657,735
Total Rate Base	**209,362,001**	**211,263,664**	**211,093,730**	**1,731,729**
Revenue Requirement:				
Deemed Interest on Debt	5,019,405	5,064,997	5,887,748	868,343
Return on Equity (ROE)	7,520,283	7,588,591	7,903,349	383,066
Total Return on Rate Base (3)	12,539,688	12,653,588	13,791,097	1,251,409
OM&A (4)	18,918,000	18,875,560	18,875,560	(42,440)
Depreciation (5)	7,562,853	7,466,730	7,461,469	(101,384)
Income taxes (grossed-up) (6)	433,327	406,544	497,060	63,733
Service Revenue Requirement	39,453,868	39,402,422	40,625,185	1,171,318
Revenue Offsets (7)	(2,039,200)	(2,039,200)	(2,073,350)	(34,150)
Base Revenue Requirement	37,414,668	37,363,222	38,551,835	1,137,168

NOTES

1. The $1,073,994 in the 2014 average fixed assets is the result of increased capital additions of $1,414,300 in 2013 based on a revised capital expenditures forecast. Reductions to fixed assets include a $500,000 decrease to capital additions and the removal of renewable energy related assets transferred to capital in the original application to the Direct Benefit Calculation (and thus rate rider calculations). The $62,406 increase to amortization in the 2014 average accumulated depreciation (AD) is a result of the increased capital additions in 2013 ($71,798) offset by the 2014 reduction to depreciation (due to reduced capital expenditures).

2. The increase to working capital is predominately the result of an increase to the cost of power of $5,516,744 due to increased RPP prices. This amount is offset by a $457,240 reduction to eligible controllable expenses included in the working capital allowance calculation due to decreases to the inflation factor and the removal of fully allocated depreciation on transportation equipment from the calculation entirely.

3. The increase return on rate base is attributable to the increase in rate base times the weighted cost of capital of 5.99%, which is unchanged from the filing.

4. OM&A has not been settled and previously filed amounts have been included as a placeholder pending the Board's Decision following a hearing. The adjustment to date of $42,440 is due to reductions to the inflation factor used in the original application.

5. Depreciation has been reduced due to decreased capital expenditures in 2014 of $500,000.

6. The reduction to income taxes is due to changes to miscellaneous tax credits and Schedule 1 adjustments.

7. Increase in revenue offsets is as per section 3.5 of the settlement proposal.

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Appendix B - Weather Normal Load Forecast for 2014 Rate Application

	2000 Actual	2001 Actual	2002 Actual	2003 Actual	2004 Actual	2005 Actual	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Weather Normal	2014 Weather Normal
Actual kWh Purchases	1,917,287,306	1,963,866,511	2,036,912,520	2,013,203,373	2,009,748,106	2,086,364,095	1,983,645,710	1,978,990,176	1,939,064,404	1,837,133,121	1,892,633,519	1,895,197,233	1,885,738,118		
Predicted kWh Purchases	1,917,429,374	1,953,633,840	1,998,774,914	1,988,925,998	1,996,079,500	2,067,680,563	2,020,324,564	2,001,202,267	1,964,148,154	1,859,845,104	1,880,819,177	1,887,427,044	1,866,597,054	1,882,418,143	1,870,631,415
% Difference	0.0%	-0.5%	-1.9%	-1.2%	-0.7%	-0.9%	1.8%	1.1%	1.3%	1.2%	-0.6%	-0.4%	-1.0%		
Billed kWh (excl Embedded)	1,825,733,379	1,864,957,166	1,966,638,125	1,970,383,029	1,947,483,902	2,040,872,519	1,917,735,012	1,918,190,356	1,877,404,166	1,777,401,233	1,829,500,492	1,833,881,352	1,825,234,090	1,811,732,482	1,790,041,981
By Class															
Residential															
Customers	63,692	64,284	65,683	67,527	69,405	71,490	72,866	74,392	75,154	76,255	77,506	78,761	79,997	81,277	82,577
kWh	561,410,965	540,863,420	609,265,500	610,213,276	593,383,986	640,475,237	624,196,150	639,510,859	638,167,356	626,869,704	650,651,967	647,280,211	644,467,300	643,235,561	651,728,155
GS<50 kW															
Customers	6,548	6,568	6,569	6,703	6,816	6,916	7,049	7,198	7,265	7,370	7,448	7,538	7,645	7,737	7,830
kWh	216,113,166	194,422,245	219,363,892	225,494,014	218,381,164	229,601,685	231,128,009	233,685,645	233,464,130	230,572,826	236,095,929	240,155,523	240,981,970	239,589,461	241,683,206
GS>50 kW															
Customers	1,033	1,035	1,068	1,035	1,058	1,077	1,021	1,005	1,014	1,005	989	975	952	948	945
kWh	842,011,205	882,753,581	863,683,912	862,174,714	881,507,867	918,952,852	860,411,209	866,794,206	838,013,719	820,920,003	876,884,814	871,254,048	850,788,483	843,379,708	845,285,977
kW	1,702,404	2,097,765	2,249,449	2,243,396	2,273,819	2,343,889	2,306,337	2,286,676	2,227,288	2,169,096	2,260,312	2,244,883	2,227,931	2,215,914	2,236,471
Large User															
Customers	3	4	4	4	4	4	4	4	4	3	1	2	2	2	1
kWh	188,086,865	229,072,005	257,359,194	253,072,527	234,737,963	232,058,404	181,975,799	157,680,777	146,928,777	79,822,385	46,563,626	56,015,269	69,356,376	66,016,829	31,798,990
kW	339,080	423,831	475,022	474,685	460,426	445,748	381,847	330,481	329,862	171,311	95,621	105,771	136,790	130,796	63,002
Streetlights															
Connections	1,342	1,370	1,394	1,405	1,497	1,517	1,533	1,523	1,522	1,551	1,574	1,568	1,573	1,569	1,592
kWh	13,700,705	13,878,114	12,488,813	14,826,579	15,016,164	15,098,592	15,290,722	15,541,491	17,542,402	15,920,914	16,035,117	15,857,518	15,943,501	15,898,680	16,128,465
kW	39,194	39,703	36,995	41,407	41,732	42,148	42,692	43,371	45,893	44,226	44,895	44,252	44,229	44,502	45,145
USL															
Connections	750	750	765	765	822	807	807	818	820	817	811	841	869	879	890
kWh	4,410,473	3,967,801	4,476,814	4,601,919	4,456,758	4,685,749	4,733,123	4,977,378	3,287,782	3,295,401	3,269,039	3,318,783	3,696,460	3,612,242	3,417,188
Embedded Distributor															
Connections	-	-	1	1	1	1	1	1	1	1	1	1	1	1	1
kWh	-	-	15,328,897	20,418,901	19,486,436	16,865,800	21,112,323	22,263,925	22,427,621	22,622,442	24,190,281	21,309,995	17,590,424	20,328,822	20,328,822
kW	-	-	29,357	43,882	40,502	43,934	45,564	49,752	48,353	49,918	53,144	49,139	37,867	44,674	44,674
Total of Above (excl. Embedded)															
Customer/Connections	73,368	74,011	75,483	77,439	79,602	81,811	83,280	84,940	85,779	87,001	88,329	89,685	91,039	92,413	93,835
kWh	1,825,733,379	1,864,957,166	1,966,638,125	1,970,383,029	1,947,483,902	2,040,872,519	1,917,735,012	1,918,190,356	1,877,404,166	1,777,401,233	1,829,500,492	1,833,881,352	1,825,234,090	1,811,732,482	1,790,041,981
kW from applicable classes	2,080,678	2,561,299	2,761,466	2,759,488	2,775,977	2,831,785	2,730,876	2,660,528	2,603,043	2,384,633	2,400,828	2,394,906	2,408,950	2,391,212	2,344,619
Total of Above (incl. Embedded)															
Customer/Connections	73,368	74,011	75,484	77,440	79,603	81,812	83,281	84,941	85,780	87,002	88,330	89,686	91,040	92,414	93,836
kWh	1,825,733,379	1,864,957,166	1,981,967,022	1,990,801,930	1,966,970,338	2,057,738,319	1,938,847,335	1,940,454,281	1,899,831,787	1,800,023,675	1,853,690,773	1,855,191,347	1,842,824,514	1,832,061,304	1,810,370,803
kW from applicable classes	2,080,678	2,561,299	2,790,823	2,803,370	2,816,479	2,875,719	2,776,440	2,710,280	2,651,396	2,434,551	2,453,972	2,444,045	2,446,817	2,435,886	2,389,292
Total from Model (excl. Embedded)															
Customer/Connections	73,368	74,011	75,483	77,439	79,602	81,811	83,280	84,940	85,779	87,001	88,329	89,685	91,039	92,413	93,835
kWh	1,825,733,379	1,864,957,166	1,966,638,125	1,970,383,029	1,947,483,902	2,040,872,519	1,917,735,012	1,918,190,356	1,877,404,166	1,777,401,233	1,829,500,492	1,833,881,352	1,825,234,090	1,811,732,482	1,790,041,981
kW from applicable classes	2,080,678	2,561,299	2,761,466	2,759,488	2,775,977	2,831,785	2,730,876	2,660,528	2,603,043	2,384,633	2,400,828	2,394,906	2,408,950	2,391,212	2,344,619
Total from Model (incl. Embedded)															
Customer/Connections	73,368	74,011	75,484	77,440	79,603	81,812	83,281	84,941	85,780	87,002	88,330	89,686	91,040	92,414	93,836
kWh	1,825,733,379	1,864,957,166	1,981,967,022	1,990,801,930	1,966,970,338	2,057,738,319	1,938,847,335	1,940,454,281	1,899,831,787	1,800,023,675	1,853,690,773	1,855,191,347	1,842,824,514	1,832,061,304	1,810,370,803
kW from applicable classes	2,080,678	2,561,299	2,790,823	2,803,370	2,816,479	2,875,719	2,776,440	2,710,280	2,651,396	2,434,551	2,453,972	2,444,045	2,446,817	2,435,886	2,389,292

	IESO	Generation	Load Transfers	Purchased	Heating Degree Days	Cooling Degree Days	Ontario Real GDP Monthly %	Number of Days in Month	Spring Fall Flag	CDM Activity	Number of Peak Hours	Employment Kitchener-Waterloo-Barrie (000's)	Unemployment Kitchener-Waterloo-Barrie (000's)	Predicted Purchases
Jan-97	178,379,084			178,379,084	777.9	0.0	94.72	31	0	0	352	475	39	170,877,133
Feb-97	154,547,898			154,547,898	615.0	0.0	94.80	29	0	0	320	478	39	154,502,462
Mar-97	161,647,356			161,647,356	619.1	0.0	94.89	31	1	0	304	477	39	156,191,377
Apr-97	145,784,872			145,784,872	391.9	0.0	94.97	30	1	0	352	480	40	146,826,667
May-97	141,630,070			141,630,070	289.0	0.0	95.06	31	1	0	336	484	40	145,086,859
Jun-97	147,352,701			147,352,701	30.4	50.4	95.14	30	0	0	336	492	40	150,690,164
Jul-97	152,141,811			152,141,811	22.1	59.8	95.23	31	0	0	352	497	41	158,263,116
Aug-97	145,107,825			145,107,825	49.4	21.9	95.32	31	0	0	320	501	41	145,754,468
Sep-97	139,600,641			139,600,641	115.2	5.4	95.40	30	1	0	336	502	41	136,727,467
Oct-97	148,289,546			148,289,546	288.9	1.6	95.49	31	1	0	352	507	42	147,962,739
Nov-97	155,059,094			155,059,094	471.4	0.0	95.57	30	1	0	304	508	42	147,968,837
Dec-97	165,554,412			165,554,412	630.7	0.0	95.66	31	0	0	336	508	42	165,198,353
Jan-98	169,014,862			169,014,862	652.8	0.0	96.01	31	0	0	336	501	35	167,011,627
Feb-98	149,446,860			149,446,860	547.1	0.0	96.37	28	0	0	320	499	35	150,371,056
Mar-98	161,538,633			161,538,633	505.1	0.0	96.73	31	1	0	352	496	34	157,336,336
Apr-98	139,888,239			139,888,239	312.0	0.0	97.08	30	1	0	336	499	35	144,631,585
May-98	146,043,180			146,043,180	77.1	16.8	97.44	31	1	0	320	503	35	142,450,420
Jun-98	152,205,116			152,205,116	66.7	63.7	97.81	30	0	0	352	511	36	159,952,079
Jul-98	153,589,755			153,589,755	6.9	64.8	98.17	31	0	0	352	518	36	161,789,054
Aug-98	160,175,410			160,175,410	12.1	83.1	98.53	31	0	0	320	524	36	165,443,774
Sep-98	145,106,275			145,106,275	63.0	26.0	98.90	30	1	0	336	523	36	143,494,704
Oct-98	143,393,838			143,393,838	257.6	0.0	99.26	31	1	0	336	522	36	147,486,141
Nov-98	152,187,498			152,187,498	440.1	0.0	99.63	30	1	0	336	522	36	151,637,286
Dec-98	162,755,458			162,755,458	572.1	0.0	100.00	31	0	0	336	528	37	165,692,481
Jan-99	176,550,323			176,550,323	789.6	0.0	100.39	31	0	0	320	528	31	174,686,190
Feb-99	153,314,486			153,314,486	578.4	0.0	100.79	28	0	0	320	528	31	154,991,057
Mar-99	165,000,091			165,000,091	592.5	0.0	101.18	31	1	0	368	526	31	165,568,056
Apr-99	143,094,038			143,094,038	332.6	0.0	101.58	30	1	0	336	529	31	148,821,981
May-99	145,495,902			145,495,902	126.7	10.5	101.98	31	1	0	320	533	31	145,971,376
Jun-99	162,933,501			162,933,501	44.4	76.5	102.38	30	0	0	352	540	31	166,190,980
Jul-99	171,126,555			171,126,555	3.2	138.9	102.78	31	0	0	336	548	32	186,169,079
Aug-99	156,668,949			156,668,949	28.8	30.9	103.18	31	0	0	336	553	32	155,043,136
Sep-99	149,477,238			149,477,238	88.9	27.7	103.59	30	1	0	336	555	32	148,641,751
Oct-99	149,731,148			149,731,148	319.0	0.0	104.00	31	1	0	320	553	32	152,306,082
Nov-99	155,962,063			155,962,063	405.1	0.0	104.40	30	1	0	352	550	32	154,670,077
Dec-99	170,494,981			170,494,981	623.7	0.0	104.81	31	0	0	336	548	32	170,780,400
Jan-00	178,748,867			178,748,867	773.0	0.0	105.45	31	0	0	320	543	31	175,756,282
Feb-00	162,866,687			162,866,687	643.8	0.0	106.09	28	0	0	336	537	31	160,516,895
Mar-00	161,127,993			161,127,993	446.9	0.0	106.73	31	1	0	368	535	31	161,029,774
Apr-00	146,022,967			146,022,967	358.3	0.0	107.38	30	1	0	304	539	31	149,099,235
May-00	149,955,206			149,955,206	152.4	18.7	108.03	31	1	0	352	548	31	153,978,810
Jun-00	155,366,404			155,366,404	41.1	35.4	108.68	30	0	0	352	554	32	155,643,418
Jul-00	155,720,648			155,720,648	18.6	44.8	109.34	31	0	0	320	557	32	158,995,563
Aug-00	163,322,317			163,322,317	29.7	46.3	110.00	31	0	0	352	557	32	162,426,712
Sep-00	149,740,084			149,740,084	134.0	23.8	110.67	30	1	0	320	554	32	149,421,944
Oct-00	151,587,385			151,587,385	251.6	0.0	111.34	31	1	0	336	553	32	152,166,674
Nov-00	161,969,851			161,969,851	470.9	0.0	112.01	30	1	0	352	557	32	159,300,075
Dec-00	180,858,897			180,858,897	826.5	0.0	112.69	31	0	0	304	561	32	179,093,993
Jan-01	182,274,650			182,274,650	715.0	0.0	113.21	31	0	0	352	561	33	177,983,414
Feb-01	162,106,075			162,106,075	620.2	0.0	113.73	29	0	0	320	556	32	164,143,739
Mar-01	171,156,935			171,156,935	618.7	0.0	114.25	31	1	0	352	552	32	169,178,737
Apr-01	148,249,402			148,249,402	324.6	0.0	114.77	30	1	0	320	556	32	151,039,336
May-01	152,023,283			152,023,283	140.3	7.7	115.30	31	1	0	352	562	33	152,080,506
Jun-01	164,607,865			164,607,865	47.0	62.4	115.83	30	0	0	336	566	33	164,644,697
Jul-01	165,667,707			165,667,707	22.3	65.7	116.36	31	0	0	336	566	33	168,295,953
Aug-01	179,800,173			179,800,173	2.3	94.2	116.90	31	0	0	352	563	33	177,155,927
Sep-01	152,599,967		(420,695)	152,179,272	118.8	19.2	117.43	30	1	0	304	560	33	147,627,991
Oct-01	157,618,136		58,552	157,676,688	276.7	0.0	117.97	31	1	0	352	560	33	155,876,282
Nov-01	158,548,740			158,548,740	370.8	0.0	118.52	30	1	0	352	561	33	156,379,958
Dec-01	169,751,554		(175,833)	169,575,721	563.3	0.0	119.06	31	0	0	304	564	33	169,227,301
Jan-02	178,220,353		(702,628)	177,517,725	625.7	0.0	119.23	31	0	0	352	565	34	175,320,684
Feb-02	161,211,185			161,211,185	592.0	0.0	119.40	28	0	0	320	567	34	160,750,232
Mar-02	170,041,740			170,041,740	581.2	0.0	119.58	31	1	0	320	569	34	166,783,096
Apr-02	156,884,064		702,628	157,586,692	356.2	6.6	119.75	30	1	0	352	573	35	158,357,412
May-02	156,235,950	1,910,171		158,146,121	266.8	5.3	119.92	31	1	0	352	577	35	158,058,286
Jun-02	163,542,900	2,159,380		165,702,280	53.1	54.5	120.10	30	0	0	320	582	35	162,617,118
Jul-02	186,180,130	2,443,800		188,623,930	4.7	129.0	120.27	31	0	0	352	585	35	189,284,710
Aug-02	179,006,180	2,421,941		181,428,121	11.0	72.3	120.45	31	0	0	336	587	35	171,406,446
Sep-02	164,159,610	2,216,662		166,376,272	50.2	47.0	120.62	30	1	0	320	583	35	155,901,274
Oct-02	162,237,780	2,352,682		164,590,462	345.6	6.3	120.80	31	1	0	352	583	35	162,151,530
Nov-02	165,302,860	2,368,364		167,671,224	486.4	0.0	120.97	30	1	0	336	584	35	161,422,939
Dec-02	176,377,660	2,418,399	(779,291)	178,016,768	675.6	0.0	121.15	31	0	0	320	592	36	176,721,187
Jan-03	188,010,997	2,385,524	(17,740)	190,378,781	868.4	0.0	121.50	31	0	0	352	591	34	187,529,275
Feb-03	169,413,256	2,130,053		171,543,309	755.9	0.0	121.86	28	0	0	320	588	34	169,408,879
Mar-03	172,920,468	2,290,575		175,211,043	638.7	0.0	122.22	31	1	0	336	585	34	171,955,690
Apr-03	156,616,058	2,202,656	84,082	158,902,796	397.4	0.7	122.59	30	1	0	336	588	34	158,630,631
May-03	151,753,883	2,108,659		153,862,542	217.0	0.0	122.95	31	1	0	336	596	35	154,971,772
Jun-03	157,578,600	2,058,238	(1,205,437)	158,431,401	65.3	25.5	123.31	30	0	0	336	602	35	157,492,714
Jul-03	172,547,931	2,016,093		174,564,024	12.5	50.1	123.68	31	0	0	352	606	35	167,772,853
Aug-03	167,854,372	2,044,374	(150,206)	169,748,540	18.9	72.4	124.04	31	0	0	320	608	35	172,491,812
Sep-03	154,374,124	1,997,356		156,371,480	104.1	6.0	124.41	30	1	0	336	608	35	149,253,535
Oct-03	159,835,650	2,433,090		162,268,740	331.9	0.0	124.78	31	1	0	352	610	35	162,005,452
Nov-03	161,706,401	2,724,250		164,430,651	434.4	0.0	125.14	30	1	0	320	609	35	160,282,349
Dec-03	174,880,179	2,977,959	(368,072)	177,490,066	610.0	0.0	125.51	31	0	0	336	609	35	177,131,037
Jan-04	189,562,615	2,786,343		192,348,958	879.2	0.0	125.66	31	0	0	336	605	32	188,835,249
Feb-04	170,642,379	2,536,722	(3,315,660)	169,863,441	699.2	0.0	125.81	28	0	0	320	599	32	168,902,464
Mar-04	174,351,621	2,744,613	71,211	177,167,445	540.9	0.0	125.95	31	1	0	368	595	31	172,085,487
Apr-04	154,421,408	2,589,110	62,353	157,072,871	354.1	0.0	126.10	30	1	0	336	598	31	158,318,266
May-04	155,074,845	2,711,255		157,786,100	196.2	6.7	126.24	31	1	0	320	606	32	156,521,743
Jun-04	151,445,519	2,607,440		154,052,959	92.5	16.3	126.39	30	0	0	352	615	32	158,925,618
Jul-04	161,093,187	2,540,291		163,633,478	21.3	49.3	126.54	31	0	0	336	624	33	168,766,294
Aug-04	162,034,399	2,581,462	(477,682)	164,138,179	55.0	30.6	126.68	31	0	0	336	626	33	164,676,364
Sep-04	160,831,449	2,714,436	310,453	163,856,338	71.3	13.7	126.83	30	1	0	336	627	33	152,222,898
Oct-04	158,310,504	2,720,287	(949,360)	160,081,431	287.5	0.0	126.98	31	1	0	320	625	33	159,508,888
Nov-04	163,948,548	2,299,838		166,248,386	432.9	0.0	127.12	30	1	0	352	625	33	164,480,932
Dec-04	180,723,559	3,176,884	(401,923)	183,498,520	700.1	0.0	127.27	31	0	0	336	628	33	182,835,297
Jan-05	188,798,513	3,146,681	(19,583)	191,925,611	814.7	0.0	127.53	31	0	1,876	320	630	35	186,149,456
Feb-05	165,602,742	2,849,225	(707,169)	167,744,798	683.5	0.0	127.80	29	0	3,751	320	631	35	173,498,665
Mar-05	174,909,060	3,161,543	19,853	178,090,456	680.5	0.0	128.06	31	1	5,627	352	628	35	178,446,812
Apr-05	154,079,250	2,996,257		157,075,507	354.6	0.0	128.32	30	1	7,502	336	631	35	160,135,494
May-05	153,459,374	3,142,852		156,602,226	244.9	0.0	128.59	31	1	9,378	336	639	36	159,571,138

	IESO	Generation	Load Transfers	Purchased	Heating Degree Days	Cooling Degree Days	Ontario Real GDP Monthly %	Number of Days in Month	Spring Fall Flag	CDM Activity	Number of Peak Hours	Employment Kitchener-Waterloo-Barrie (000's)	Unemployment Kitchener-Waterloo-Barrie (000's)	Predicted Purchases
Jun-05	182,430,580	3,025,792		185,456,372	27.3	104.8	128.85	30	0	11,253	352	648	36	184,616,948
Jul-05	179,553,228	3,123,730		182,676,958	6.8	105.4	129.12	31	0	13,129	320	653	37	185,413,407
Aug-05	184,426,854	3,121,647	(469,033)	187,079,468	11.9	67.9	129.38	31	0	15,004	352	656	37	176,935,493
Sep-05	159,422,370	3,056,133	(1,028,606)	161,449,897	63.4	13.7	129.65	30	1	16,880	336	652	37	153,318,099
Oct-05	160,516,274	2,883,941	26,941	163,427,156	259.9	2.6	129.92	31	1	18,755	320	650	36	160,532,675
Nov-05	166,028,954	3,104,938		169,133,892	433.1	0.0	130.19	30	1	20,631	352	644	36	165,585,290
Dec-05	182,966,259	3,207,148	(471,654)	185,701,753	721.6	0.0	130.45	31	0	22,506	320	645	36	183,477,087
Jan-06	178,288,001	3,127,236	(530,841)	180,884,396	590.6	0.0	130.74	31	0	89,668	336	644	34	179,328,546
Feb-06	164,479,598	2,883,550	19,066	167,382,214	651.2	0.0	131.03	28	0	156,830	320	643	34	169,526,601
Mar-06	172,892,182	3,232,734		176,124,916	562.4	0.0	131.33	31	1	223,992	368	641	34	175,540,460
Apr-06	148,908,687	3,056,277		151,964,964	322.5	0.0	131.62	30	1	291,154	304	644	34	156,865,546
May-06	156,565,358	3,089,254		159,654,612	177.8	17.7	131.91	31	1	358,316	352	652	34	163,655,717
Jun-06	163,419,920	2,996,747	(480,407)	165,936,260	44.1	32.2	132.20	30	0	425,478	352	660	35	163,503,761
Jul-06	177,939,977	3,157,808	(891,711)	180,206,074	6.5	117.2	132.50	31	0	492,640	320	665	35	188,780,130
Aug-06	167,043,152	3,155,436	121,285	170,319,873	27.5	45.5	132.79	31	0	559,802	352	667	35	170,412,450
Sep-06	143,344,914	3,068,450		146,413,364	130.3	2.3	133.09	30	1	626,964	320	665	35	150,818,495
Oct-06	153,058,324	3,145,499		156,203,823	335.1	0.0	133.38	31	1	694,125	336	667	35	163,537,114
Nov-06	156,414,973	3,028,348		159,443,321	415.9	0.0	133.68	30	1	761,287	352	666	35	164,274,773
Dec-06	166,458,241	3,028,408	(374,756)	169,111,893	545.2	0.0	133.98	31	0	828,449	304	668	35	174,080,970
Jan-07	174,419,227	3,099,274	(761,356)	176,757,145	698.3	0.0	134.25	31	0	907,333	352	662	38	183,102,432
Feb-07	166,691,262	2,857,641		169,548,903	785.1	0.0	134.53	28	0	986,216	320	657	37	172,921,975
Mar-07	166,700,004	3,085,285		169,785,289	582.0	0.0	134.81	31	1	1,065,100	352	652	37	172,697,457
Apr-07	149,528,054	3,049,354	(215,367)	152,362,041	403.0	0.0	135.08	30	1	1,143,983	320	647	37	158,599,418
May-07	150,384,862	3,629,223		154,014,085	166.4	11.2	135.36	31	1	1,222,867	352	647	37	157,827,242
Jun-07	166,748,069	2,751,787	(230,977)	169,268,879	35.5	51.2	135.64	30	0	1,301,751	336	652	37	164,098,510
Jul-07	161,680,251	2,997,159	(1,233,113)	163,444,297	28.0	53.8	135.92	31	0	1,380,634	336	660	38	168,344,167
Aug-07	171,683,657	3,020,733	64,199	174,768,589	19.7	65.1	136.20	31	0	1,459,518	352	662	38	172,458,986
Sep-07	152,749,372	2,716,289		155,465,661	74.7	28.0	136.48	30	1	1,538,401	304	661	38	151,495,015
Oct-07	153,403,455	2,760,987		156,164,442	184.7	10.9	136.76	31	1	1,617,285	352	663	38	158,097,937
Nov-07	160,155,435	3,169,286		163,324,721	511.8	0.0	137.04	30	1	1,696,168	352	667	38	164,935,749
Dec-07	171,832,799	2,432,767	(179,442)	174,086,124	686.6	0.0	137.33	31	0	1,775,052	304	669	38	176,623,378
Jan-08	177,058,679	2,832,543	(773,673)	179,117,549	676.8	0.0	137.55	31	0	1,813,010	352	661	40	178,989,310
Feb-08	166,921,823	3,033,525	(229,052)	169,726,296	730.3	0.0	137.78	28	0	1,850,968	320	656	40	167,574,398
Mar-08	166,357,193	2,608,248		168,965,441	686.1	0.0	138.01	31	1	1,888,926	304	647	39	170,280,861
Apr-08	144,983,805	2,999,650		147,983,455	297.9	0.0	138.23	30	1	1,926,884	352	647	39	153,895,516
May-08	142,166,893	3,110,003		145,276,896	243.1	0.7	138.46	31	1	1,964,842	336	649	39	154,187,981
Jun-08	156,219,057	3,095,141		159,314,198	40.6	53.0	138.69	30	0	2,002,800	336	657	40	162,622,162
Jul-08	169,629,769	2,782,598	(1,203,277)	171,209,090	7.6	75.8	138.92	31	0	2,040,758	352	664	40	173,194,081
Aug-08	158,690,251	3,356,512	16,174	162,062,937	36.2	29.5	139.15	31	0	2,078,716	320	667	40	158,065,794
Sep-08	149,556,677	2,790,265	(23,841)	152,323,101	93.2	12.0	139.38	30	1	2,116,674	336	670	40	148,344,361
Oct-08	148,160,437	3,010,161		151,170,598	325.7	0.0	139.61	31	1	2,154,632	352	673	41	159,415,637
Nov-08	154,931,359	3,370,793		158,302,152	499.7	0.0	139.84	30	1	2,192,590	304	677	41	159,559,966
Dec-08	171,778,131	1,995,994	(161,434)	173,612,691	694.0	0.0	140.07	31	0	2,230,548	336	674	41	178,018,088
Jan-09	176,131,307	2,752,174		178,883,481	891.8	0.0	139.97	31	0	2,295,813	336	662	66	181,139,335
Feb-09	151,717,789	2,657,507		154,375,296	649.6	0.0	139.86	29	0	2,361,077	304	649	64	160,425,453
Mar-09	156,553,861	3,105,512		159,659,373	562.6	0.0	139.76	31	1	2,426,342	352	636	63	162,311,908
Apr-09	138,889,187	3,087,139		141,976,326	341.5	3.2	139.65	30	1	2,491,606	320	632	63	147,472,762
May-09	134,434,411	3,608,621		138,043,032	192.8	2.3	139.55	31	1	2,556,871	320	632	62	144,283,904
Jun-09	142,548,339	3,449,814	(1,223,655)	144,774,498	75.7	26.2	139.44	30	0	2,622,135	352	643	64	150,107,550
Jul-09	143,270,941	3,581,028		146,851,969	37.6	14.5	139.34	31	0	2,687,400	352	650	64	148,667,635
Aug-09	157,674,451	3,670,057		161,344,508	34.4	57.3	139.23	31	0	2,752,664	320	655	65	158,969,639
Sep-09	140,458,615	3,469,952		143,928,567	88.8	5.5	139.13	30	1	2,817,929	336	655	65	138,463,044
Oct-09	145,285,176	3,644,538		148,929,714	329.1	0.0	139.02	31	1	2,883,194	336	657	65	150,346,633
Nov-09	145,607,812	3,579,715		149,187,527	396.5	0.0	138.92	30	1	2,948,458	320	655	65	147,997,329
Dec-09	166,545,329	3,572,913	(939,411)	169,178,831	669.5	0.0	138.81	31	0	3,013,723	352	652	65	169,659,911
Jan-10	171,587,069	3,440,699		175,027,768	752.0	0.0	138.44	31	0	3,039,170	320	646	58	171,301,429
Feb-10	152,386,226	2,736,449		155,122,675	644.7	0.0	138.06	28	0	3,064,617	304	642	57	154,372,281
Mar-10	152,881,624	3,076,980		155,958,604	470.9	0.0	137.69	31	1	3,090,064	368	640	57	158,003,675
Apr-10	134,783,810	3,474,388		138,258,198	266.0	0.0	137.31	30	1	3,115,512	336	644	58	143,366,125
May-10	147,558,538	3,554,304		151,112,842	144.7	21.0	136.94	31	1	3,140,959	320	653	58	147,284,869
Jun-10	152,085,417	3,365,360	(1,969,804)	153,480,973	37.9	30.9	136.57	30	0	3,166,406	352	669	60	149,616,880
Jul-10	173,774,673	3,414,396		177,189,069	6.7	106.1	136.20	31	0	3,191,853	336	680	61	173,764,403
Aug-10	169,918,494	3,110,959		173,029,453	11.5	83.6	135.83	31	0	3,217,301	336	683	61	167,165,101
Sep-10	141,552,978	3,139,012		144,691,990	122.7	21.2	135.47	30	1	3,242,748	336	677	60	144,475,005
Oct-10	141,431,853	3,513,334		144,945,187	285.1	0.0	135.10	31	1	3,268,195	320	670	60	146,834,991
Nov-10	149,100,645	3,312,803		152,413,448	467.8	0.0	134.73	30	1	3,293,642	336	668	60	151,856,549
Dec-10	169,078,607	3,230,070	(905,365)	171,403,312	719.4	0.0	134.37	31	0	3,319,090	368	667	60	172,777,868
Jan-11	173,480,601	2,965,560		176,446,161	827.8	0.0	134.70	31	0	3,384,750	336	664	52	175,906,424
Feb-11	154,641,844	2,793,475		157,435,319	681.6	0.0	135.03	28	0	3,450,411	304	666	52	156,379,284
Mar-11	161,467,012	3,394,895		164,861,907	622.7	0.0	135.37	31	1	3,516,071	368	671	52	165,197,398
Apr-11	141,723,732	3,572,359		145,296,091	359.8	0.0	135.70	30	1	3,581,732	320	680	53	147,105,676
May-11	142,626,392	3,354,992		145,981,384	152.2	13.2	136.03	31	1	3,647,392	336	686	53	147,296,074
Jun-11	148,833,888	3,642,329	(1,165,065)	151,311,152	48.5	21.6	136.37	30	0	3,713,053	352	697	54	147,928,433
Jul-11	178,623,729	3,661,638		182,285,367	0.8	130.8	136.71	31	0	3,778,713	320	708	55	180,333,742
Aug-11	164,128,078	3,433,253		167,561,331	6.9	63.6	137.04	31	0	3,844,374	352	708	55	162,631,662
Sep-11	143,183,425	2,920,176		146,103,601	97.7	20.3	137.38	30	1	3,910,034	336	701	54	143,495,916
Oct-11	143,618,154	3,035,258		146,653,412	279.9	0.0	137.72	31	1	3,975,695	320	694	54	146,927,663
Nov-11	146,066,573	3,082,781		149,149,354	382.4	0.0	138.06	30	1	4,041,355	352	690	54	149,701,340
Dec-11	159,732,793	3,298,204	(918,843)	162,112,154	574.8	0.0	138.40	31	0	4,107,016	336	690	54	164,523,432
Jan-12	167,297,863	3,308,434		170,606,297	657.3	0.0	138.64	31	0	4,155,526	336	684	48	168,361,371
Feb-12	151,749,261	3,069,259		154,818,520	573.0	0.0	138.88	29	0	4,204,037	320	683	48	156,147,111
Mar-12	149,081,825	3,440,660		152,522,485	370.1	0.0	139.12	31	1	4,252,548	352	681	48	152,553,815
Apr-12	137,212,331	3,210,685		140,423,016	365.3	0.0	139.36	30	1	4,301,059	320	683	48	146,262,040
May-12	146,013,521	3,294,156		149,307,677	106.6	19.7	139.60	31	1	4,349,570	352	687	49	147,426,836
Jun-12	156,866,745	3,172,980	(1,015,157)	159,024,568	42.1	61.2	139.85	30	0	4,398,081	336	692	49	156,982,097
Jul-12	181,523,408	3,076,518		184,599,926	0.0	125.9	140.09	31	0	4,446,592	336	694	49	178,334,863
Aug-12	164,407,829	3,065,412		167,473,241	20.5	58.2	140.33	31	0	4,495,103	352	690	49	159,641,618
Sep-12	143,005,966	2,784,314		145,790,280	125.4	16.4	140.57	30	1	4,543,614	304	682	48	139,158,306
Oct-12	145,715,525	2,738,579		148,454,104	279.2	0.0	140.82	31	1	4,592,125	352	682	48	147,816,562
Nov-12	149,958,942	2,847,362		152,806,304	483.6	0.0	141.06	30	1	4,640,636	352	687	49	152,887,890
Dec-12	157,244,281	3,331,412	(663,993)	159,911,700	565.5	0.0	141.31	31	0	4,689,147	304	694	49	161,024,545
Jan-13					749.4	0.0	141.54	31	0	4,649,890	352	693	49	172,581,268
Feb-13					653.2	0.0	141.77	29	0	4,610,634	304	694	49	157,836,147
Mar-13					567.5	0.0	142.01	31	1	4,571,377	320	695	49	158,448,829
Apr-13					346.1	0.7	142.24	30	1	4,532,120	336	697	49	147,224,809
May-13					180.9	9.5	142.48	31	1	4,492,864	352	702	50	148,200,039
Jun-13					49.5	47.9	142.71	30	0	4,453,607	320	708	50	153,166,296
Jul-13					12.9	83.2	142.95	31	0	4,414,351	352	715	50	168,886,996
Aug-13					23.5	57.7	143.18	31	0	4,375,094	336	713	50	160,529,995
Sep-13					96.4	18.0	143.42	30	1	4,335,838	320	700	47	142,225,575
Oct-13					289.8	1.3	143.66	31	1	4,296,581	352	700	47	151,585,853
Nov-13					443.9	0.0	143.90	30	1	4,257,324	336	700	47	153,013,452

	IESO	Generation	Load Transfers	Purchased	Heating Degree Days	Cooling Degree Days	Ontario Real GDP Monthly %	Number of Days in Month	Spring Fall Flag	CDM Activity	Number of Peak Hours	Employment Kitchener-Waterloo-Barrie (000's)	Unemployment Kitchener-Waterloo-Barrie (000's)	Predicted Purchases
Dec-13					648.7	0.0	144.13	31	0	4,218,068	320	700	47	168,718,883
Jan-14					749.4	0.0	144.36	31	0	4,210,424	352	710	50	175,573,538
Feb-14					653.2	0.0	144.59	28	0	4,202,781	304	710	50	157,076,998
Mar-14					567.5	0.0	144.81	31	1	4,195,137	336	710	50	162,344,362
Apr-14					346.1	0.7	145.04	30	1	4,187,494	336	710	50	149,678,325
May-14					180.9	9.5	145.27	31	1	4,179,850	336	710	50	149,076,734
Jun-14					49.5	47.9	145.50	30	0	4,172,206	336	710	50	156,068,721
Jul-14					12.9	83.2	145.72	31	0	4,164,563	352	710	50	170,097,761
Aug-14					23.5	57.7	145.95	31	0	4,156,919	320	710	50	160,468,467
Sep-14					96.4	18.0	146.18	30	1	4,149,276	336	710	50	144,753,729
Oct-14					289.8	1.3	146.41	31	1	4,141,632	352	710	50	152,776,801
Nov-14					443.9	0.0	146.64	30	1	4,133,989	320	710	50	152,867,187
Dec-14					648.7	0.0	146.87	31	0	4,126,345	336	710	50	170,887,882
						Weather Normal								34,794,162,552
1997				1,835,095,310						1,826,049,643	(9,045,667)	-0.5%		
1998				1,835,345,124						1,857,296,543	21,951,419	1.2%		
1999				1,899,849,275						1,923,840,164	23,990,889	1.3%		
2000				1,917,287,306						1,917,429,374	142,068	0.0%		
2001				1,963,866,511						1,953,633,840	(10,232,671)	-0.5%		
2002				2,036,912,520						1,998,774,914	(38,137,606)	-1.9%		
2003				2,013,203,373						1,988,925,998	(24,277,375)	-1.2%		
2004				2,009,748,106						1,996,079,500	(13,668,606)	-0.7%		
2005				2,086,364,095						2,067,680,563	(18,683,532)	-0.9%		
2006				1,983,645,710						2,020,324,564	36,678,854	1.8%		
2007				1,978,990,176						2,001,202,267	22,212,091	1.1%		
2008				1,939,064,404						1,964,148,154	25,083,750	1.3%		
2009				1,837,133,121						1,859,845,104	22,711,983	1.2%		
2010				1,892,633,519						1,880,819,177	(11,814,343)	-0.6%		
2011				1,895,197,233						1,887,427,044	(7,770,189)	-0.4%		
2012				1,885,738,118						1,866,597,054	(19,141,065)	-1.0%		
2013										1,882,418,143				
2014										1,901,670,507				
Total to 2012				31,010,073,902						31,010,073,902	0			
										34,794,162,552	0			
										Check totals above should be zero				

Non Weather Corrected Forecast									Non-Weather Total
	2013	1,832,190,265	649,888,511	242,937,838	853,836,165	66,016,829	15,898,680	3,612,242	1,832,190,265
	2014	1,808,504,312	655,355,325	244,909,580	856,894,763	31,798,990	16,128,465	3,417,188	1,808,504,312
						62,838,082			
Weather Corrected Forecast before 2013 and 2014 CDM Adjustments									Weather Total
	2013	1,819,638,329	644,656,869	240,982,174	848,471,534	66,016,829	15,898,680	3,612,242	1,819,638,329
	2014	1,807,209,522	654,814,525	244,707,481	856,342,873	31,798,990	16,128,465	3,417,188	1,807,209,522
			Weather Normalization Percentage from 2006 Hydro One Study						
% Weather Sensitive			82.00%	82.00%	64.00%				Total
	2013	(12,551,936)	532,908,579	199,209,027	546,455,145	0	0	0	1,278,572,752
	2014	(1,294,790)	537,391,366	200,825,856	548,412,649	0	0	0	1,286,629,871
Allocation of Weather Sensitive Amount									
	2013		(5,231,642)	(1,955,664)	(5,364,630)	0	0	0	(12,551,936)
	2014		(540,800)	(202,100)	(551,891)	0	0	0	(1,294,790)
CDM			Manual Adjustment to the Load Forecast from 2013 and 2014 Programs on a Net Level						
	2013	(7,905,847)	(1,421,309)	(1,392,713)	(5,091,826)	0	0	0	(7,905,847)
	2014	(17,167,541)	(3,086,371)	(3,024,275)	(11,056,896)	0	0	0	(17,167,541)
Weather Corrected Forecast after 2013 and 2014 CDM Adjustments									Adj Weather Total
	2013	1,811,732,482	643,235,561	239,589,461	843,379,708	66,016,829	15,898,680	3,612,242	1,811,732,482
	2014	1,790,041,981	651,728,155	241,683,206	845,285,977	31,798,990	16,128,465	3,417,188	1,790,041,981

Average Number of Customers or Connections

	Residential	GS<50 kW	GS>50 kW	Large User	Streetlights	USL	Subtotal
1997							
1998							
1999	62,677	6,548	1,004	3	1,325		71,557
2000	63,692	6,548	1,033	3	1,342	750	73,368
2001	64,284	6,568	1,035	4	1,370	750	74,011
2002	65,683	6,569	1,068	4	1,394	765	75,483
2003	67,527	6,703	1,035	4	1,405	765	77,439
2004	69,405	6,816	1,058	4	1,497	822	79,602
2005	71,490	6,916	1,077	4	1,517	807	81,811
2006	72,866	7,049	1,021	4	1,533	807	83,280
2007	74,392	7,198	1,005	4	1,523	818	84,940
2008	75,154	7,265	1,014	4	1,522	820	85,779
2009	76,255	7,370	1,005	3	1,551	817	87,001
2010	77,506	7,448	989	1	1,574	811	88,329
2011	78,761	7,538	975	2	1,568	841	89,685
2012	79,997	7,645	952	2	1,573	869	91,039
2013	81,277	7,737	948	2	1,569	879	92,413
2014	82,577	7,830	945	1	1,592	890	93,835

Growth Rate in Customer Numbers

1997						
1998						
1999						
2000	1.0162	1.0000	1.0289	1.0000	1.0132	
2001	1.0093	1.0031	1.0019	1.3333	1.0205	1.0000
2002	1.0218	1.0002	1.0319	1.0000	1.0181	1.0200
2003	1.0281	1.0204	0.9691	1.0000	1.0076	1.0000
2004	1.0278	1.0169	1.0222	1.0000	1.0655	1.0745
2005	1.0300	1.0147	1.0180	1.0000	1.0134	0.9818
2006	1.0192	1.0192	0.9480	1.0000	1.0105	1.0000
2007	1.0209	1.0211	0.9843	1.0000	0.9935	1.0136
2008	1.0102	1.0093	1.0091	1.0000	0.9995	1.0024
2009	1.0147	1.0145	0.9909	0.7500	1.0189	0.9963
2010	1.0164	1.0105	0.9841	0.4444	1.0150	0.9927
2011	1.0162	1.0121	0.9859	1.5000	0.9958	1.0370
2012	1.0157	1.0142	0.9768	1.0000	1.0037	1.0330
Used	1.0160	1.0120	0.9959	0.9693	1.0133	1.0123
Geomean	1.0189	1.0120	0.9959	0.9693	1.0133	1.0123

Annual kW for those classes that charge distribution volumetric charges on a kW basis

	GS>50 kW	Large User	Streetlights	Total
2000	1,702,404	339,080	39,194	2,080,678
2001	2,097,765	423,831	39,703	2,561,299
2002	2,249,449	475,022	36,995	2,761,466
2003	2,243,396	474,685	41,407	2,759,488
2004	2,273,819	460,426	41,732	2,775,977
2005	2,343,889	445,748	42,148	2,831,785
2006	2,306,337	381,847	42,692	2,730,876
2007	2,286,676	330,481	43,371	2,660,528
2008	2,227,288	329,862	45,893	2,603,043
2009	2,169,096	171,311	44,226	2,384,633
2010	2,260,312	95,621	44,895	2,400,828
2011	2,244,883	105,771	44,252	2,394,906
2012	2,227,931	136,790	44,229	2,408,950
2013	2,215,914	130,796	44,502	2,391,212
2014	2,236,471	63,002	45,145	2,344,619
		124,498		

kW/kWh			
2000	0.2022%	0.1803%	0.2861%
2001	0.2376%	0.1850%	0.2861%
2002	0.2604%	0.1846%	0.2962%
2003	0.2602%	0.1876%	0.2793%
2004	0.2579%	0.1961%	0.2779%
2005	0.2551%	0.1921%	0.2792%
2006	0.2681%	0.2098%	0.2792%
2007	0.2638%	0.2096%	0.2791%
2008	0.2658%	0.2245%	0.2616%
2009	0.2642%	0.2146%	0.2778%
2010	0.2578%	0.2054%	0.2800%
2011	0.2577%	0.1888%	0.2791%
2012	0.2619%	0.1972%	0.2774%
Average	0.2612%	0.1981%	0.2799%

	Total OPA Annual CDM Results (Gross)	Total OPA Annual CDM Results (Net)	# Difference	% Difference of Net	Total Annual CDM Results	Full year Increase over previous year	Half year pattern		
2005	292,583	292,583	-	0.0%	292,583	292,583	146,292	146,292	1,876
2006	11,429,858	10,724,827	705,031	6.6%	10,724,827	10,432,244	5,508,705	5,238,628	67,162
2007	30,126,928	21,463,789	8,663,139	40.4%	21,463,789	10,738,962	16,094,308	6,152,917	78,884
2008	34,400,976	27,058,909	7,342,066	27.1%	27,058,909	5,595,120	24,261,349	2,960,726	37,958
2009	47,381,960	36,655,515	10,726,445	29.3%	36,655,515	9,596,605	31,857,212	5,090,633	65,265
2010	54,664,487	39,643,598	15,020,889	37.9%	39,643,598	2,988,083	38,149,557	1,984,886	25,447
2011	52,431,811	37,374,961	15,056,850	40.3%	50,257,589	10,613,991	44,950,594	5,121,519	65,660
2012	50,947,314	36,539,764	14,407,550	39.4%	55,878,490	5,620,900	53,068,040	3,783,853	48,511
2013	45,587,650	31,270,273	14,317,376	45.8%	50,537,006	- 5,341,484	53,207,748	- 3,062,014	- 39,257
2014	44,094,367	30,516,052	13,578,314	44.5%	49,504,226	- 1,032,780	50,020,616	- 596,197	- 7,644
Total	371,357,933	271,540,271	99,817,661	36.8%	341,723,950		317,264,420		
	178,296,791	135,839,221							

4 Year 2011 to 2014 target
98,411,344

Proposed Cost of Service Method

2011	2012	2013	2014	Total	
13.1%	13.0%	13.0%	12.8%	51.8%	
	6.7%	6.6%	6.5%	19.8%	
		9.5%	9.5%	18.9%	
			9.5%	9.5%	
13.1%	19.7%	29.0%	38.2%	100.0%	
12,882,629	12,777,283	12,766,733	12,588,174	51,014,819	Actual 2011 Results and Persistence
	6,561,443	6,500,000	6,400,000	19,461,443	Estimated 2012 Results and Persistence
		9,311,694	9,311,694	18,623,388	
			9,311,694	9,311,694	
12,882,629	19,338,726	28,578,427	37,611,562	98,411,344	

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Third Tranche	292,583	4,688,792	11,539,979	13,901,639	14,769,006	14,630,348	14,630,348	14,282,990	9,108,721	9,108,721
2006 Programs		6,036,035	6,036,035	6,036,035	6,036,035	1,048,326	1,048,326	958,933	958,933	901,065
2007 Programs			3,887,775	3,111,482	3,016,918	3,016,918	3,016,608	2,920,674	2,920,674	2,920,674
2008 Programs				4,009,754	3,663,596	3,663,596	3,663,596	3,373,055	3,372,487	3,070,530
2009 Programs					9,169,960	7,890,852	7,890,852	7,887,707	7,794,413	7,491,580
2010 Programs						9,393,558	7,125,232	7,116,405	7,115,045	7,023,483
2011 Programs							12,882,629	12,777,283	12,766,733	12,588,174
2012 Programs								6,561,443	6,500,000	6,400,000
Total	292,583	10,724,827	21,463,789	27,058,909	36,655,515	39,643,598	50,257,589	55,878,490	50,598,449	49,665,669

Station Name Waterloo Airport

Heating Degree Days	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	10 Year Average	20 Year Trend
Jan	718	1,204	913	789	778	653	790	773	715	626	868	879	815	591	698	677	892	752	828	657	766	696
Feb	684	924	875	713	615	547	578	644	620	592	756	699	684	651	785	730	650	645	682	573	685	631
Mar	553	639	697	670	619	505	593	447	619	581	639	541	681	562	582	686	563	471	623	370	572	527
Apr	481	493	524	422	392	312	333	358	325	356	397	354	355	323	403	298	342	266	360	365	346	290
May	279	283	257	216	289	77	127	152	140	267	217	196	245	178	166	243	193	145	152	107	184	142
Jun	126	90	75	29	30	67	44	41	47	53	65	93	27	44	36	41	76	38	49	42	51	35
Jul	44	67	50	19	22	7	3	19	22	5	13	21	7	7	28	8	38	7	1	0	13	-1
Aug	39	95	39	6	49	12	29	30	2	11	19	55	12	28	20	36	34	12	7	20	24	11
Sep	246	138	229	102	115	63	89	134	119	50	104	71	63	130	75	93	89	123	98	125	97	69
Oct	416	321	397	301	289	258	319	252	277	346	332	288	260	335	185	326	329	285	280	279	290	263
Nov	599	553	804	548	471	440	405	471	371	486	434	433	433	416	512	500	397	468	382	484	446	384
Dec	640	762	959	597	631	572	624	827	563	676	610	700	722	545	687	694	670	719	575	566	649	613
																					4,123	3,661

Cooling Degree Days	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012		
Jan	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Feb	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Mar	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Apr	0	0	0	0	0	0	0	0	0	7	1	0	0	0	0	0	3	0	0	0	0	1
May	0	0	11	10	0	17	11	19	8	5	0	7	0	18	11	1	2	21	13	20	9	13
Jun	2	12	25	39	50	64	77	35	62	55	26	16	105	32	51	53	26	31	22	61	42	51
Jul	7	11	16	42	60	65	139	45	66	129	50	49	105	117	54	76	15	106	131	126	83	117
Aug	32	9	34	55	22	83	31	46	94	72	72	31	68	46	65	30	57	84	64	58	57	71
Sep	0	1	10	13	5	26	28	24	19	47	6	14	14	2	28	12	6	21	20	16	14	20
Oct	0	0	0	0	2	0	0	0	0	6	0	0	3	0	11	0	0	0	0	0	1	2
Nov	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Dec	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
																					207	275

2013 Load Forecast	kWh	kW	2012 %RPP
Residential	643,235,561		94%
GS<50 kW	239,589,461		86%
GS>50 kW	843,379,708	2,215,914	14%
Large User	66,016,829	130,796	0%
Streetlights	15,898,680	44,502	0%
USL	3,612,242		0%
Embedded Distributor	0	0.0000	0%
TOTAL	**1,811,732,482**	**2,391,212**	

Loblaws
20,142,709

Electricity - Commodity RPP	2013 Forecasted	2013 Loss			
Class per Load Forecast RPP	**Metered kWhs**	**Factor**		**2013**	
Residential	603,959,439	1.0351	625,183,813	$0.08395	$52,484,181
GS<50 kW	206,209,250	1.0351	213,455,867	$0.08395	$17,919,620
GS>50 kW	119,332,967	1.0351	123,526,572	$0.08395	$10,370,056
Large User	0	1.0351	0	$0.08395	$0
Streetlights	0	1.0351	0	$0.08395	$0
USL	0	1.0351	0	$0.08395	$0
Embedded Distributor	0	1.0351	0	$0.08395	$0
TOTAL	**929,501,657**		**962,166,252**		**$80,773,857**

Electricity - Commodity Non-RPP	2013 Forecasted	2013 Loss			
Class per Load Forecast	**Metered kWhs**	**Factor**		**2013**	
Residential	39,276,122	1.0351	40,656,365	$0.08717	$3,544,015
GS<50 kW	33,380,211	1.0351	34,553,260	$0.08717	$3,012,008
GS>50 kW	703,904,032	1.0351	728,640,664	$0.08717	$63,515,607
Large User	66,016,829	1.0053	66,366,718	$0.08717	$5,785,187
Streetlights	15,898,680	1.0351	16,457,393	$0.08717	$1,434,591
USL	3,612,242	1.0351	3,739,184	$0.08717	$325,945
Embedded Distributor	0	1.0351	0	$0.08717	$0
TOTAL	**862,088,116**		**890,413,584**		**$77,617,352**

Transmission - Network		Volume			
Class per Load Forecast		**Metric**		**2013**	
Residential		kWh	665,840,178	$0.0072	$4,794,049
GS<50 kW		kWh	248,009,126	$0.0062	$1,537,657
GS>50 kW		kW	2,215,914	$3.2836	$7,276,176
Large User		kW	130,796	$3.0862	$403,662
Streetlights		kW	44,502	$1.9967	$88,857
USL		kWh	3,739,184	$0.0062	$23,183
Embedded Distributor		kW	44,674	$3.0960	$138,310
TOTAL					**$14,261,894**

Transmission - Connection		Volume			
Class per Load Forecast		**Metric**		**2013**	
Residential		kWh	665,840,178	$0.0014	$932,176
GS<50 kW		kWh	248,009,126	$0.0013	$322,412
GS>50 kW		kW	2,215,914	$0.6851	$1,518,123
Large User		kW	130,796	$0.6440	$84,232
Streetlights		kW	44,502	$0.4169	$18,553
USL		kWh	3,739,184	$0.0013	$4,861
Embedded Distributor		kW	44,674	$0.6461	$28,864
TOTAL					**$2,909,221**

Wholesale Market Service					
Class per Load Forecast				**2013 (4 mos at $.0052)**	
Residential			665,840,178	$0.0044	$3,107,254
GS<50 kW			248,009,126	$0.0044	$1,157,376
GS>50 kW			852,167,237	$0.0044	$3,976,780
Large User			66,366,718	$0.0044	$309,711
Streetlights			16,457,393	$0.0044	$76,801
USL			3,739,184	$0.0044	$17,450
Embedded Distributor			0	$0.0044	$0
TOTAL			**1,852,579,836**		**$8,645,373**

Rural Rate Assistance					
Class per Load Forecast				**2013**	
Residential			665,840,178	$0.0012	$799,008
GS<50 kW			248,009,126	$0.0012	$297,611
GS>50 kW			852,167,237	$0.0012	$1,022,601
Large User			66,366,718	$0.0012	$79,640
Streetlights			16,457,393	$0.0012	$19,749
USL			3,739,184	$0.0012	$4,487
Embedded Distributor			0	$0.0012	$0
TOTAL			**1,852,579,836**		**$2,223,096**

Smart Meter Entity Charge					
Class per Load Forecast				**2013**	
Residential			650,216	$0.7900	$513,670
GS<50 kW			61,896	$0.7900	$48,898
TOTAL			**712,112**		**$562,568**

	2013
4705-Power Purchased	$158,391,209
4708-Charges-WMS	$8,645,373
4714-Charges-NW	$14,261,894
4716-Charges-CN	$2,909,221
4730-Rural Rate Assistance	$2,223,096
4751-Smart Meter Entity	$562,568
TOTAL	**$186,993,361**

2014 Load Foreacst	kWh	kW	2012 %RPP
Residential	651,728,155		94%
General Service< 50 kW	241,683,206		86%
General Service> 50 kW	845,285,977	2,236,471	14%
Large User	31,798,990	63,002	0%
Streetlights	16,128,465	45,145	0%
Unmetered Loads	3,417,188		0%
Embedded Distributor			
TOTAL	**1,790,041,981**	**2,344,619**	

Loblaws
20,142,709

Electricity - Commodity RPP	2014	2014 Loss			
Class per Load Forecast RPP	**Forecasted**	**Factor**		**2014**	
Residential	611,933,473	1.0351	633,438,071	$0.08900	$56,375,988
General Service< 50 kW	208,011,290	1.0351	215,321,233	$0.08900	$19,163,590
General Service> 50 kW	119,602,692	1.0351	123,805,776	$0.08900	$11,018,714
Large User	0	1.0053	0	$0.08900	$0
Streetlights	0	1.0351	0	$0.08900	$0
Unmetered Loads	0	1.0351	0	$0.08900	$0
Embedded Distributor	0	1.0351	0	$0.08900	$0
TOTAL	**939,547,455**		**972,565,081**		**$86,558,292**

Electricity - Commodity Non-RPP	2014	2014 Loss			
Class per Load Forecast	**Forecasted**	**Factor**		**2014**	
Residential	39,794,681	1.0351	41,193,148	$0.08760	$3,608,520
General Service< 50 kW	33,671,917	1.0351	34,855,217	$0.08760	$3,053,317
General Service> 50 kW	705,540,575	1.0351	730,334,719	$0.08760	$63,977,321
Large User	31,798,990	1.0053	31,967,525	$0.08760	$2,800,355
Streetlights	16,128,465	1.0351	16,695,252	$0.08760	$1,462,504
Unmetered Loads	3,417,188	1.0351	3,537,275	$0.08760	$309,865
Embedded Distributor	0	1.0351	0	$0.08760	$0
TOTAL	**830,351,817**		**858,583,136**		**$75,211,883**

Transmission - Network		Volume			
Class per Load Forecast		**Metric**		**2014**	
Residential		kWh	674,631,219	$0.0072	$4,857,345
General Service< 50 kW		kWh	250,176,450	$0.0062	$1,551,094
General Service> 50 kW		kW	2,236,471	$3.2836	$7,343,678
Large User		kW	63,002	$3.0862	$194,436
Streetlights		kW	45,145	$1.9967	$90,142
Unmetered Loads		kWh	3,537,275	$0.0062	$21,931
Embedded Distributor		kW	44,674	$3.0960	$138,310
TOTAL					**$14,196,935**

Transmission - Connection		Volume			
Class per Load Forecast		**Metric**		**2014**	
Residential		kWh	674,631,219	$0.0014	$944,484
General Service< 50 kW		kWh	250,176,450	$0.0013	$325,229
General Service> 50 kW		kW	2,236,471	$0.6851	$1,532,207
Large User		kW	63,002	$0.6440	$40,573
Streetlights		kW	45,145	$0.4169	$18,821
Unmetered Loads		kWh	3,537,275	$0.0013	$4,598
Embedded Distributor		kW	44,674	$0.6461	$28,864
TOTAL					**$2,894,776**

Wholesale Market Service					
Class per Load Forecast				**2014**	
Residential			674,631,219	$0.0044	$2,968,377
General Service< 50 kW			250,176,450	$0.0044	$1,100,776
General Service> 50 kW			854,140,495	$0.0044	$3,758,218
Large User			31,967,525	$0.0044	$140,657
Streetlights			16,695,252	$0.0044	$73,459
Unmetered Loads			3,537,275	$0.0044	$15,564
Embedded Distributor			0	$0.0044	$0
TOTAL			**1,831,148,217**		**$8,057,052**

Rural Rate Assistance					
Class per Load Forecast				**2014**	
Residential			674,631,219	$0.0012	$809,557
General Service< 50 kW			250,176,450	$0.0012	$300,212
General Service> 50 kW			854,140,495	$0.0012	$1,024,969
Large User			31,967,525	$0.0012	$38,361
Streetlights			16,695,252	$0.0012	$20,034
Unmetered Loads			3,537,275	$0.0012	$4,245
Embedded Distributor			0	$0.0012	$0
TOTAL			**1,831,148,217**		**$2,197,378**

Smart Meter Entity Charge					
Class per Load Forecast				**2014**	
Class per Load Forecast			990,929	$0.7900	$782,834
Residential			93,957	$0.7900	$74,226
TOTAL			**1,084,886**		**$857,060**

	2014
4705-Power Purchased	$161,770,175
4708-Charges-WMS	$8,057,052
4714-Charges-NW	$14,196,935
4716-Charges-CN	$2,894,776
4730-Rural Rate Assistance	$2,197,378
4751-Smart Meter Entity	$857,060
TOTAL	**$189,973,376**

Initiative	Unit	Incremental Activity				Net Incremental Peak Demand Savings (kW)				Net Incremental Energy Savings (kWh)				2014 Net Annual Peak Demand Savings (kW)	2011-2014 Cumulative Energy Savings (kWh)				
		2011	2012	2013	2014	2011	2012	2013	2014	2011	2012	2013	2014	2014	2014				
Consumer Program																Consumer	<50kW	>50kW	
Appliance Retirement	Appliances	631	335			36	21	25	20	262,506	144,063	150,000	130,000	102	1,912,213	1,912,213			Residential
Appliance Exchange	Appliances	69	2			7	0	5	5	8,561	364	5,000	5,000	17	50,336	50,336			Residential
HVAC Incentives	Equipment	2,261	1,760			642	541	600	600	1,178,372	996,900	1,200,000	1,100,000	2,383	11,204,188	10,083,769	1,120,419		Residential (10% <50kW)
Conservation Instant Coupon Book	Coupons	8,184	42			19	5	25	25	305,679	1,789	300,000	300,000	74	2,128,083	2,128,083			Residential
Bi-Annual Retailer Event	Coupons	14,195	5,138			27	11	10	10	479,313	200,227	350,000	300,000	58	3,517,933	3,517,933			Residential
Residential Demand Response	Devices	271	271			152	152	750	2,000	0	0	0	0	2,000	0				
Consumer Program Total						**731**	**578**	**665**	**660**	**2,234,431**	**1,343,343**	**2,005,000**	**1,835,000**	**4,634**	**18,812,753**				
Business Program																			
Retrofit	Projects	50	92			564	741	1,655	900	3,057,370	3,572,196	7,000,000	4,850,000	3,860	41,796,068		5,015,528	36,780,540	88% >50kW 12%<50kW
Direct Install Lighting	Projects	239	172			261	333	350	350	631,336	838,891	1,000,000	1,000,000	1,294	8,042,017		8,042,017		<50kW
Small Commercial DR		9	9			6	6	100	150	0	0	0	0	150	0				
Demand Response 3	Facilities	4	8			455	579	600	600	17,768	22,681	0	0	600	40,449			40,449	>50kW
Business Program Total						**825**	**1,074**	**2,005**	**1,250**	**3,706,474**	**4,433,768**	**8,000,000**	**5,850,000**	**5,904**	**49,878,534**				
Retrofit	Projects	10	0							271,185	0	0	0	0	1,084,740			1,084,740	>50kW
Demand Response 3	Facilities	4	3			1,453	1,226	1,500	1,500	85,285	71,988	0	0	1,500	157,273			157,273	>50kW
Industrial Program Total										**356,470**	**71,988**	**0**	**0**	**1,500**	**1,242,013**				
Pre-2011 Program																			
ERIP		68	0			964	0	0	0	6,580,023	0	0	0	964	26,320,092		3,158,411	23,161,681	88% >50kW 12%<50kW
HPNC		0	1			1	134	15	0	5,230	712,344	0	0	150	2,157,952			2,157,952	>50kW
Total Pre-2011 Programs						**965**	**134**	**15**	**0**	**6,585,253**	**712,344**	**0**	**0**	**1,114**	**28,478,044**				
Energy Efficiency Total										**12,882,629**	**6,561,443**	**10,005,000**	**7,685,000**	**13,152**	**98,411,344**	**17,692,334**	**17,336,375**	**63,382,635**	
																17.98%	17.62%	64.41%	
												OEB Target		**21,560**	**90,290,000**				
												% of OEB Target Achieved		**61.0%**	**109.0%**				

Table 3-1: Summary of Load and Customer/Connection Forecast for Energy						
Year	**Billed (gWh)**	**Growth (gWh)**	**Percent Change**	**Customer/ Connection Count**	**Growth**	**Percent Change (%)**
Billed Energy (gWh) and Customer Count / Connections						
2010 Board Approved	1,861.2			89,033		
2000 Actual	1,825.7			73,368		
2001 Actual	1,865.0	39.2	2.1%	74,011	643	0.9%
2002 Actual	1,966.6	101.7	5.5%	75,484	1474	2.0%
2003 Actual	1,970.4	3.7	0.2%	77,440	1956	2.6%
2004 Actual	1,947.5	(22.9)	(1.2%)	79,603	2163	2.8%
2005 Actual	2,040.9	93.4	4.8%	81,812	2209	2.8%
2006 Actual	1,917.7	(123.1)	(6.0%)	83,281	1469	1.8%
2007 Actual	1,918.2	0.5	0.0%	84,941	1660	2.0%
2008 Actual	1,877.4	(40.8)	(2.1%)	85,780	839	1.0%
2009 Actual	1,777.4	(100.0)	(5.3%)	87,002	1222	1.4%
2010 Actual	1,829.5	52.1	2.9%	88,330	1328	1.5%
2011 Actual	1,833.9	4.4	0.2%	89,686	1356	1.5%
2012 Actual	1,825.2	(8.6)	(0.5%)	91,040	1354	1.5%
2013 Bridge	**1,811.7**	**(13.5)**	**(0.7%)**	**92,414**	**1374**	**1.5%**
2014 Test	**1,790.0**	**(21.7)**	**(1.2%)**	**93,836**	**1422**	**1.5%**

Table 3-2: Billed Energy and Number of Customers / Connections by Rate Class for Energy							
Year	**Residential**	**GS<50**	**GS>50**	**Large User**	**Street Lighting**	**USL**	**Total**
Billed Energy (gWh)							
2010 Board Approved	650.0	235.5	884.1	71.7	16.7	3.3	1,861.2
2000 Actual	561.4	216.1	842.0	188.1	13.7	4.4	1,825.7
2001 Actual	540.9	194.4	882.8	229.1	13.9	4.0	1,865.0
2002 Actual	609.3	219.4	863.7	257.4	12.5	4.5	1,966.6
2003 Actual	610.2	225.5	862.2	253.1	14.8	4.6	1,970.4
2004 Actual	593.4	218.4	881.5	234.7	15.0	4.5	1,947.5
2005 Actual	640.5	229.6	919.0	232.1	15.1	4.7	2,040.9
2006 Actual	624.2	231.1	860.4	182.0	15.3	4.7	1,917.7
2007 Actual	639.5	233.7	866.8	157.7	15.5	5.0	1,918.2
2008 Actual	638.2	233.5	838.0	146.9	17.5	3.3	1,877.4
2009 Actual	626.9	230.6	820.9	79.8	15.9	3.3	1,777.4
2010 Actual	650.7	236.1	876.9	46.6	16.0	3.3	1,829.5
2011 Actual	647.3	240.2	871.3	56.0	15.9	3.3	1,833.9
2012 Actual	644.5	241.0	850.8	69.4	15.9	3.7	1,825.2
2013 Bridge	**643.2**	**239.6**	**843.4**	**66.0**	**15.9**	**3.6**	**1,811.7**
2014 Test	**651.7**	**241.7**	**845.3**	**31.8**	**16.1**	**3.4**	**1,790.0**
Number of Customers/Connections for Energy							
2010 Board Approved	78,139	7,484	1,003	2	1,585	820	89,033
2000 Actual	63,692	6,548	1,033	3	1,342	750	73,368
2001 Actual	64,284	6,568	1,035	4	1,370	750	74,011
2002 Actual	65,683	6,569	1,068	4	1,394	765	75,483
2003 Actual	67,527	6,703	1,035	4	1,405	765	77,439
2004 Actual	69,405	6,816	1,058	4	1,497	822	79,602
2005 Actual	71,490	6,916	1,077	4	1,517	807	81,811
2006 Actual	72,866	7,049	1,021	4	1,533	807	83,280
2007 Actual	74,392	7,198	1,005	4	1,523	818	84,940
2008 Actual	75,154	7,265	1,014	4	1,522	820	85,779
2009 Actual	76,255	7,370	1,005	3	1,551	817	87,001
2010 Actual	77,506	7,448	989	1	1,574	811	88,329
2011 Actual	78,761	7,538	975	2	1,568	841	89,685
2012 Actual	79,997	7,645	952	2	1,573	869	91,039
2013 Bridge	**81,277**	**7,737**	**948**	**2**	**1,569**	**879**	**92,413**
2014 Test	**82,577**	**7,830**	**945**	**1**	**1,592**	**890**	**93,835**

Table 3-3: Annual Usage per Customer/Connection by Rate Class for Energy						
Year	**Residential**	**GS<50**	**GS>50**	**Large User**	**Street Lighting**	**USL**
Energy Usage per Customer/Connection (kWh per customer/connection) for Energy						
2010 Board Approved	8,319	31,462	881,407	35,841,302	10,530	4,009
2000 Actual	8,814	33,004	815,112	62,695,622	10,209	5,881
2001 Actual	8,414	29,601	852,902	57,268,001	10,133	5,290
2002 Actual	9,276	33,394	808,693	64,339,799	8,956	5,852
2003 Actual	9,037	33,641	833,019	63,268,132	10,553	6,016
2004 Actual	8,550	32,039	833,183	58,684,491	10,031	5,422
2005 Actual	8,959	33,199	853,252	58,014,601	9,953	5,806
2006 Actual	8,566	32,789	842,714	45,493,950	9,974	5,865
2007 Actual	8,597	32,465	862,482	39,420,194	10,205	6,085
2008 Actual	8,491	32,136	826,308	36,732,194	11,524	4,009
2009 Actual	8,221	31,284	816,904	26,607,462	10,265	4,034
2010 Actual	8,395	31,701	886,713	34,922,720	10,186	4,031
2011 Actual	8,218	31,859	893,594	28,007,635	10,115	3,946
2012 Actual	8,056	31,520	893,373	34,678,188	10,133	4,255
2013 Bridge	**7,914**	**30,967**	**889,199**	**33,008,414**	**10,133**	**4,107**
2014 Test	**7,892**	**30,867**	**894,838**	**31,798,990**	**10,133**	**3,838**

Annual Growth Rate in Usage per Customer/Connection for Energy

2010 Board App. vs. 2010 Actual	1.2%	0.6%	7.9%	34.7%	2.6%	(0.6%)
2000 Actual						
2001 Actual	(4.5%)	(10.3%)	4.6%	(8.7%)	(0.7%)	(10.0%)
2002 Actual	10.2%	12.8%	(5.2%)	12.3%	(11.6%)	10.6%
2003 Actual	(2.6%)	0.7%	3.0%	(1.7%)	17.8%	2.8%
2004 Actual	(5.4%)	(4.8%)	0.0%	(7.2%)	(4.9%)	(9.9%)
2005 Actual	4.8%	3.6%	2.4%	(1.1%)	(0.8%)	7.1%
2006 Actual	(4.4%)	(1.2%)	(1.2%)	(21.6%)	0.2%	1.0%
2007 Actual	0.4%	(1.0%)	2.3%	(13.4%)	2.3%	3.7%
2008 Actual	(1.2%)	(1.0%)	(4.2%)	(6.8%)	12.9%	(34.1%)
2009 Actual	(3.2%)	(2.7%)	(1.1%)	(27.6%)	(10.9%)	0.6%
2010 Actual	2.1%	1.3%	8.5%	31.3%	(0.8%)	(0.1%)
2011 Actual	(2.1%)	0.5%	0.8%	(19.8%)	(0.7%)	(2.1%)
2012 Actual	(2.0%)	(1.1%)	(0.0%)	23.8%	0.2%	7.8%
2013 Bridge	**(1.8%)**	**(1.8%)**	**(0.5%)**	**(4.8%)**	**0.0%**	**(3.5%)**
2014 Test	**(0.3%)**	**(0.3%)**	**0.6%**	**(3.7%)**	**0.0%**	**(6.6%)**

Table 3-17 CDM Summary				
2008 through 2011 Final Results - kWh				
2005	**2006**	**2007**	**2008**	**2009**
292,583	10,724,827	21,463,789	27,058,909	36,655,515
2010	**2011**	**2012**	**2013**	**2014**
39,643,598	37,374,961	36,539,764	31,270,273	30,516,052
kWh savings from 2011 programs with presistent impact				
	2011	**2012**	**2013**	**2014**
	12,882,629	12,777,283	12,766,733	12,588,174

Table 3-5: Statistical Results	
Statistic	**Value**
R Square	89%
Adjusted R Square	89%
F Test	171.0
T-stats by Coefficient	
Heating Degree Days	23.0
Cooling Degree Days	17.2
Ontario Real GDP Monthly %	2.1
Number of Days in Month	9.1
Spring Fall Flag	(5.7)
CDM Activity	(8.3)
Number of Peak Hours	4.0
Employment Kitchener-Waterloo-Barrie (000's)	2.9
Unemployment Kitchener-Waterloo-Barrie (000's)	(3.0)
Intercept	(3.2)

Table 3-6: Total System Purchases			
Year	Actual	Predicted	% Difference
Purchased Energy (gWh)			
1997	1,835.1	1,826.0	(0.5%)
1998	1,835.3	1,857.3	1.2%
1999	1,899.8	1,923.8	1.3%
2000	1,917.3	1,917.4	0.0%
2001	1,963.9	1,953.6	(0.5%)
2002	2,036.9	1,998.8	(1.9%)
2003	2,013.2	1,988.9	(1.2%)
2004	2,009.7	1,996.1	(0.7%)
2005	2,086.4	2,067.7	(0.9%)
2006	1,983.6	2,020.3	1.8%
2007	1,979.0	2,001.2	1.1%
2008	1,939.1	1,964.1	1.3%
2009	1,837.1	1,859.8	1.2%
2010	1,892.6	1,880.8	(0.6%)
2011	1,895.2	1,887.4	(0.4%)
2012	1,885.7	1,866.6	(1.0%)
2013 Weather Normal		**1,882.4**	
2014 Weather Normal		**1,901.7**	
2014 Weather Normal - 10 year average		**1,901.0**	
2014 Weather Normal - 20 year trend		**1,902.0**	

Table 3-7: Historical Customer/Connection Data for Energy							
Year	Residential	GS<50	GS>50	Large User	Street Lighting	USL	Total
Number of Customers/Connections							
2000	63,692	6,548	1,033	3	1,342	750	73,368
2001	64,284	6,568	1,035	4	1,370	750	74,011
2002	65,683	6,569	1,068	4	1,394	765	75,483
2003	67,527	6,703	1,035	4	1,405	765	77,439
2004	69,405	6,816	1,058	4	1,497	822	79,602
2005	71,490	6,916	1,077	4	1,517	807	81,811
2006	72,866	7,049	1,021	4	1,533	807	83,280
2007	74,392	7,198	1,005	4	1,523	818	84,940
2008	75,154	7,265	1,014	4	1,522	820	85,779
2009	76,255	7,370	1,005	3	1,551	817	87,001
2010	77,506	7,448	989	1	1,574	811	88,329
2011	78,761	7,538	975	2	1,568	841	89,685
2012	79,997	7,645	952	2	1,573	869	91,039

Table 3-8: Growth Rate in Customer/Connections for Energy						
Year	Residential	GS<50	GS>50	Large User	Street Lighting	USL
Growth Rate in Customers/Connections for Energy						
2000						
2001	0.9%	0.3%	0.2%	33.3%	2.1%	0.0%
2002	2.2%	0.0%	3.2%	0.0%	1.8%	2.0%
2003	2.8%	2.0%	(3.1%)	0.0%	0.8%	0.0%
2004	2.8%	1.7%	2.2%	0.0%	6.5%	7.5%
2005	3.0%	1.5%	1.8%	0.0%	1.3%	(1.8%)
2006	1.9%	1.9%	(5.2%)	0.0%	1.1%	0.0%
2007	2.1%	2.1%	(1.6%)	0.0%	(0.7%)	1.4%
2008	1.0%	0.9%	0.9%	0.0%	(0.0%)	0.2%
2009	1.5%	1.5%	(0.9%)	(25.0%)	1.9%	(0.4%)
2010	1.6%	1.0%	(1.6%)	(55.6%)	1.5%	(0.7%)
2011	1.6%	1.2%	(1.4%)	50.0%	(0.4%)	3.7%
2012	1.6%	1.4%	(2.3%)	0.0%	0.4%	3.3%
Geometric Mean	**1.9%**	**1.2%**	**(0.4%)**	**(3.1%)**	**1.3%**	**1.2%**

Table 3-9: Customer/Connection Forecast for Energy							
Year	Residential	GS<50	GS>50	Large User	Street Lighting	USL	Total
Forecast Number of Customers/Connections for Energy							
2013	81,277	7,737	948	2	1,569	879	92,413
2014	82,577	7,830	945	1	1,592	890	93,835

Table 3-23: Historical Annual Usage per Customer for Energy

Year	Residential	GS<50	GS>50	Large User	Street Lighting	USL	Embedded Distributor
Annual kWh Usage Per Customer/Connection for Energy							
2000	8,814	33,004	815,112	62,695,622	10,209	5,881	
2001	8,414	29,601	852,902	57,268,001	10,133	5,290	
2002	9,276	33,394	808,693	64,339,799	8,956	5,852	15,328,897
2003	9,037	33,641	833,019	63,268,132	10,553	6,016	20,418,901
2004	8,550	32,039	833,183	58,684,491	10,031	5,422	19,486,436
2005	8,959	33,199	853,252	58,014,601	9,953	5,806	16,865,800
2006	8,566	32,789	842,714	45,493,950	9,974	5,865	21,112,323
2007	8,597	32,465	862,482	39,420,194	10,205	6,085	22,263,925
2008	8,491	32,136	826,308	36,732,194	11,524	4,009	22,427,621
2009	8,221	31,284	816,904	26,607,462	10,265	4,034	22,622,442
2010	8,395	31,701	886,713	34,922,720	10,186	4,031	24,190,281
2011	8,218	31,859	893,594	28,007,635	10,115	3,946	21,309,995
2012	8,056	31,520	893,373	34,678,188	10,133	4,255	17,590,424

Table 3-11: Growth Rate in Usage Per Customer/Connection for Energy

Year	Residential	GS<50	GS>50	Large User	Street Lighting	USL
Growth Rate in Customer/Connection for Energy						
2000						
2001	(4.5%)	(10.3%)	4.6%	(8.7%)	(0.7%)	(10.0%)
2002	10.2%	12.8%	(5.2%)	12.3%	(11.6%)	10.6%
2003	(2.6%)	0.7%	3.0%	(1.7%)	17.8%	2.8%
2004	(5.4%)	(4.8%)	0.0%	(7.2%)	(4.9%)	(9.9%)
2005	4.8%	3.6%	2.4%	(1.1%)	(0.8%)	7.1%
2006	(4.4%)	(1.2%)	(1.2%)	(21.6%)	0.2%	1.0%
2007	0.4%	(1.0%)	2.3%	(13.4%)	2.3%	3.7%
2008	(1.2%)	(1.0%)	(4.2%)	(6.8%)	12.9%	(34.1%)
2009	(3.2%)	(2.7%)	(1.1%)	(27.6%)	(10.9%)	0.6%
2010	2.1%	1.3%	8.5%	31.3%	(0.8%)	(0.1%)
2011	(2.1%)	0.5%	0.8%	(19.8%)	(0.7%)	(2.1%)
2012	(2.0%)	(1.1%)	(0.0%)	23.8%	0.2%	7.8%
Geometric Mean	**(0.7%)**	**(0.4%)**	**0.8%**	**(4.8%)**	**0.0%**	**(6.6%)**

Table 3-12: Forecast Annual kWh Usage per Customer/Connection for Energy

Year	Residential	GS<50	GS>50	Large User	Street Lighting	USL
Forecast Annual kWh Usage per Customers/Connection for Energy						
2013	7,996	31,400	900,224	33,008,414	10,133	3,976
2014	7,936	31,279	907,128	31,419,041	10,133	3,716

Table 3-13: Non-normalized Weather Billed Energy Forecast (gWh) for Energy

Year	Residential	GS<50	GS>50	Large User	Street Lighting	USL	Total
NON-normalized Weather Billed Energy Forecast (gWh) for Energy							
2013 (Not Normalized)	649.9	242.9	853.8	66.0	15.9	3.6	1,832.2
2014 (Not Normalized)	655.4	244.9	856.9	31.8	16.1	3.4	1,808.5

Table 3-14: Weather Sensitivity by Rate Class for Energy

Residential	GS<50	GS>50	Large User	Street Lighting	USL
Weather Sensitivity					
82.0%	82.0%	64.0%	0.0%	0.0%	0.0%

Table 3-15: Average Net to Gross Percentage				
	CDM Results (Gross)	Final CDM Results (Net)	# Difference	% Difference of Net
2005	292,583	292,583	0	0.0%
2006	11,429,858	10,724,827	705,031	6.6%
2007	30,126,928	21,463,789	8,663,139	40.4%
2008	34,400,976	27,058,909	7,342,066	27.1%
2009	47,381,960	36,655,515	10,726,445	29.3%
2010	54,664,487	39,643,598	15,020,889	37.9%
2011	52,431,811	37,374,961	15,056,850	40.3%
2012	50,947,314	36,539,764	14,407,550	39.4%
2013	45,587,650	31,270,273	14,317,376	45.8%
2014	44,094,367	30,516,052	13,578,314	44.5%
Total	371,357,933	271,540,271	99,817,661	36.8%

4 Year 2011 to 2014 kWh Net Savings Forecast					
98,411,344					
	2011	2012	2013	2014	Total
2011 Programs	13.1%	13.0%	13.0%	12.8%	51.8%
2012 Programs		6.7%	6.6%	6.5%	19.8%
2013 Programs			9.5%	9.5%	18.9%
2014 Programs				9.5%	9.5%
	13.1%	19.7%	29.0%	38.2%	100.0%
kWh					
2011 Programs	12,882,629	12,777,283	12,766,733	12,588,174	51,014,819
2012 Programs		6,561,443	6,500,000	6,400,000	19,461,443
2013 Programs			9,311,694	9,311,694	18,623,388
2014 Programs				9,311,694	9,311,694
	12,882,629	19,338,726	28,578,427	37,611,562	98,411,344

Table 3-17: 2014 Expected Savings for LRAM Variance Account							
	Residential	GS<50	GS>50	Large User	Street Lighting	USL	Total
kWh	6,761,785	6,625,742	24,224,036				37,611,562
kW where applicable			63,265				63,265

Table 3-18: Alignment of Non-normal to Weather Normal Forecast for Energy							
Year	Residential	GS<50	GS>50	Large User	Street Lighting	USL	Total
Non-normalized Weather Billed Energy Forecast (GWh)							
2013 Non-Normalized Bridge	649.9	242.9	853.8	66.0	15.9	3.6	1,832.2
2014 Non-Normalized Test	655.4	244.9	856.9	31.8	16.1	3.4	1,808.5
Weather Adjustment (GWh)							
2013	(5.2)	(2.0)	(5.4)	0.0	0.0	0.0	(12.6)
2014	(0.5)	(0.2)	(0.6)	0.0	0.0	0.0	(1.3)
CDM Adjustment (GWh)							
2013	(1.4)	(1.4)	(5.1)	0.0	0.0	0.0	(7.9)
2014	(3.1)	(3.0)	(11.1)	0.0	0.0	0.0	(17.2)
Weather Normalized Billed Energy Forecast (GWh)							
2013 Normalized Bridge	643.2	239.6	843.4	66.0	15.9	3.6	1,811.7
2014 Normalized Test	651.7	241.7	845.3	31.8	16.1	3.4	1,790.0

Table 3-19: Historical Annual kW per Applicable Rate Class for Energy				
Year	GS>50	Large User	Street Lighting	Total
Billed Annual kW				
2000	1,702,404	339,080	39,194	2,080,678
2001	2,097,765	423,831	39,703	2,561,299
2002	2,249,449	475,022	36,995	2,761,466
2003	2,243,396	474,685	41,407	2,759,488
2004	2,273,819	460,426	41,732	2,775,977
2005	2,343,889	445,748	42,148	2,831,785
2006	2,306,337	381,847	42,692	2,730,876
2007	2,286,676	330,481	43,371	2,660,528
2008	2,227,288	329,862	45,893	2,603,043
2009	2,169,096	171,311	44,226	2,384,633
2010	2,260,312	95,621	44,895	2,400,828
2011	2,244,883	105,771	44,252	2,394,906
2012	2,227,931	136,790	44,229	2,408,950

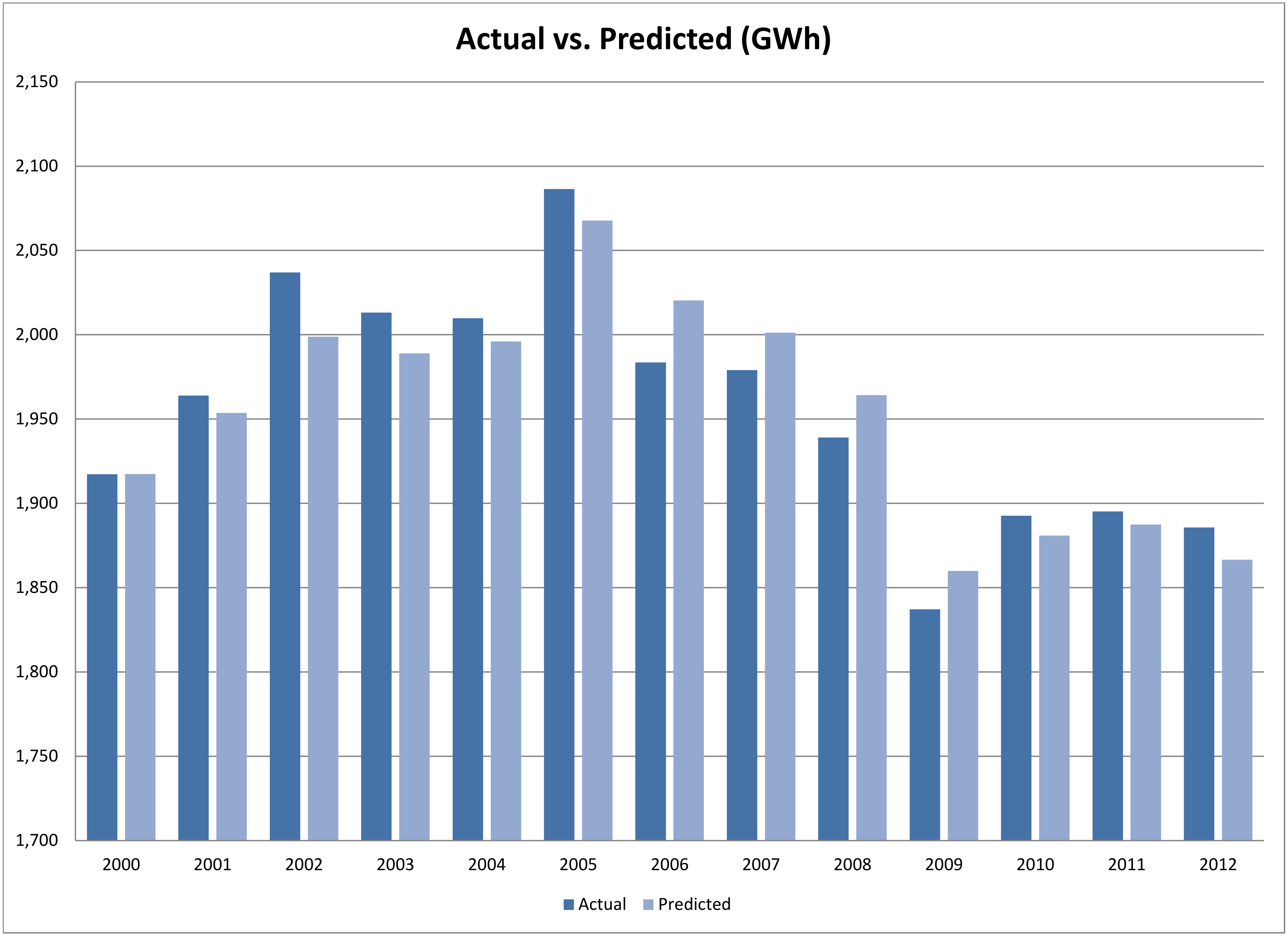
Table 3-20: Historical kW/kWh Ratio per Applicable Rate Class for Energy			
Year	**GS>50**	**Large User**	**Street Lighting**
Ratio of kW to kWh			
2000	0.2022%	0.1803%	0.2861%
2001	0.2376%	0.1850%	0.2861%
2002	0.2604%	0.1846%	0.2962%
2003	0.2602%	0.1876%	0.2793%
2004	0.2579%	0.1961%	0.2779%
2005	0.2551%	0.1921%	0.2792%
2006	0.2681%	0.2098%	0.2792%
2007	0.2638%	0.2096%	0.2791%
2008	0.2658%	0.2245%	0.2616%
2009	0.2642%	0.2146%	0.2778%
2010	0.2578%	0.2054%	0.2800%
2011	0.2577%	0.1888%	0.2791%
2012	0.2619%	0.1972%	0.2774%
Average 2000 to 2012	**0.2548%**	**0.1981%**	**0.2799%**

Table 3-21: kW Forecast by Applicable Rate Class for Energy				
Year	**GS>50**	**Large User**	**Street Lighting**	**Total**
Predicted Billed kW				
2013 Normalized Bridge	2,215,914	130,796	44,502	2,391,212
2014 Normalized Test	2,236,471	63,002	45,145	2,344,619

Table 3-22: Summary of Forecast for Energy						
	2010 Board Approved	**2010 Actual**	**2011 Actual**	**2012 Actual**	**2013 Weather Normalized Bridge**	**2014 Weather Normalized Test**
ACTUAL AND PREDICTED KWH PURCHASES						
Actual kWh Purchases		1,892,633,519	1,895,197,233	1,885,738,118		
Predicted kWh Purchases		1,880,819,177	1,887,427,044	1,866,597,054	1,882,418,143	1,870,631,415
% Difference of actual and predicted purchases		(0.6%)	(0.4%)	(1.0%)		
BILLING DETERMINANTS BY CLASS						
Residential						
Customers	78,139	77,506	78,761	79,997	81,277	82,577
kWh	650,038,341	650,651,967	647,280,211	644,467,300	643,235,561	651,728,155
GS<50						
Customers	7,484	7,448	7,538	7,645	7,737	7,830
kWh	235,461,608	236,095,929	240,155,523	240,981,970	239,589,461	241,683,206
GS>50						
Customers	1,003	989	975	952	948	945
kWh	884,051,506	876,884,814	871,254,048	850,788,483	843,379,708	845,285,977
kW	2,231,346	2,260,312	2,244,883	2,227,931	2,215,914	2,236,471
Large User						
Customers	2	1	2	2	2	1
kWh	71,682,604	46,563,626	56,015,269	69,356,376	66,016,829	31,798,990
kW	140,928	95,621	105,771	136,790	130,796	63,002
Street Lighting						
Connections	1,585	1,574	1,568	1,573	1,569	1,592
kWh	16,689,726	16,035,117	15,857,518	15,943,501	15,898,680	16,128,465
kW	46,815	44,895	44,252	44,229	44,502	45,145
USL						
Connections	820	811	841	869	879	890
kWh	3,287,380	3,269,039	3,318,783	3,696,460	3,612,242	3,417,188
Sub-Total of Above						
Customer/Connections	89,033	88,329	89,685	91,039	92,413	93,835
kWh	1,861,211,165	1,829,500,492	1,833,881,352	1,825,234,090	1,811,732,482	1,790,041,981
kW from applicable classes	2,419,089	2,400,828	2,394,906	2,408,950	2,391,212	2,344,619
Embedded Distributor	1	1	1	1	1	1
kWh	21,955,688	24,190,281	21,309,995	17,590,424	20,328,822	20,328,822
kW	49,063	53,144	49,139	37,867	44,674	44,674
Total incl Embedded Distributor						
Customer/Connections	89,034	88,330	89,686	91,040	92,414	93,836
kWh	1,883,166,853	1,853,690,773	1,855,191,347	1,842,824,514	1,832,061,304	1,810,370,803
kW from applicable classes	2,468,152	2,453,972	2,444,045	2,446,817	2,435,886	2,389,292

Embedded Distributor
kW Demand & kWh Consumption

Year	kW	kWh
2002	29,356.80	15,328,897
2003	43,881.60	20,418,901
2004	40,502.40	19,486,436
2005	43,934.37	16,865,800
2006	45,564.29	21,112,323
2007	49,751.52	22,263,925
2008	48,353.00	22,427,621
2009	49,918.17	22,622,442
2010	53,143.52	24,190,281
2011	49,138.90	21,309,995
2012	37,866.88	17,590,424
Total	*491,411.44*	*223,617,046*
Average (2002 ~ 2012)	44,673.77	20,328,822


Actual vs. Predicted (GWh)
2,150
2,100
2,050
2,000
1,950
1,900
1,850
1,800
1,750
1,700
2000
2001
2002
2003
2004
2005
2006
2007
2008
2009
2010
2011
2012
Actual
Predicted

Appendix C

Appendix 2-B

Fixed Asset Continuity Schedule

Year **Pre-2012** **GAAP**

CCA Class	OEB	Description	Depreciation Rate	Cost: Opening Balance	Cost: Additions	Cost: Disposals	Cost: Closing Balance	Accumulated Depreciation: Opening Balance	Accumulated Depreciation: Additions	Accumulated Depreciation: Disposals	Accumulated Depreciation: Closing Balance	Net Book Value
12	1611	Computer Software (Formally known as Account 1925)		$ 3,266,775	$ 326,748		$ 3,593,523	-$ 2,338,142	-$ 322,564		-$ 2,660,706	$ 932,817
12	1611	Computer Software (Formally known as Account 1925) - Smart Meters			$ 518,017		$ 518,017		-$ 420,712		-$ 420,712	$ 97,305
CEC	1612	Land Rights (Formally known as Account 1906)		$ 265,449	$ -	$ -	$ 265,449	-$ 252,568	-$ 2,653	$ -	-$ 255,221	$ 10,228
N/A	1805	Land		$ 2,339,958			$ 2,339,958	$ -			$ -	$ 2,339,958
47	1808	Buildings		$ 9,268,665	-$ 20,178	-$ 10,745	$ 9,237,742	-$ 2,024,186	-$ 179,220	$ 10,745	-$ 2,192,661	$ 7,045,081
13	1810	Leasehold Improvements		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
47	1815	Transformer Station Equipment >50 kV		$ 59,878,128	$ 93,639	-$ 162,180	$ 59,809,587	-$ 17,378,243	-$ 1,464,704	$ 162,180	-$ 18,680,767	$ 41,128,820
47	1820	Distribution Station Equipment <50 kV		$ 2,853,105		-$ 15,845	$ 2,837,260 #	-$ 1,965,929	-$ 77,457	$ 15,845	-$ 2,027,541	$ 809,719
47	1825	Storage Battery Equipment					$ -				$ -	$ -
47	1830	Poles, Towers & Fixtures		$ 29,644,768	$ 2,894,738		$ 32,539,506	-$ 12,616,367	-$ 1,301,580		-$ 13,917,947	$ 18,621,559
47	1835	Overhead Conductors & Devices		$ 32,204,259	$ 2,259,990		$ 34,464,249	-$ 15,512,985	-$ 1,378,570		-$ 16,891,555	$ 17,572,694
47	1840	Underground Conduit		$ 22,040,741	$ 1,910,830		$ 23,951,571	-$ 9,513,183	-$ 943,918		-$ 10,457,101	$ 13,494,470
47	1845	Underground Conductors & Devices		$ 37,324,957	$ 2,430,148		$ 39,755,105	-$ 19,436,898	-$ 1,555,093		-$ 20,991,991	$ 18,763,114
47	1850	Line Transformers		$ 49,922,477	$ 3,398,190		$ 53,320,667	-$ 24,998,388	-$ 2,118,291	$ 72,814	-$ 27,043,865	$ 26,276,802
47	1855	Services (Overhead & Underground)		$ 41,475,703	$ 2,762,234		$ 44,237,937	-$ 17,044,689	-$ 1,748,284		-$ 18,792,973	$ 25,444,964
47	1860	Meters		$ 11,503,383	$ 367,352	-$ 9,578,658	$ 2,292,077	-$ 6,379,461	-$ 598,483	$ 6,393,556	-$ 584,388	$ 1,707,689
47	1860	Meters (Smart Meters)			$ 12,045,109		$ 12,045,109		-$ 2,387,679		-$ 2,387,679	$ 9,657,430
N/A	1905	Land		$ 1,395,300			$ 1,395,300	$ -	$ -	$ -	$ -	$ 1,395,300
47	1908	Buildings & Fixtures		$ 10,244,953	$ 31,703		$ 10,276,656	-$ 3,414,981	-$ 184,308		-$ 3,599,289	$ 6,677,367
13	1910	Leasehold Improvements										
8	1915	Office Furniture & Equipment (10 years)		$ 1,112,310	$ 34,301		$ 1,146,611	-$ 772,098	-$ 65,354		-$ 837,452	$ 309,159
8	1915	Office Furniture & Equipment (5 years)										
10	1920	Computer Equipment - Hardware		$ 2,420,464	$ 227,721		$ 2,648,185	-$ 2,070,000	-$ 151,267		-$ 2,221,267	$ 426,918
45	1920	Computer Equip.-Hardware - Smart Meter			$ 221,261		$ 221,261		-$ 77,441		-$ 77,441	$ 143,820
45.1	1920	Computer Equip.-Hardware(Post Mar. 19/07)					$ -				$ -	$ -
10	1930	Transportation Equipment		$ 8,154,881	$ 428,102	-$ 45,515	$ 8,537,468	-$ 5,373,795	-$ 747,189	$ 45,515	-$ 6,075,469	$ 2,461,999
8	1935	Stores Equipment		$ 64,072			$ 64,072	-$ 42,588	-$ 3,512		-$ 46,100	$ 17,972
8	1940	Tools, Shop & Garage Equipment		$ 772,798	$ 70,533	-$ 4,335	$ 838,996	-$ 447,845	-$ 59,229	$ 1,382	-$ 505,692	$ 333,304
8	1940	Tools - Smart Meter			$ 3,728		$ 3,728		-$ 1,274		-$ 1,274	$ 2,454
8	1945	Measurement & Testing Equipment		$ 866,733	$ 96,435		$ 963,168	-$ 703,718	-$ 32,783		-$ 736,501	$ 226,667
8	1950	Power Operated Equipment		$ 783,695	$ 54,068		$ 837,763	-$ 476,883	-$ 57,705		-$ 534,588	$ 303,175
8	1955	Communications Equipment		$ 173,729			$ 173,729	-$ 114,850	-$ 16,819		-$ 131,669	$ 42,060
8	1955	Communication Equipment (Smart Meters)			$ 696,107		$ 696,107		-$ 254,934		-$ 254,934	$ 441,173
8	1960	Miscellaneous Equipment		$ 98,856			$ 98,856	-$ 57,887	-$ 14,930		-$ 72,817	$ 26,039
47	1975	Load Management Controls Utility Premises					$ -				$ -	$ -
47	1980	System Supervisor Equipment		$ 1,566,480			$ 1,566,480	-$ 1,451,404	-$ 64,006		-$ 1,515,410	$ 51,070
47	1985	Miscellaneous Fixed Assets					$ -				$ -	$ -
47	1995	Contributions & Grants		-$ 44,537,160	-$ 4,668,971		-$ 49,206,131	$ 11,318,711	$ 1,968,390		$ 13,287,101	-$ 35,919,030
		Total		**$ 285,105,479**	**$ 26,181,805**	**-$ 9,817,278**	**$ 301,470,006**	**-$ 133,068,377**	**-$ 14,261,569**	**$ 6,702,037**	**-$ 140,627,909**	**$ 160,842,097**

10		Transportation
8		Stores Equipment

Less: *Fully Allocated Depreciation*	
Transportation	-$ 747,189
Loss on disposal - tools	
Line transformer transfers	
Meters	
Stores Equipment	
Net Depreciation	- 13,514,379.73
	13,514,516.00
	$ 136

Notes:

1 Tables in the format outlined above covering all fixed asset accounts should be submitted for the Test Year, Bridge Year and all relevant historical years. At a minimum , the applicant must provide data for the earlier of: 1) all historical years back to its last rebasing; or 2) at leas three years of historical actuals, in addition to Bridge Year and Test Year forecasts.

2 The "CCA Class" for fixed assets should agree with the CCA Class used for tax purposes in Tax Returns. Fixed Assets sub-components may be used where the underlying asset components are classified under multiple CCA Classes for tax purposes. If an applicant uses any different classes from those shown in the table, an explanation should be provided. (also see note 3 below).

3 The table may need to be customized for a utility's asset categories or for any new asset accounts announced or authorized by the Board.

4 The depreciation column (D) is not required as the relevant information will be provided in the following 2-C series of appendices.

Appendix 2-B
Fixed Asset Continuity Schedule

Year **2013** **GAAP**

CCA Class	OEB	Description	Depreciation Rate	Cost: Opening Balance	Cost: Additions	Cost: Disposals	Cost: Closing Balance	Accumulated Depreciation: Opening Balance	Accumulated Depreciation: Additions	Accumulated Depreciation: Disposals	Accumulated Depreciation: Closing Balance	Net Book Value
12	1611	Computer Software (Formally known as Account 1925)		$ 3,593,523	$ 400,200		$ 3,993,723	-$ 2,660,706	*-$ 402,604*		-$ 3,063,310	$ 930,413
12	1611	Computer Software (Formally known as Account 1925) - Smart Meters		$ 518,017			$ 518,017	-$ 420,712	*-$ 97,305*		-$ 518,017	$ -
CEC	1612	Land Rights (Formally known as Account 1906)		$ 265,449			$ 265,449	-$ 255,221	*-$ 2,653*		-$ 257,874	$ 7,575
N/A	1805	Land		$ 2,339,958			$ 2,339,958	$ -			$ -	$ 2,339,958
47	1808	Buildings		$ 9,237,742	$ 546,200		$ 9,783,942	-$ 2,192,661	*-$ 190,144*		-$ 2,382,805	$ 7,401,137
13	1810	Leasehold Improvements		$ -			$ -	$ -			$ -	$ -
47	1815	Transformer Station Equipment >50 kV		$ 59,809,587	$ 2,295,600		$ 62,105,187	-$ 18,680,767	*-$ 1,522,094*		-$ 20,202,861	$ 41,902,326
47	1820	Distribution Station Equipment <50 kV		$ 2,837,260	$ 164,500		$ 3,001,760 #	-$ 2,027,541	*-$ 80,747*		-$ 2,108,288	$ 893,472
47	1825	Storage Battery Equipment		$ -			$ -	$ -			$ -	$ -
47	1830	Poles, Towers & Fixtures		$ 32,539,506	$ 2,999,600		$ 35,539,106	-$ 13,917,947	*-$ 1,421,564*		-$ 15,339,511	$ 20,199,595
47	1835	Overhead Conductors & Devices		$ 34,464,249	$ 2,290,600		$ 36,754,849	-$ 16,891,555	*-$ 1,470,194*		-$ 18,361,749	$ 18,393,100
47	1840	Underground Conduit		$ 23,951,571	$ 2,506,900		$ 26,458,471	-$ 10,457,101	*-$ 1,044,194*		-$ 11,501,295	$ 14,957,176
47	1845	Underground Conductors & Devices		$ 39,755,105	$ 3,283,200		$ 43,038,305	-$ 20,991,991	*-$ 1,686,421*		-$ 22,678,412	$ 20,359,893
47	1850	Line Transformers		$ 53,320,667	$ 3,082,600		$ 56,403,267	-$ 27,043,865	*-$ 2,241,595*		-$ 29,285,460	$ 27,117,807
47	1855	Services (Overhead & Underground)		$ 44,237,937	$ 2,492,400		$ 46,730,337	-$ 18,792,973	*-$ 1,847,980*		-$ 20,640,953	$ 26,089,384
47	1860	Meters		$ 2,292,077	$ 836,100		$ 3,128,177	-$ 584,388	*-$ 654,223*		-$ 1,238,611	$ 1,889,566
47	1860	Meters (Smart Meters)		$ 12,045,109			$ 12,045,109	-$ 2,387,679			-$ 2,387,679	$ 9,657,430
N/A	1905	Land		$ 1,395,300			$ 1,395,300	$ -			$ -	$ 1,395,300
47	1908	Buildings & Fixtures		$ 10,276,656	$ 6,466,600		$ 16,743,256	-$ 3,599,289	*-$ 313,640*		-$ 3,912,929	$ 12,830,327
13	1910	Leasehold Improvements		$ -				$ -				
8	1915	Office Furniture & Equipment (10 years)		$ 1,146,611	$ 126,600		$ 1,273,211	-$ 837,452	*-$ 78,014*		-$ 915,466	$ 357,745
8	1915	Office Furniture & Equipment (5 years)		$ -				$ -				
10	1920	Computer Equipment - Hardware		$ 2,648,185	$ 337,300		$ 2,985,485	-$ 2,221,267	*-$ 218,727*		-$ 2,439,994	$ 545,491
45	1920	Computer Equip.-Hardware - Smart Meter		$ 221,261			$ 221,261	-$ 77,441	*-$ 77,441*		-$ 154,882	$ 66,379
45.1	1920	Computer Equip.-Hardware(Post Mar. 19/07)		$ -			$ -	$ -			$ -	$ -
10	1930	Transportation Equipment		$ 8,537,468	$ 1,625,200	-$ 400,000	$ 9,762,668	-$ 6,075,469	*-$ 950,339*	$ 400,000	-$ 6,625,808	$ 3,136,860
8	1935	Stores Equipment		$ 64,072			$ 64,072	-$ 46,100	*-$ 3,512*		-$ 49,612	$ 14,460
8	1940	Tools, Shop & Garage Equipment		$ 838,996	$ 68,800		$ 907,796	-$ 505,692	*-$ 66,109*		-$ 571,801	$ 335,995
8	1940	Tools - Smart Meter		$ 3,728			$ 3,728	-$ 1,274	*-$ 400*		-$ 1,674	$ 2,054
8	1945	Measurement & Testing Equipment		$ 963,168	$ 9,400		$ 972,568	-$ 736,501	*-$ 33,723*		-$ 770,224	$ 202,344
8	1950	Power Operated Equipment		$ 837,763			$ 837,763	-$ 534,588	*-$ 57,705*		-$ 592,293	$ 245,470
8	1955	Communications Equipment		$ 173,729			$ 173,729	-$ 131,669	*-$ 16,819*		-$ 148,488	$ 25,241
8	1955	Communication Equipment (Smart Meters)		$ 696,107			$ 696,107	-$ 254,934	*-$ 69,600*		-$ 324,534	$ 371,573
8	1960	Miscellaneous Equipment		$ 98,856	$ 10,200		$ 109,056	-$ 72,817	*-$ 16,970*		-$ 89,787	$ 19,269
47	1975	Load Management Controls Utility Premises		$ -			$ -	$ -			$ -	$ -
47	1980	System Supervisor Equipment		$ 1,566,480			$ 1,566,480	-$ 1,515,410	-$ 22,328		-$ 1,537,738	$ 28,742
47	1985	Miscellaneous Fixed Assets		$ -			$ -	$ -			$ -	$ -
47	1995	Contributions & Grants		-$ 49,206,131	-$ 3,246,000		-$ 52,452,131	$ 13,287,101	$ 2,098,230		$ 15,385,331	-$ 37,066,800
		Total		**$ 301,470,006**	**$ 26,296,000**	**-$ 400,000**	**$ 327,366,006**	**-$ 140,627,909**	**-$ 12,488,815**	**$ 400,000**	**-$ 152,716,724**	**$ 174,649,282**

Appendix 2-B
Fixed Asset Continuity Schedule

Year 2012 **GAAP**

CCA Class	OEB	Description	Depreciation Rate	Cost: Opening Balance	Cost: Additions	Cost: Disposals	Cost: Closing Balance	Accumulated Depreciation: Opening Balance	Accumulated Depreciation: Additions	Accumulated Depreciation: Disposals	Accumulated Depreciation: Closing Balance	Net Book Value
N/A	1805	Land		$ 2,339,958			$ 2,339,958				$ -	$ 2,339,958
CEC	1806	Land Rights		$ 265,447			$ 265,447	-$ 252,568	-$ 2,653		-$ 255,221	$ 10,226
47	1808	Buildings		$ 9,083,165	$ 4,769		$ 9,087,934	-$ 1,983,675	-$ 186,431		-$ 2,170,106	$ 6,917,828
47	1808	Roof		$ 185,500		-$ 10,745	$ 174,755	-$ 40,511	-$ 27,874	$ 10,745	-$ 57,640	$ 117,115
13	1810	Leasehold Improvements										
47	1815	Transformer Station Equipment >50 kV 50 yrs		$ 21,983,682	$ 78,475	-$ 6,407	$ 22,055,750	-$ 6,325,596	-$ 390,348	$ 6,407	-$ 6,709,537	$ 15,346,213
47	1815	Transformer Station Equipment >50 kV 40 yrs		$ 34,362,745			$ 34,362,745	-$ 9,887,565	-$ 837,825		-$ 10,725,390	$ 23,637,355
47	1815	Transformer Station Equipment >50 kV 25 yrs		$ 1,306,383		-$ 9,621	$ 1,296,762	-$ 419,355	-$ 94,545	$ 9,621	-$ 504,279	$ 792,483
47	1815	Transformer Station Equipment >50 kV 20 yrs		$ 583,841	$ 25,270	-$ 12,461	$ 596,650	-$ 191,826	-$ 67,030	$ 12,461	-$ 246,395	$ 350,255
47	1815	Transformer Station Equipment >50 kV 15 yrs		$ 1,641,480	$ 68,590	-$ 133,691	$ 1,576,379	-$ 553,906	-$ 282,314	$ 133,691	-$ 702,529	$ 873,850
47	1820	Distribution Station Equipment <50 kV 50 yrs		$ 1,051,479			$ 1,051,479 #	-$ 762,562	-$ 8,813		-$ 771,375	$ 280,104
47	1820	Distribution Station Equipment <50 kV 40 yrs		$ 1,647,187			$ 1,647,187 #	-$ 1,102,143	-$ 25,509		-$ 1,127,652	$ 519,535
47	1820	Distribution Station Equipment <50 kV 25 yrs		$ 55,587		-$ 1,089	$ 54,498 #	-$ 36,434	-$ 3,895	$ 1,089	-$ 39,240	$ 15,258
47	1820	Distribution Station Equipment <50 kV 20 yrs		$ 25,427		-$ 3,210	$ 22,217 #	-$ 16,666	-$ 4,284	$ 3,210	-$ 17,740	$ 4,477
47	1820	Distribution Station Equipment <50 kV 15 yrs		$ 73,423		-$ 11,546	$ 61,877 #	-$ 48,124	-$ 13,339	$ 11,546	-$ 49,917	$ 11,960
47	1825	Storage Battery Equipment										
47	1830	Poles, Towers & Fixtures		$ 29,644,768	$ 2,587,380		$ 32,232,148	-$ 12,616,367	-$ 600,173		-$ 13,216,540	$ 19,015,608
47	1835	Overhead Conductors		$ 28,020,886	$ 1,849,156		$ 29,870,042	-$ 13,701,824	-$ 310,700		-$ 14,012,524	$ 15,857,518
47	1835	Overhead Devices		$ 3,113,432	$ 156,884		$ 3,270,316	-$ 1,522,426	-$ 54,926		-$ 1,577,352	$ 1,692,964
47	1835	Voltage Regulators		$ 271,849			$ 271,849	-$ 108,740	-$ 8,155		-$ 116,895	$ 154,954
47	1835	Capacitor Banks		$ 798,092			$ 798,092	-$ 179,996	-$ 31,924		-$ 211,920	$ 586,172
47	1840	Underground Conduit		$ 22,040,741	$ 1,775,167		$ 23,815,908	-$ 9,513,183	-$ 271,881		-$ 9,785,064	$ 14,030,844
47	1845	Underground PILC		$ 450,000	$ 71,811		$ 521,811	-$ 36,000	-$ 8,335		-$ 44,335	$ 477,476
47	1845	Underground Cables		$ 33,187,461	$ 2,004,581		$ 35,192,042	-$ 17,460,808	-$ 598,752		-$ 18,059,560	$ 17,132,482
47	1845	Underground Devices		$ 3,687,496	$ 123,332		$ 3,810,828	-$ 1,940,090	-$ 64,043		-$ 2,004,133	$ 1,806,695
47	1850	Line Transformers - Overhead		$ 38,195,234	$ 975,364		$ 39,170,598	-$ 22,481,400	-$ 582,000	$ 72,814	-$ 22,990,586	$ 16,180,012
47	1850	Network Transformers		$ 88,877	$ 152,267		$ 241,144	-$ 83,374	-$ 4,252		-$ 87,626	$ 153,518
47	1850	Vault			$ 2,629		$ 2,629		-$ 44		-$ 44	$ 2,585
47	1850	Roof		$ 699,521			$ 699,521	-$ 201,573	-$ 21,235		-$ 222,808	$ 476,713
47	1850	Network Protectors		$ 93,844	$ 107,832		$ 201,676	-$ 2,252	-$ 4,948		-$ 7,200	$ 194,476
47	1850	Padmount Transformers		$ 5,025,048	$ 721,460		$ 5,746,508	-$ 1,033,176	-$ 131,560		-$ 1,164,736	$ 4,581,772
47	1850	Submersible Transformers		$ 4,023,092	$ 790,096		$ 4,813,188	-$ 827,169	-$ 153,889		-$ 981,058	$ 3,832,130
47	1850	Foundation		$ 1,796,860	$ 417,525		$ 2,214,385	-$ 369,444	-$ 30,930		-$ 400,374	$ 1,814,011
47	1855	Services - Overhead		$ 3,373,853	$ 419,374		$ 3,793,227	-$ 1,486,124	-$ 43,153		-$ 1,529,277	$ 2,263,950
47	1855	Services - Underground		$ 38,101,852	$ 2,054,280		$ 40,156,132	-$ 15,558,565	-$ 769,295		-$ 16,327,860	$ 23,828,272
47	1860	Meters		$ 11,503,383	$ 12,387,749	-$ 9,578,658	$ 14,312,474	-$ 6,379,460	-$ 3,031,690	$ 6,393,556	-$ 3,017,594	$ 11,294,880
47	1860	Meters (Smart Meters)					$ -					
N/A	1905	Land		$ 1,395,300			$ 1,395,300				$ -	$ 1,395,300
47	1908	Buildings & Fixtures - Building		$ 7,858,066	$ 30,105		$ 7,888,171	-$ 2,595,385	-$ 177,589		-$ 2,772,974	$ 5,115,197
47	1908	Buildings & Fixtures - Roof		$ 2,386,887			$ 2,386,887	-$ 819,595	-$ 246,333		-$ 1,065,928	$ 1,320,959
13	1910	Leasehold Improvements									$ -	$ -
8	1915	Office Furniture & Equipment (10 years)		$ 1,112,310	$ 70,932	-$ 36,631	$ 1,146,611	-$ 772,098	-$ 65,353		-$ 837,451	$ 309,160
8	1915	Office Furniture & Equipment (5 years)										
10	1920	Computer Equipment - Hardware		$ 2,420,466	$ 448,982		$ 2,869,448	-$ 2,070,000	-$ 219,301		-$ 2,289,301	$ 580,147
45	1920	Computer Equip.-Hardware - Smart Meter					$ -					
45.1	1920	Computer Equip.-Hardware(Post Mar. 19/07)										
12	1925	Computer Software		$ 3,266,775	$ 844,765		$ 4,111,540	-$ 2,338,141	-$ 770,015		-$ 3,108,156	$ 1,003,384
10	1930	Transportation Equipment		$ 8,154,881	$ 428,102	-$ 45,514	$ 8,537,469	-$ 5,373,795	-$ 458,021	$ 45,515	-$ 5,786,301	$ 2,751,168
8	1935	Stores Equipment		$ 64,072			$ 64,072	-$ 42,588	-$ 3,512		-$ 46,100	$ 17,972
8	1940	Tools, Shop & Garage Equipment		$ 772,798	$ 74,261	-$ 4,335	$ 842,724	-$ 447,845	-$ 60,503	$ 1,382	-$ 506,966	$ 335,758
8	1940	Tools - Smart Meters					$ -					
8	1945	Measurement & Testing Equipment		$ 866,733	$ 96,435		$ 963,168	-$ 703,718	-$ 32,783		-$ 736,501	$ 226,667
8	1950	Power Operated Equipment		$ 783,695	$ 54,068		$ 837,763	-$ 476,883	-$ 57,705		-$ 534,588	$ 303,175
8	1955	Communications Equipment		$ 173,729	$ 696,107		$ 869,836	-$ 114,850	-$ 271,752		-$ 386,602	$ 483,234
8	1955	Communication Equipment (Smart Meters)					$ -					
8	1960	Miscellaneous Equipment		$ 98,856			$ 98,856	-$ 57,886	-$ 14,931		-$ 72,817	$ 26,039
47	1975	Load Management Controls Utility Premises										
47	1980	System Supervisor Equipment		$ 1,566,478			$ 1,566,478	-$ 1,451,404	-$ 95,928		-$ 1,547,332	$ 19,146
47	1985	Miscellaneous Fixed Assets										
47	1995	**Contributions & Grants**										
47	1995	CC - Poles Towers Fixtures		-$ 2,146,482	-$ 600,093		-$ 2,746,575	$ 519,629	$ 62,487		$ 582,116	-$ 2,164,459
47	1995	CC - O/H Conductors		-$ 1,636,306	-$ 607,123		-$ 2,243,429	$ 390,177	$ 34,302		$ 424,479	-$ 1,818,950
47	1995	CC - O/H Devices		-$ 181,812	-$ 67,458		-$ 249,270	$ 43,353	$ 4,373		$ 47,726	-$ 201,544
47	1995	CC - O/H Services		-$ 1,702,362	$ 90,988		-$ 1,611,374	$ 459,348	$ 51,862		$ 511,210	-$ 1,100,164
47	1995	CC - U/G Trenching and Ductwork		-$ 7,470,628	-$ 1,079,357		-$ 8,549,985	$ 1,904,224	$ 138,014		$ 2,042,238	-$ 6,507,747
47	1995	CC - U/G Cable-Primary		-$ 3,111,138	-$ 1,393,554		-$ 4,504,692	$ 819,002	$ 69,845		$ 888,847	-$ 3,615,845
47	1995	CC - U/G Devices		-$ 345,682	-$ 104,668		-$ 450,350	$ 91,000	$ 8,671		$ 99,671	-$ 350,679
47	1995	CC - U/G Services		-$ 3,627,812	-$ 48,024		-$ 3,675,836	$ 888,312	$ 94,568		$ 982,880	-$ 2,692,956
47	1995	CC - Pole Top Transformer		-$ 2,594,946	-$ 317,706		-$ 2,912,652	$ 648,228	$ 70,103		$ 718,331	-$ 2,194,321
47	1995	CC - UG Transformer		-$ 2,465,646	-$ 281,562		-$ 2,747,208	$ 600,211	$ 64,707		$ 664,918	-$ 2,082,290
47	1995	CC - U/G Submersible Transformer		-$ 18,050,842	$ 172,272		-$ 17,878,570	$ 4,644,518	$ 385,762		$ 5,030,280	-$ 12,848,290
47	1995	CC - Foundation Transformer		-$ 1,059,244	-$ 429,058		-$ 1,488,302	$ 264,093	$ 20,802		$ 284,895	-$ 1,203,407
47	1995	CC - Meters Distribution		-$ 216,698	-$ 95,090		-$ 311,788	$ 50,515	$ 22,610		$ 73,125	-$ 238,663
47	1995	CC - OEB Clearing Account		$ 72,438	$ 91,462		$ 163,900	-$ 3,900	-$ 7,626		-$ 11,526	$ 152,374
							$ -				$ -	$ -
											$ -	$ -
		Total		**$ 285,105,479**	**$ 24,848,777**	**-$ 9,853,908**	**$ 300,100,348**	**-$ 133,068,380**	**-$ 10,119,991**	**$ 6,702,037**	**-$ 136,486,334**	**$ 163,614,014**

Appendix 2-B
Fixed Asset Continuity Schedule

Year **2013** **GAAP**

CCA Class	OEB	Description	Depreciation Rate	Cost: Opening Balance	Cost: Additions	Cost: Disposals	Cost: Closing Balance	Accumulated Depreciation: Opening Balance	Accumulated Depreciation: Additions	Accumulated Depreciation: Disposals	Accumulated Depreciation: Closing Balance	Net Book Value
N/A	1805	Land		$ 2,339,958			$ 2,339,958	$ -			$ -	$ 2,339,958
CEC	1806	Land Rights		$ 265,447			$ 265,447	-$ 255,221	-$ 2,700		-$ 257,921	$ 7,526
47	1808	Buildings		$ 9,087,934	$ 543,000		$ 9,630,934	-$ 2,170,106	-$ 197,300		-$ 2,367,406	$ 7,263,528
47	1808	Roof		$ 174,755			$ 174,755	-$ 57,640	-$ 17,100		-$ 74,740	$ 100,015
13	1810	Leasehold Improvements										
47	1815	Transformer Station Equipment >50 kV 50 yrs		$ 22,055,752	$ 800,298		$ 22,856,050	-$ 6,709,537	-$ 406,408		-$ 7,115,945	$ 15,740,105
47	1815	Transformer Station Equipment >50 kV 40 yrs		$ 34,362,745	$ 570,100		$ 34,932,845	-$ 10,725,390	-$ 852,100		-$ 11,577,490	$ 23,355,355
47	1815	Transformer Station Equipment >50 kV 25 yrs		$ 1,296,762	$ 59,500		$ 1,356,262	-$ 504,279	-$ 87,300		-$ 591,579	$ 764,683
47	1815	Transformer Station Equipment >50 kV 20 yrs		$ 596,650			$ 596,650	-$ 246,395	-$ 48,500		-$ 294,895	$ 301,755
47	1815	Transformer Station Equipment >50 kV 15 yrs		$ 1,576,379	$ 590,000		$ 2,166,379	-$ 702,529	-$ 188,400		-$ 890,929	$ 1,275,450
47	1820	Distribution Station Equipment <50 kV 50 yrs		$ 1,051,479			$ 1,051,479	-$ 771,375	-$ 8,800		-$ 780,175	$ 271,304
47	1820	Distribution Station Equipment <50 kV 40 yrs		$ 1,647,187			$ 1,647,187	-$ 1,127,652	-$ 25,500		-$ 1,153,152	$ 494,035
47	1820	Distribution Station Equipment <50 kV 25 yrs		$ 54,498			$ 54,498	-$ 39,240	-$ 2,800		-$ 42,040	$ 12,458
47	1820	Distribution Station Equipment <50 kV 20 yrs		$ 22,217			$ 22,217	-$ 17,740	-$ 1,100		-$ 18,840	$ 3,377
47	1820	Distribution Station Equipment <50 kV 15 yrs		$ 61,877	$ 147,500		$ 209,377	-$ 49,917	-$ 11,700		-$ 61,617	$ 147,760
47	1825	Storage Battery Equipment										
47	1830	Poles, Towers & Fixtures		$ 32,232,148	$ 2,612,000		$ 34,844,148	-$ 13,216,540	-$ 664,300		-$ 13,880,840	$ 20,963,308
47	1835	Overhead Conductors		$ 29,870,042	$ 1,771,100		$ 31,641,142	-$ 14,012,524	-$ 340,200		-$ 14,352,724	$ 17,288,418
47	1835	Overhead Devices		$ 3,270,316	$ 196,900		$ 3,467,216	-$ 1,577,352	-$ 59,800		-$ 1,637,152	$ 1,830,064
47	1835	Voltage Regulators		$ 271,849			$ 271,849	-$ 116,895	-$ 8,200		-$ 125,095	$ 146,754
47	1835	Capacitor Banks		$ 798,092			$ 798,092	-$ 211,920	-$ 31,900		-$ 243,820	$ 554,272
47	1840	Underground Conduit		$ 23,815,908	$ 2,280,000		$ 26,095,908	-$ 9,785,064	-$ 309,900		-$ 10,094,964	$ 16,000,944
47	1845	Underground PILC		$ 521,811	$ 334,000		$ 855,811	-$ 44,335	-$ 13,900		-$ 58,235	$ 797,576
47	1845	Underground Cables		$ 35,192,042	$ 2,166,800		$ 37,358,842	-$ 18,059,560	-$ 652,900		-$ 18,712,460	$ 18,646,382
47	1845	Underground Devices		$ 3,810,828	$ 277,800		$ 4,088,628	-$ 2,004,133	-$ 71,000		-$ 2,075,133	$ 2,013,495
47	1850	Line Transformers - Overhead		$ 39,170,598	$ 850,200		$ 40,020,798	-$ 22,990,586	-$ 603,300		-$ 23,593,886	$ 16,426,912
47	1850	Network Transformers		$ 241,144	$ 165,000		$ 406,144	-$ 87,626	-$ 8,400		-$ 96,026	$ 310,118
47	1850	Vault		$ 2,629	$ 33,000		$ 35,629	-$ 44	-$ 600		-$ 644	$ 34,985
47	1850	Roof		$ 699,521			$ 699,521	-$ 222,808	-$ 21,200		-$ 244,008	$ 455,513
47	1850	Network Protectors		$ 201,676	$ 132,000		$ 333,676	-$ 7,200	-$ 8,200		-$ 15,400	$ 318,276
47	1850	Padmount Transformers		$ 5,746,508	$ 646,400		$ 6,392,908	-$ 1,164,736	-$ 147,700		-$ 1,312,436	$ 5,080,472
47	1850	Submersible Transformers		$ 4,813,188	$ 551,000		$ 5,364,188	-$ 981,058	-$ 172,300		-$ 1,153,358	$ 4,210,830
47	1850	Foundation		$ 2,214,385	$ 270,000		$ 2,484,385	-$ 400,374	-$ 35,400		-$ 435,774	$ 2,048,611
47	1855	Services - Overhead		$ 3,793,227	$ 585,000		$ 4,378,227	-$ 1,529,277	-$ 52,900		-$ 1,582,177	$ 2,796,050
47	1855	Services - Underground		$ 40,156,132	$ 1,592,000		$ 41,748,132	-$ 16,327,860	-$ 809,100		-$ 17,136,960	$ 24,611,172
47	1860	Meters		$ 14,312,474	$ 713,000		$ 15,025,474	-$ 3,017,594	-$ 919,100		-$ 3,936,694	$ 11,088,780
47	1860	Meters (Smart Meters)		$ -			$ -					
N/A	1905	Land		$ 1,395,300			$ 1,395,300	$ -			$ -	$ 1,395,300
47	1908	Buildings & Fixtures - Building		$ 7,888,171	$ 6,280,100		$ 14,168,271	-$ 2,772,974	-$ 303,200		-$ 3,076,174	$ 11,092,097
47	1908	Buildings & Fixtures - Roof		$ 2,386,887	$ 186,500		$ 2,573,387	-$ 1,065,928	-$ 255,700		-$ 1,321,628	$ 1,251,759
13	1910	Leasehold Improvements										
8	1915	Office Furniture & Equipment (10 years)		$ 1,146,611	$ 126,600		$ 1,273,211	-$ 837,451	-$ 61,400		-$ 898,851	$ 374,360
8	1915	Office Furniture & Equipment (5 years)					$ -					
10	1920	Computer Equipment - Hardware		$ 2,869,448	$ 337,300		$ 3,206,748	-$ 2,289,301	-$ 169,000		-$ 2,458,301	$ 748,447
45	1920	Computer Equip.-Hardware - Smart Meters		$ -			$ -					
45.1	1920	Computer Equip.-Hardware(Post Mar. 19/07)										
12	1925	Computer Software		$ 4,111,540	$ 400,200		$ 4,511,740	-$ 3,108,156	-$ 477,800		-$ 3,585,956	$ 925,784
10	1930	Transportation Equipment		$ 8,537,469	$ 1,625,200	-$ 400,000	$ 9,762,669	-$ 5,786,301	-$ 560,750	$ 400,000	-$ 5,947,051	$ 3,815,618
8	1935	Stores Equipment		$ 64,072			$ 64,072	-$ 46,100	-$ 4,000		-$ 50,100	$ 13,972
8	1940	Tools, Shop & Garage Equipment		$ 842,724	$ 68,800		$ 911,524	-$ 506,966	-$ 63,200		-$ 570,166	$ 341,358
8	1940	Tools - Smart Meters					$ -				$ -	$ -
8	1945	Measurement & Testing Equipment		$ 963,168	$ 9,400		$ 972,568	-$ 736,501	-$ 34,100		-$ 770,601	$ 201,967
8	1950	Power Operated Equipment		$ 837,763			$ 837,763	-$ 534,588	-$ 54,600		-$ 589,188	$ 248,575
8	1955	Communications Equipment		$ 869,836			$ 869,836	-$ 386,602	-$ 89,900		-$ 476,502	$ 393,334
8	1955	Communication Equipment (Smart Meters)		$ -			$ -	$ -	$ -		$ -	$ -
8	1960	Miscellaneous Equipment		$ 98,856	$ 10,200		$ 109,056	-$ 72,817	-$ 14,700		-$ 87,517	$ 21,539
47	1975	Load Management Controls Utility Premises										
47	1980	System Supervisor Equipment		$ 1,566,478			$ 1,566,478	-$ 1,547,332	-$ 4,100		-$ 1,551,432	$ 15,046
47	1985	Miscellaneous Fixed Assets										
47	1995	**Contributions & Grants**										
47	1995	CC - Poles Towers Fixtures		-$ 2,746,575	-$ 328,800		-$ 3,075,375	$ 582,116	$ 70,708		$ 652,824	-$ 2,422,551
47	1995	CC - O/H Conductors		-$ 2,243,429	-$ 226,200		-$ 2,469,629	$ 424,479	$ 38,100		$ 462,579	-$ 2,007,050
47	1995	CC - O/H Devices		-$ 249,270	-$ 25,100		-$ 274,370	$ 47,726	$ 5,000		$ 52,726	-$ 221,644
47	1995	CC - O/H Services		-$ 1,611,374	-$ 33,900		-$ 1,645,274	$ 511,210	$ 32,700		$ 543,910	-$ 1,101,364
47	1995	CC - U/G Trenching and Ductwork		-$ 8,549,985	-$ 637,000		-$ 9,186,985	$ 2,042,238	$ 131,800		$ 2,174,038	-$ 7,012,947
47	1995	CC - U/G Cable-Primary		-$ 4,504,692	-$ 498,100		-$ 5,002,792	$ 888,847	$ 114,500		$ 1,003,347	-$ 3,999,445
47	1995	CC - U/G Devices		-$ 450,350	-$ 55,300		-$ 505,650	$ 99,671	$ 11,500		$ 111,171	-$ 394,479
47	1995	CC - U/G Services		-$ 3,675,836	-$ 1,041,600		-$ 4,717,436	$ 982,880	$ 409,000		$ 1,391,880	-$ 3,325,556
47	1995	CC - Pole Top Transformer		-$ 2,912,652			-$ 2,912,652	$ 718,331	$ 86,400		$ 804,731	-$ 2,107,921
47	1995	CC - UG Transformer		-$ 2,747,208	-$ 99,600		-$ 2,846,808	$ 664,918	$ 72,600		$ 737,518	-$ 2,109,290
47	1995	CC - U/G Submersible Transformer		-$ 17,878,570	-$ 232,300		-$ 18,110,870	$ 5,030,280	$ 74,700		$ 5,104,980	-$ 13,005,890
47	1995	CC - Foundation Transformer		-$ 1,488,302	-$ 68,100		-$ 1,556,402	$ 284,895	$ 33,600		$ 318,495	-$ 1,237,907
47	1995	CC - Meters Distribution		-$ 311,788	-$ 40,000		-$ 351,788	$ 73,125	$ 28,800		$ 101,925	-$ 249,863
47	1995	CC - OEB Clearing Account		$ 163,900	$ 40,000		$ 203,900	-$ 11,526	-$ 13,802		-$ 25,328	$ 178,572
		Total		**$ 300,100,350**	**$ 23,684,898**	**-$ 400,000**	**$ 323,385,248**	**-$ 136,486,334**	**-$ 7,776,852**	**$ 400,000**	**-$ 143,863,186**	**$ 179,522,062**

Appendix 2-B
Fixed Asset Continuity Schedule

Year **2014** **GAAP**

CCA Class	OEB	Description	Depreciation Rate	Cost: Opening Balance	Cost: Additions	Cost: Disposals	Cost: Closing Balance	Accumulated Depreciation: Opening Balance	Accumulated Depreciation: Additions	Accumulated Depreciation: Disposals	Accumulated Depreciation: Closing Balance	Net Book Value
N/A	1805	Land		$ 2,339,958			$ 2,339,958	$ -			$ -	$ 2,339,958
CEC	1806	Land Rights		$ 265,447			$ 265,447	-$ 257,921	-$ 2,700		-$ 260,621	$ 4,826
47	1808	Buildings		$ 9,630,934	$ 158,000		$ 9,788,934	-$ 2,367,406	-$ 197,300		-$ 2,564,706	$ 7,224,228
47	1808	Roof		$ 174,755	$ 3,200		$ 177,955	-$ 74,740	-$ 12,700		-$ 87,440	$ 90,515
13	1810	Leasehold Improvements		$ -				$ -				
47	1815	Transformer Station Equipment >50 kV 50 yrs		$ 22,856,050	$ 650,000		$ 23,506,050	-$ 7,115,945	-$ 421,100		-$ 7,537,045	$ 15,969,005
47	1815	Transformer Station Equipment >50 kV 40 yrs		$ 34,932,845	$ 1,390,000		$ 36,322,845	-$ 11,577,490	-$ 881,000		-$ 12,458,490	$ 23,864,355
47	1815	Transformer Station Equipment >50 kV 25 yrs		$ 1,356,262			$ 1,356,262	-$ 591,579	-$ 87,300		-$ 678,879	$ 677,383
47	1815	Transformer Station Equipment >50 kV 20 yrs		$ 596,650			$ 596,650	-$ 294,895	-$ 41,500		-$ 336,395	$ 260,255
47	1815	Transformer Station Equipment >50 kV 15 yrs		$ 2,166,379			$ 2,166,379	-$ 890,929	-$ 146,000		-$ 1,036,929	$ 1,129,450
47	1820	Distribution Station Equipment <50 kV 50 yrs		$ 1,051,479			$ 1,051,479	-$ 780,175	-$ 8,800		-$ 788,975	$ 262,504
47	1820	Distribution Station Equipment <50 kV 40 yrs		$ 1,647,187			$ 1,647,187	-$ 1,153,152	-$ 25,500		-$ 1,178,652	$ 468,535
47	1820	Distribution Station Equipment <50 kV 25 yrs		$ 54,498			$ 54,498	-$ 42,040	-$ 2,200		-$ 44,240	$ 10,258
47	1820	Distribution Station Equipment <50 kV 20 yrs		$ 22,217			$ 22,217	-$ 18,840	-$ 1,100		-$ 19,940	$ 2,277
47	1820	Distribution Station Equipment <50 kV 15 yrs		$ 209,377			$ 209,377	-$ 61,617	-$ 6,000		-$ 67,617	$ 141,760
47	1825	Storage Battery Equipment		$ -				$ -				
47	1830	Poles, Towers & Fixtures		$ 34,844,148	$ 2,768,400		$ 37,612,548	-$ 13,880,840	-$ 703,585		-$ 14,584,425	$ 23,028,123
47	1835	Overhead Conductors		$ 31,641,142	$ 1,997,100		$ 33,638,242	-$ 14,352,724	-$ 354,573		-$ 14,707,297	$ 18,930,945
47	1835	Overhead Devices		$ 3,467,216	$ 221,900		$ 3,689,116	-$ 1,637,152	-$ 63,297		-$ 1,700,449	$ 1,988,667
47	1835	Voltage Regulators		$ 271,849			$ 271,849	-$ 125,095	-$ 8,200		-$ 133,295	$ 138,554
47	1835	Capacitor Banks		$ 798,092			$ 798,092	-$ 243,820	-$ 31,900		-$ 275,720	$ 522,372
47	1840	Underground Conduit		$ 26,095,908	$ 2,705,200		$ 28,801,108	-$ 10,094,964	-$ 347,614		-$ 10,442,578	$ 18,358,530
47	1845	Underground PILC		$ 855,811	$ 700		$ 856,511	-$ 58,235	-$ 8,300		-$ 66,535	$ 789,976
47	1845	Underground Cables		$ 37,358,842	$ 2,260,700		$ 39,619,542	-$ 18,712,460	-$ 678,962		-$ 19,391,422	$ 20,228,120
47	1845	Underground Devices		$ 4,088,628	$ 262,200		$ 4,350,828	-$ 2,075,133	-$ 73,100		-$ 2,148,233	$ 2,202,595
47	1850	Line Transformers - Overhead		$ 40,020,798	$ 820,800		$ 40,841,598	-$ 23,593,886	-$ 611,983		-$ 24,205,869	$ 16,635,729
47	1850	Network Transformers		$ 406,144	$ 192,100		$ 598,244	-$ 96,026	-$ 13,000		-$ 109,026	$ 489,218
47	1850	Vault		$ 35,629	$ -		$ 35,629	-$ 644	-$ 1,500		-$ 2,144	$ 33,485
47	1850	Roof		$ 699,521			$ 699,521	-$ 244,008	-$ 20,900		-$ 264,908	$ 434,613
47	1850	Network Protectors		$ 333,676	$ 7,800		$ 341,476	-$ 15,400	-$ 4,900		-$ 20,300	$ 321,176
47	1850	Padmount Transformers		$ 6,392,908	$ 463,000		$ 6,855,908	-$ 1,312,436	-$ 140,360		-$ 1,452,796	$ 5,403,112
47	1850	Submersible Transformers		$ 5,364,188	$ 1,097,700		$ 6,461,888	-$ 1,153,358	-$ 215,856		-$ 1,369,214	$ 5,092,674
47	1850	Foundation		$ 2,484,385	$ 202,900		$ 2,687,285	-$ 435,774	-$ 39,108		-$ 474,882	$ 2,212,403
47	1855	Services - Overhead		$ 4,378,227	$ 538,500		$ 4,916,727	-$ 1,582,177	-$ 85,775		-$ 1,667,952	$ 3,248,775
47	1855	Services - Underground		$ 41,748,132	$ 2,361,700		$ 44,109,832	-$ 17,136,960	-$ 811,314		-$ 17,948,274	$ 26,161,558
47	1860	Meters		$ 15,025,474	$ 612,000		$ 15,637,474	-$ 3,936,694	-$ 928,842		-$ 4,865,536	$ 10,771,938
47	1860	Meters (Smart Meters)		$ -			$ -	$ -				
N/A	1905	Land		$ 1,395,300			$ 1,395,300	$ -			$ -	$ 1,395,300
47	1908	Buildings & Fixtures - Building		$ 14,168,271	$ 1,350,000		$ 15,518,271	-$ 3,076,174	-$ 309,400		-$ 3,385,574	$ 12,132,697
47	1908	Buildings & Fixtures - Roof		$ 2,573,387	$ -		$ 2,573,387	-$ 1,321,628	-$ 243,200		-$ 1,564,828	$ 1,008,559
13	1910	Leasehold Improvements		$ -				$ -				
8	1915	Office Furniture & Equipment (10 years)		$ 1,273,211	$ 70,000		$ 1,343,211	-$ 898,851	-$ 75,800		-$ 974,651	$ 368,560
8	1915	Office Furniture & Equipment (5 years)		$ -			$ -	$ -				
10	1920	Computer Equipment - Hardware		$ 3,206,748	$ 180,000		$ 3,386,748	-$ 2,458,301	-$ 191,500		-$ 2,649,801	$ 736,947
45	1920	Computer Equip.-Hardware - Smart Meters		$ -			$ -	$ -				
45.1	1920	Computer Equip.-Hardware(Post Mar. 19/07)		$ -				$ -				
12	1925	Computer Software		$ 4,511,740	$ 540,000		$ 5,051,740	-$ 3,585,956	-$ 545,300		-$ 4,131,256	$ 920,484
10	1930	Transportation Equipment		$ 9,762,669	$ 920,000	-$ 400,000	$ 10,282,669	-$ 5,947,051	-$ 742,400	$ 400,000	-$ 6,289,451	$ 3,993,218
8	1935	Stores Equipment		$ 64,072			$ 64,072	-$ 50,100	-$ 4,000		-$ 54,100	$ 9,972
8	1940	Tools, Shop & Garage Equipment		$ 911,524	$ 90,000		$ 1,001,524	-$ 570,166	-$ 72,200		-$ 642,366	$ 359,158
8	1940	Tools - Smart Meters		$ -			$ -	$ -			$ -	$ -
8	1945	Measurement & Testing Equipment		$ 972,568			$ 972,568	-$ 770,601	-$ 34,100		-$ 804,701	$ 167,867
8	1950	Power Operated Equipment		$ 837,763			$ 837,763	-$ 589,188	-$ 54,600		-$ 643,788	$ 193,975
8	1955	Communications Equipment		$ 869,836			$ 869,836	-$ 476,502	-$ 89,800		-$ 566,302	$ 303,534
8	1955	Communication Equipment (Smart Meters)		$ -			$ -	$ -	$ -		$ -	$ -
8	1960	Miscellaneous Equipment		$ 109,056			$ 109,056	-$ 87,517	-$ 11,300		-$ 98,817	$ 10,239
47	1975	Load Management Controls Utility Premises		$ -				$ -				
47	1980	System Supervisor Equipment		$ 1,566,478			$ 1,566,478	-$ 1,551,432	-$ 4,100		-$ 1,555,532	$ 10,946
47	1985	Miscellaneous Fixed Assets		$ -				$ -				
47	1995	**Contributions & Grants**		$ -				$ -				
47	1995	CC - Poles Towers Fixtures		-$ 3,075,375	-$ 500,500		-$ 3,575,875	$ 652,824	$ 77,000		$ 729,824	-$ 2,846,051
47	1995	CC - O/H Conductors		-$ 2,469,629	-$ 411,840		-$ 2,881,469	$ 462,579	$ 41,500		$ 504,079	-$ 2,377,390
47	1995	CC - O/H Devices		-$ 274,370	-$ 45,760		-$ 320,130	$ 52,726	$ 5,600		$ 58,326	-$ 261,804
47	1995	CC - O/H Services		-$ 1,645,274	-$ 78,650		-$ 1,723,924	$ 543,910	$ 33,400		$ 577,310	-$ 1,146,614
47	1995	CC - U/G Trenching and Ductwork		-$ 9,186,985	-$ 815,625		-$ 10,002,610	$ 2,174,038	$ 138,600		$ 2,312,638	-$ 7,689,972
47	1995	CC - U/G Cable-Primary		-$ 5,002,792	-$ 700,583		-$ 5,703,375	$ 1,003,347	$ 123,300		$ 1,126,647	-$ 4,576,728
47	1995	CC - U/G Devices		-$ 505,650	-$ 77,843		-$ 583,493	$ 111,171	$ 12,400		$ 123,571	-$ 459,922
47	1995	CC - U/G Services		-$ 4,717,436	-$ 1,537,000		-$ 6,254,436	$ 1,391,880	$ 428,200		$ 1,820,080	-$ 4,434,356
47	1995	CC - Pole Top Transformer		-$ 2,912,652			-$ 2,912,652	$ 804,731	$ 86,400		$ 891,131	-$ 2,021,521
47	1995	CC - UG Transformer		-$ 2,846,808	-$ 134,868		-$ 2,981,676	$ 737,518	$ 74,300		$ 811,818	-$ 2,169,858
47	1995	CC - U/G Submersible Transformer		-$ 18,110,870	-$ 314,700		-$ 18,425,570	$ 5,104,980	$ 80,000		$ 5,184,980	-$ 13,240,590
47	1995	CC - Foundation Transformer		-$ 1,556,402	-$ 92,200		-$ 1,648,602	$ 318,495	$ 34,400		$ 352,895	-$ 1,295,707
47	1995	CC - Meters Distribution		-$ 351,788	-$ 40,000		-$ 391,788	$ 101,925	$ 30,100		$ 132,025	-$ 259,763
47	1995	CC - OEB Clearing Account		$ 203,900	$ 40,000		$ 243,900	-$ 25,328	-$ 15,100		-$ 40,428	$ 203,472
		Total		**$ 323,385,248**	**$ 17,154,331**	**-$ 400,000**	**$ 340,139,579**	**-$ 143,863,186**	**-$ 8,203,869**	**$ 400,000**	**-$ 151,667,055**	**$ 188,472,524**

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Appendix D

Revenue Requirement Work Form

Revenue Requirement Workform

Version 3.00

Utility Name	Kitchener-Wilmot Hydro Inc.
Service Territory	*City of Kitchener & the Township of Wilmot*
Assigned EB Number	EB-2013-0147
Name and Title	Margaret Nanninga, Vice-President Finance
Phone Number	519-749-6177
Email Address	mnanninga@kwhydro.on.ca

Revenue Requirement Workform

Notes:

(1)	Pale green cells represent inputs
(2)	Pale green boxes at the bottom of each page are for additional notes
(3)	Pale yellow cells represent drop-down lists
(4)	***Please note that this model uses MACROS. Before starting, please ensure that macros have been enabled.***
(5)	***Completed versions of the Revenue Requirement Work Form are required to be filed in working Microsoft Excel***

Revenue Requirement Workform

Data Input [1]

		Initial Application	(2)	Adjustments	Settlement Agreement	(6)	Adjustments	Per Board Decision	
1	**Rate Base**								
	Gross Fixed Assets (average)	$330,626,013		$1,136,400	$ 331,762,413			$331,762,413	
	Accumulated Depreciation (average)	($147,702,714)	(5)	($62,406)	($147,765,121)			($147,765,121)	
	Allowance for Working Capital:								
	Controllable Expenses	$18,918,000		($457,240)	$ 18,460,760			$18,460,760	
	Cost of Power	$184,456,632		$5,516,744	$ 189,973,376			$189,973,376	
	Working Capital Rate (%)	13.00%	(9)		13.00%	(9)		13.00%	(9)
2	**Utility Income**								
	Operating Revenues:								
	Distribution Revenue at Current Rates	$38,207,936		$213,464	$38,421,400				
	Distribution Revenue at Proposed Rates	$37,414,668		$1,137,169	$38,551,837				
	Other Revenue:								
	Specific Service Charges	$497,900		$19,150	$517,050				
	Late Payment Charges	$266,100		$0	$266,100				
	Other Distribution Revenue	$863,500		$0	$863,500				
	Other Income and Deductions	$411,700		$15,000	$426,700				
	Total Revenue Offsets	$2,039,200	(7)	$34,150	$2,073,350				
	Operating Expenses:								
	OM+A Expenses	$18,523,200		($42,440)	$ 18,480,760			$18,480,760	
	Depreciation/Amortization	$7,562,852	(10)	($101,384)	$ 7,461,469			$7,461,469	
	Property taxes	$394,800			$ 394,800			$394,800	
	Other expenses								
3	**Taxes/PILs**								
	Taxable Income:								
	Adjustments required to arrive at taxable income	($5,959,922)	(3)		($6,195,701)				
	Utility Income Taxes and Rates:								
	Income taxes (not grossed up)	$318,496			$375,528				
	Income taxes (grossed up)	$433,327			$497,062				
	Federal tax (%)	15.00%			15.00%				
	Provincial tax (%)	11.50%			9.45%				
	Income Tax Credits	($95,000)			($42,000)				
4	**Capitalization/Cost of Capital**								
	Capital Structure:								
	Long-term debt Capitalization Ratio (%)	56.0%			56.0%				
	Short-term debt Capitalization Ratio (%)	4.0%	(8)		4.0%	(8)			(8)
	Common Equity Capitalization Ratio (%)	40.0%			40.0%				
	Prefered Shares Capitalization Ratio (%)	0.0%			0.0%				
		100.0%			100.0%				
	Cost of Capital								
	Long-term debt Cost Rate (%)	4.13%			4.83%				
	Short-term debt Cost Rate (%)	2.07%			2.11%				
	Common Equity Cost Rate (%)	8.98%			9.36%				
	Prefered Shares Cost Rate (%)	0.00%			0.00%				
	Adjustment to Return on Rate Base associated with Deferred PP&E balance as a result of transition from CGAAP to MIFRS ($)	$ -	(11)			(11)			(11)

Notes:

General Data inputs are required on Sheets 3. Data from Sheet 3 will automatically complete calculations on sheets 4 through 9 (Rate Base through Revenue Requirement). Sheets 4 through 9 do not require any inputs except for notes that the Applicant may wish to enter to support the results. Pale green cells are available on sheets 4 through 9 to enter both footnotes beside key cells and the related text for the notes at the bottom of each sheet.

(1) All inputs are in dollars ($) except where inputs are individually identified as percentages (%)

(2) Data in column E is for Application as originally filed. For updated revenue requirement as a result of interrogatory responses, technical or settlement conferences, etc., use colimn M and Adjustments in column I

(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) 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.

(7) Input total revenue offsets for deriving the base revenue requirement from the service revenue requirement

(8) 4.0% unless an Applicant has proposed or been approved for another amount.

(9) Starting with 2013, default Working Capital Allowance factor is 13% (of Cost of Power plus controllable expenses). Alternatively, WCA factor based on lead-lag study or approved WCA factor for another distributor, with supporting rationale.

(10) Depreciation Expense should include the adjustment resulting from the amortization of the deferred PP&E balance as shown on Appendix 2-EA or Appendix 2-EB of the Chapter 2 Appendices to the Filing Requirements.

(11) Adjustment should include the adjustment to the return on rate base associated with deferred PP&E balance as shown on Appendix 2-EA or Appendix 2-EB of the Chapter 2 Appendices to the Filing Requirements.

Revenue Requirement Workform

Rate Base and Working Capital

Rate Base

Line No.	Particulars		Initial Application	Adjustments	Settlement Agreement	Adjustments	Per Board Decision
1	Gross Fixed Assets (average)	(3)	$330,626,013	$1,136,400	$331,762,413	$ -	$331,762,413
2	Accumulated Depreciation (average)	(3)	($147,702,714)	($62,406)	($147,765,121)	$ -	($147,765,121)
3	Net Fixed Assets (average)	(3)	$182,923,299	$1,073,994	$183,997,292	$ -	$183,997,292
4	Allowance for Working Capital	(1)	$26,438,702	$657,735	$27,096,438	$ -	$27,096,438
5	**Total Rate Base**		$209,362,001	$1,731,729	$211,093,730	$ -	$211,093,730

Allowance for Working Capital - Derivation

(1)

Line No.	Particulars		Initial Application	Adjustments	Settlement Agreement	Adjustments	Per Board Decision
6	Controllable Expenses		$18,918,000	($457,240)	$18,460,760	$ -	$18,460,760
7	Cost of Power		$184,456,632	$5,516,744	$189,973,376	$ -	$189,973,376
8	Working Capital Base		$203,374,632	$5,059,504	$208,434,136	$ -	$208,434,136
9	Working Capital Rate %	(2)	13.00%	0.00%	13.00%	0.00%	13.00%
10	Working Capital Allowance		$26,438,702	$657,735	$27,096,438	$ -	$27,096,438

Notes

(2) Some Applicants may have a unique rate as a result of a lead-lag study. Default rate for 2013 cost of service applications is 13%.

(3) Average of opening and closing balances for the year.

Revenue Requirement Workform

Utility Income

Line No.	Particulars		Initial Application	Adjustments	Settlement Agreement	Adjustments	Per Board Decision
	Operating Revenues:						
1	Distribution Revenue (at Proposed Rates)		$37,414,668	$1,137,169	$38,551,837	$ -	$38,551,837
2	Other Revenue	(1)	$2,039,200	$34,150	$2,073,350	$ -	$2,073,350
3	Total Operating Revenues		$39,453,868	$1,171,319	$40,625,187	$ -	$40,625,187
	Operating Expenses:						
4	OM+A Expenses		$18,523,200	($42,440)	$18,480,760	$ -	$18,480,760
5	Depreciation/Amortization		$7,562,852	($101,384)	$7,461,469	$ -	$7,461,469
6	Property taxes		$394,800	$ -	$394,800	$ -	$394,800
7	Capital taxes		$ -	$ -	$ -	$ -	$ -
8	Other expense		$ -	$ -		$ -	
9	Subtotal (lines 4 to 8)		$26,480,852	($143,824)	$26,337,029	$ -	$26,337,029
10	Deemed Interest Expense		$5,019,405	$868,343	$5,887,748	($826,825)	$5,060,923
11	Total Expenses (lines 9 to 10)		$31,500,257	$724,519	$32,224,776	($826,825)	$31,397,952
12	Adjustment to Return on Rate Base associated with Deferred PP&E balance as a result of transition from CGAAP to MIFRS		$ -	$ -	$ -	$ -	$ -
13	**Utility income before income taxes**		$7,953,610	$446,800	$8,400,411	$826,825	$9,227,236
14	Income taxes (grossed-up)		$433,327	$63,734	$497,062	$ -	$497,062
15	**Utility net income**		$7,520,283	$383,066	$7,903,349	$826,825	$8,730,174

Notes

Other Revenues / Revenue Offsets

Note	Particulars	Initial Application	Adjustments	Settlement Agreement	Adjustments	Per Board Decision
(1)	Specific Service Charges	$497,900	$19,150	$517,050		$517,050
	Late Payment Charges	$266,100	$ -	$266,100		$266,100
	Other Distribution Revenue	$863,500	$ -	$863,500		$863,500
	Other Income and Deductions	$411,700	$15,000	$426,700		$426,700
	Total Revenue Offsets	$2,039,200	$34,150	$2,073,350	$ -	$2,073,350

Revenue Requirement Workform

Taxes/PILs

Line No.	Particulars	Application	Settlement Agreement	Per Board Decision
	Determination of Taxable Income			
1	Utility net income before taxes	$7,520,283	$7,903,349	$7,582,487
2	Adjustments required to arrive at taxable utility income	($5,959,922)	($6,195,701)	($5,959,922)
3	Taxable income	$1,560,361	$1,707,648	$1,622,564
	Calculation of Utility income Taxes			
4	Income taxes	$318,496	$375,528	$375,528
6	Total taxes	$318,496	$375,528	$375,528
7	Gross-up of Income Taxes	$114,832	$121,534	$121,534
8	Grossed-up Income Taxes	$433,327	$497,062	$497,062
9	PILs / tax Allowance (Grossed-up Income taxes + Capital taxes)	$433,327	$497,062	$497,062
10	Other tax Credits	($95,000)	($42,000)	($42,000)
	Tax Rates			
11	Federal tax (%)	15.00%	15.00%	15.00%
12	Provincial tax (%)	11.50%	9.45%	9.45%
13	Total tax rate (%)	26.50%	24.45%	24.45%

Revenue Requirement Workform

Capitalization/Cost of Capital

Line No.	Particulars	Capitalization Ratio		Cost Rate	Return
		Initial Application			
		(%)	($)	(%)	($)
	Debt				
1	Long-term Debt	56.00%	$117,242,721	4.13%	$4,846,053
2	Short-term Debt	4.00%	$8,374,480	2.07%	$173,352
3	**Total Debt**	60.00%	$125,617,201	4.00%	$5,019,405
	Equity				
4	Common Equity	40.00%	$83,744,800	8.98%	$7,520,283
5	Preferred Shares	0.00%	$ -	0.00%	$ -
6	**Total Equity**	40.00%	$83,744,800	8.98%	$7,520,283
7	**Total**	100.00%	$209,362,001	5.99%	$12,539,688
		Settlement Agreement			
		(%)	($)	(%)	($)
	Debt				
1	Long-term Debt	56.00%	$118,212,489	4.83%	$5,709,585
2	Short-term Debt	4.00%	$8,443,749	2.11%	$178,163
3	**Total Debt**	60.00%	$126,656,238	4.65%	$5,887,748
	Equity				
4	Common Equity	40.00%	$84,437,492	9.36%	$7,903,349
5	Preferred Shares	0.00%	$ -	0.00%	$ -
6	**Total Equity**	40.00%	$84,437,492	9.36%	$7,903,349
7	**Total**	100.00%	$211,093,730	6.53%	$13,791,097
		Per Board Decision			
		(%)	($)	(%)	($)
	Debt				
8	Long-term Debt	56.00%	$118,212,489	4.13%	$4,886,137
9	Short-term Debt	4.00%	$8,443,749	2.07%	$174,786
10	**Total Debt**	60.00%	$126,656,238	4.00%	$5,060,923
	Equity				
11	Common Equity	40.00%	$84,437,492	8.98%	$7,582,487
12	Preferred Shares	0.00%	$ -	0.00%	$ -
13	**Total Equity**	40.00%	$84,437,492	8.98%	$7,582,487
14	**Total**	100.00%	$211,093,730	5.99%	$12,643,410

Notes

(1) Data in column E is for Application as originally filed. For updated revenue requirement as a result of interrogatory responses, technical or settlement conferences, etc., use colimn M and Adjustments in column I

Revenue Requirement Workform

Revenue Deficiency/Sufficiency

Line No.	Particulars	Initial Application: At Current Approved Rates	Initial Application: At Proposed Rates	Settlement Agreement: At Current Approved Rates	Settlement Agreement: At Proposed Rates	Per Board Decision: At Current Approved Rates	Per Board Decision: At Proposed Rates
1	Revenue Deficiency from Below		($793,268)		$130,436		($1,121,094)
2	Distribution Revenue	$38,207,936	$38,207,936	$38,421,400	$38,421,401	$38,421,400	$39,672,931
3	Other Operating Revenue Offsets - net	$2,039,200	$2,039,200	$2,073,350	$2,073,350	$2,073,350	$2,073,350
4	**Total Revenue**	$40,247,136	$39,453,868	$40,494,750	$40,625,187	$40,494,750	$40,625,187
5	Operating Expenses	$26,480,852	$26,480,852	$26,337,029	$26,337,029	$26,337,029	$26,337,029
6	Deemed Interest Expense	$5,019,405	$5,019,405	$5,887,748	$5,887,748	$5,060,923	$5,060,923
7	Adjustment to Return on Rate Base associated with Deferred PP&E balance as a result of transition from CGAAP to MIFRS	$ - **(2)**	$ -	$ - **(2)**	$ -	$ - **(2)**	$ -
8	**Total Cost and Expenses**	$31,500,257	$31,500,257	$32,224,776	$32,224,776	$31,397,952	$31,397,952
9	**Utility Income Before Income Taxes**	$8,746,879	$7,953,610	$8,269,973	$8,400,411	$9,096,798	$9,227,236
10	Tax Adjustments to Accounting Income per 2013 PILs model	($5,959,922)	($5,959,922)	($6,195,701)	($6,195,701)	($6,195,701)	($6,195,701)
11	**Taxable Income**	$2,786,956	$1,993,688	$2,074,272	$2,204,710	$2,901,097	$3,031,535
12	Income Tax Rate	26.50%	26.50%	24.45%	24.45%	24.45%	24.45%
13	**Income Tax on Taxable Income**	$738,543	$528,327	$507,168	$539,060	$709,330	$741,222
14	**Income Tax Credits**	($95,000)	($95,000)	($42,000)	($42,000)	($42,000)	($42,000)
15	**Utility Net Income**	$8,103,335	$7,520,283	$7,804,806	$7,903,349	$8,429,469	$8,730,174
16	**Utility Rate Base**	$209,362,001	$209,362,001	$211,093,730	$211,093,730	$211,093,730	$211,093,730
17	Deemed Equity Portion of Rate Base	$83,744,800	$83,744,800	$84,437,492	$84,437,492	$84,437,492	$84,437,492
18	Income/(Equity Portion of Rate Base)	9.68%	8.98%	9.24%	9.36%	9.98%	10.34%
19	Target Return - Equity on Rate Base	8.98%	8.98%	9.36%	9.36%	8.98%	8.98%
20	Deficiency/Sufficiency in Return on Equity	0.70%	0.00%	-0.12%	0.00%	1.00%	1.36%
21	Indicated Rate of Return	6.27%	5.99%	6.49%	6.53%	6.39%	6.53%
22	Requested Rate of Return on Rate Base	5.99%	5.99%	6.53%	6.53%	5.99%	5.99%
23	Deficiency/Sufficiency in Rate of Return	0.28%	0.00%	-0.05%	0.00%	0.40%	0.54%
24	Target Return on Equity	$7,520,283	$7,520,283	$7,903,349	$7,903,349	$7,582,487	$7,582,487
25	Revenue Deficiency/(Sufficiency)	($583,052)	$0	$98,544	($0)	($846,982)	$1,147,687
26	**Gross Revenue Deficiency/(Sufficiency)**	($793,268) **(1)**		$130,436 **(1)**		($1,121,094) **(1)**	

Notes:

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

(2) Treated as an adjustment pre-tax to avoid an impact on taxes/PILs and hence on revenue sufficiency deficiency

Revenue Requirement Workform

Revenue Requirement

Line No.	Particulars	Application		Settlement Agreement		Per Board Decision	
1	OM&A Expenses	$18,523,200		$18,480,760		$18,480,760	
2	Amortization/Depreciation	$7,562,852		$7,461,469		$7,461,469	
3	Property Taxes	$394,800		$394,800		$394,800	
5	Income Taxes (Grossed up)	$433,327		$497,062		$497,062	
6	Other Expenses	$ -					
7	Return						
	Deemed Interest Expense	$5,019,405		$5,887,748		$5,060,923	
	Return on Deemed Equity	$7,520,283		$7,903,349		$7,582,487	
	Adjustment to Return on Rate Base associated with Deferred PP&E balance as a result of transition from CGAAP to MIFRS	$ -		$ -		$ -	
8	**Service Revenue Requirement (before Revenues)**	$39,453,868		$40,625,187		$39,477,500	
9	Revenue Offsets	$2,039,200		$2,073,350		$ -	
10	**Base Revenue Requirement (excluding Tranformer Owership Allowance credit adjustment)**	$37,414,668		$38,551,837		$39,477,500	
11	Distribution revenue	$37,414,668		$38,551,837		$38,551,837	
12	Other revenue	$2,039,200		$2,073,350		$2,073,350	
13	**Total revenue**	$39,453,868		$40,625,187		$40,625,187	
14	**Difference (Total Revenue Less Distribution Revenue Requirement before Revenues)**	$ -	**(1)**	($0)	**(1)**	$1,147,687	**(1)**

Notes

(1) Line 11 - Line 8

APPENDIX E

Kitchener-Wilmot Hydro Inc.

Draft Accounting Order

Kitchener-Wilmot Hydro Inc. shall establish the deferral account 1572 – sub account Large Use Revenue to record all distribution revenue (inclusive of rate riders) received from the one large use customer ceasing operations in Kitchener-Wilmot Hydro Inc.'s service territory. This Accounting Order will apply during the period January 1, 2014 through December 31, 2017. For added clarity, this Accounting Order is intended to reflect the Board's Decision and Order in EB-2013-0147 dated XXXXXXXXX.

Carrying charges will be determined by applying the Board approved rate to the opening monthly balances recorded in the sub-accounts (exclusive of accumulated interest) from January 1, 2014 to the month prior to the disposition of the balances in rates. The amounts recorded shall be brought forward for disposition in Kitchener-Wilmot Hydro Inc.'s next Cost of Service rates application.

1. Deferral Sub-account, Extraordinary Event Costs – "Large Use Revenue"

   Accounting Entry:

   Debit Account 4080, Distribution Services Revenue

   Credit Deferral Sub-account 1572, Extraordinary Event Costs, "Large Use Revenue"

   Purpose: To record the actual amount of incremental revenue collected from the Large Use customer ceasing operations.

2. Deferral Sub-account, Extraordinary Event Costs – "Large Use Revenue Carrying Charges"

   Accounting Entry:

   Debit Account 6035, Other Interest Expense

   Credit Deferral Sub-account 1572, Extraordinary Event Costs, "Large Use Revenue Carrying Charges"

   Purpose: To record, using OEB-approved rates, the carrying charges associated with the actual amount of distribution revenue collected from the Large Use customer ceasing operations.

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Appendix F

Cost Allocation Worksheet O1

2013 Cost Allocation Model

Sheet O1 Revenue to Cost Summary Worksheet - Settlement - December 2

Instructions:
Please see the first tab in this workbook for detailed instructions

Class Revenue, Cost Analysis, and Return on Rate Base

			1	2	3	6	7	9	10
Rate Base Assets		**Total**	**Residential**	**GS <50**	**GS>50-Regular**	**Large Use >5MW**	**Street Light**	**Unmetered Scattered Load**	**Embedded Distributor**
crev	Distribution Revenue at Existing Rates	$38,421,397	$20,946,315	$5,412,583	$11,142,361	$223,287	$477,296	$147,719	$71,836
mi	Miscellaneous Revenue (mi)	$2,073,350	1,503,097	232,836	311,135	4,037	16,468	5,777	$0
		Miscellaneous Revenue Input equals Output							
	Total Revenue at Existing Rates	$40,494,747	$22,449,412	$5,645,420	$11,453,496	$227,324	$493,764	$153,496	$71,836
	Factor required to recover deficiency (1 + D)	1.0034							
	Distribution Revenue at Status Quo Rates	$38,551,836	$21,017,427.32	$5,430,958.88	$11,180,188.85	$224,044.94	$478,916.30	$148,220.42	$72,080
	Miscellaneous Revenue (mi)	$2,073,350	$1,503,097	$232,836	$311,135	$4,037	$16,468	$5,777	$0
	Total Revenue at Status Quo Rates	$40,625,186	$22,520,524	$5,663,795	$11,491,324	$228,082	$495,384	$153,997	$72,080
	Expenses								
di	Distribution Costs (di)	$10,516,658	$5,949,842	$1,319,529	$3,019,431	$77,909	$114,509	$35,438	$0
cu	Customer Related Costs (cu)	$4,654,100	$3,888,155	$460,004	$303,811	$1,279	$448	$404	$0
ad	General and Administration (ad)	$3,672,927	$2,308,255	$444,572	$860,062	$20,930	$29,989	$9,118	$0
dep	Depreciation and Amortization (dep)	$7,442,693	$4,071,619	$1,097,991	$2,129,341	$53,027	$72,110	$18,605	$0
INPUT	PILs (INPUT)	$495,407	$271,226	$67,151	$146,723	$3,914	$4,978	$1,416	$0
INT	Interest	$5,868,164	$3,212,707	$795,409	$1,737,950	$46,357	$58,968	$16,772	$0
	Total Expenses	$32,649,948	$19,701,804	$4,184,656	$8,197,318	$203,415	$281,002	$81,753	$0
	Direct Allocation	$98,177	$0	$0	$0	$0	$0	$0	$98,177
NI	Allocated Net Income (NI)	$7,877,061	$4,312,540	$1,067,708	$2,332,917	$62,227	$79,155	$22,514	$0
	Revenue Requirement (includes NI)	$40,625,186	$24,014,343.7	$5,252,363.6	$10,530,235.7	$265,642.5	$360,157.2	$104,266.3	$98,177.4
		Revenue Requirement Input equals Output							
	Rate Base Calculation								
	Net Assets								
dp	Distribution Plant - Gross	$342,147,425	$192,395,989	$45,736,922	$96,828,120	$2,348,726	$3,781,743	$1,055,925	$0
gp	General Plant - Gross	$43,597,621	$24,357,033	$5,873,029	$12,459,540	$308,861	$467,670	$131,489	$0
accum dep	Accumulated Depreciation	($147,480,462)	($82,833,976)	($19,543,104)	($41,961,577)	($1,025,986)	($1,657,734)	($458,084)	$0
co	Capital Contribution	($54,806,916)	($33,241,827)	($7,217,564)	($13,212,509)	($199,627)	($733,755)	($201,634)	$0
	Total Net Plant	$183,457,669	$100,677,219	$24,849,283	$54,113,575	$1,431,974	$1,857,923	$527,695	$0
	Directly Allocated Net Fixed Assets	$539,624	$0	$0	$0	$0	$0	$0	$539,624
COP	Cost of Power (COP)	$189,973,376	$69,090,113	$25,620,989	$87,664,125	$3,371,031	$1,709,789	$362,258	$2,155,071
	OM&A Expenses	$18,843,685	$12,146,252	$2,224,105	$4,183,304	$100,117	$144,946	$44,960	$0
	Directly Allocated Expenses	$31,875	$0	$0	$0	$0	$0	$0	$31,875
	Subtotal	*$208,848,936*	*$81,236,364*	*$27,845,094*	*$91,847,430*	*$3,471,148*	*$1,854,735*	*$407,218*	*$2,186,946*
	Working Capital	$27,150,362	$10,560,727	$3,619,862	$11,940,166	$451,249	$241,116	$52,938	$284,303
	Total Rate Base	$211,147,655	$111,237,947	$28,469,145	$66,053,740	$1,883,223	$2,099,039	$580,633	$823,927
		Rate Base Input equals Output							
	Equity Component of Rate Base	$84,459,062	$44,495,179	$11,387,658	$26,421,496	$753,289	$839,616	$232,253	$329,571
	Net Income on Allocated Assets	$7,876,817	$2,818,720	$1,479,140	$3,294,006	$24,666	$214,382	$72,245	($26,342)
	Net Income on Direct Allocation Assets	$26,288	$0	$0	$0	$0	$0	$0	$26,288
	Net Income	$7,903,105	$2,818,720	$1,479,140	$3,294,006	$24,666	$214,382	$72,245	($53)
	RATIOS ANALYSIS								
	REVENUE TO EXPENSES STATUS QUO%	100.00%	93.78%	107.83%	109.13%	85.86%	137.55%	147.70%	73.42%
	EXISTING REVENUE MINUS ALLOCATED COSTS	($130,439)	($1,564,932)	$393,056	$923,261	($38,319)	$133,607	$49,229	($26,342)
		Deficiency Input equals Output							
	STATUS QUO REVENUE MINUS ALLOCATED COSTS	($0)	($1,493,820)	$411,432	$961,088	($37,561)	$135,227	$49,731	($26,098)
	RETURN ON EQUITY COMPONENT OF RATE BASE	9.36%	6.33%	12.99%	12.47%	3.27%	25.53%	31.11%	-0.02%

Appendix G - Total Claim by Account Number

Account Description		Account Number	Principal Amounts as of Dec-31 2012	Interest to Dec31-12	Interest Jan-1 to Dec 31-13	Total Claim
RSVA - Wholesale Market Service Charge		1580	$ (6,598,717)	$ (111,640)	$ (97,001)	$ (6,807,358)
RSVA - Retail Transmission Network Charge		1584	$ 3,985,418	$ 111,633	$ 58,586	$ 4,155,637
RSVA - Retail Transmission Connection Charge		1586	$ 279,221	$ 11,929	$ 4,105	$ 295,255
RSVA - Power		1588	$ 1,457,199	$ (19,827)	$ 21,421	$ 1,458,793
Recovery of Regulatory Asset Balances (2010)		1595	$ 572,229	$ (209,270)	$ 8,412	$ 371,371
Sub-Group 1 excluding Global Adjustment			$ (304,650)	$ (217,174)	$ (4,478)	$ (526,302)
RSVA - Global Adjustment		1589	$ 2,847,113	$ 59,450	$ 41,853	$ 2,948,416
Sub-Group 1 including Global Adjustment			$ 2,542,463	$ (157,724)	$ 37,374	$ 2,422,113
Other Regulatory Assets - Sub-Account - IFRS Transition Costs		1508	$ 191,266	$ 3,569	$ 2,812	$ 197,646
Retail Cost Variance Account - Retail		1518	$ (67,075)	$ (3,346)	$ (986)	$ (71,407)
Renewable Connection - Capital (Direct Benefit Only)		1531	$ 6,885	$ 97	$ 97	$ 7,079
Renewable Connection - OM&A (Direct Benefit Only)		1532	$ 3,121	$ 44	$ 44	$ 3,209
Retail Cost Variance Account - STR		1548	$ 38,149	$ 1,342	$ 561	$ 40,052
LRAM Variance Account		1568	$ 381,936	$ 4,704	$ 5,614	$ 392,254
PILS & Taxes Variance - 2006 & Subsequent Years		1592	$ (219,331)	$ (22,224)	$ (3,224)	$ (244,779)
PILS & Taxes Variance - Sub-Account HST/OVAT	(1)	1592	$ (142,429)	$ (17,680)	$ (2,094)	$ (162,202)
Sub-Group 2			$ 192,522	$ (33,495)	$ 2,824	$ 161,851
Totals per column			$ 2,734,985	$ (191,218)	$ 40,198	$ 2,583,965

Annual interest rate: 1.47%

(1) December 31, 2012 balance @ 50%

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Appendix H

Rate Rider Calculation (Group One and Group Two Accounts)

Deferral and Variance Accounts	Balances at Dec. 31, 2013	ALLOCATOR	Residential	GS < 50	GS > 50	Large User	Unmetered Scattered Load	Street Lighting	Embedded Distributor	Total
			kWh	kWh	kW	kW	kWh	kW	kW	
RSVA - Wholesale Market Service Charge	$ (6,807,358)	kWh - No Embedded Distributor	$ (2,478,460)	$ (919,098)	$ (3,214,541)	$ (120,929)	$ (12,995)	$ (61,335)	$ -	$ (6,807,358)
RSVA - Retail Transmission Network Charge	$ 4,155,637	kWh - Embedded Distributor	$ 1,496,017	$ 554,775	$ 1,940,322	$ 72,993	$ 7,844	$ 37,022	$ 46,664	$ 4,155,637
RSVA - Retail Transmission Connection Charge	$ 295,255	kWh - Embedded Distributor	$ 106,291	$ 39,416	$ 137,858	$ 5,186	$ 557	$ 2,630	$ 3,315	$ 295,255
RSVA - Power	$ 1,458,793	kWh - No Embedded Distributor	$ 531,125	$ 196,959	$ 688,865	$ 25,915	$ 2,785	$ 13,144	$ -	$ 1,458,793
RSVA - Global Adjustment	$ -	kWh for non-RPP customers	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Recovery of Regulatory Asset Balances (2010)	$ 371,371	Recovery Share	$ 146,298	$ 59,668	$ 157,034	$ 4,327	$ -	$ 4,044	$ -	$ 371,371
Subtotal - Group 1	**$ (526,302)**		**$ (198,729)**	**$ (68,280)**	**$ (290,462)**	**$ (12,507)**	**$ (1,809)**	**$ (4,495)**	**$ 49,979**	**$ (526,302)**
Other Regulatory Assets-Sub-Account - IFRS Transition Costs	$ 197,646	Distribution Revenue	$ 103,503	$ 27,938	$ 60,059	$ 2,737	$ 760	$ 2,360	$ 289	$ 197,646
Retail Cost Variance Account - Retail	$ (71,407)	# of Customers	$ (62,839)	$ (5,958)	$ (719)	$ (1)	$ (677)	$ (1,211)	$ (1)	$ (71,407)
Renewable Connection - Capital (Direct Benefit Only)	$ 7,079	Distribution Revenue	$ 3,707	$ 1,001	$ 2,151	$ 98	$ 27	$ 85	$ 10	$ 7,079
Renewable Connection - OM&A (Direct Benefit Only)	$ 3,209	Distribution Revenue	$ 1,680	$ 454	$ 975	$ 44	$ 12	$ 38	$ 5	$ 3,209
Retail Cost Variance Account - STR	$ 40,052	# of Customers	$ 35,246	$ 3,342	$ 403	$ 0	$ 380	$ 680	$ 0	$ 40,052
LRAM Variance Account	$ 392,254	CDM Savings	$ 110,977	$ 112,929	$ 168,348	$ -	$ -	$ -	$ -	$ 392,254
PILS & Taxes Variance - 2006 & Subsequent Years	$ (244,779)	Distribution Revenue	$ (128,186)	$ (34,601)	$ (74,381)	$ (3,390)	$ (942)	$ (2,923)	$ (357)	$ (244,779)
PILS & Taxes Variance - Sub-Account HST/OVAT	$ (162,202)	Distribution Revenue	$ (84,942)	$ (22,928)	$ (49,288)	$ (2,246)	$ (624)	$ (1,937)	$ (237)	$ (162,202)
Subtotal - Group 2	**$ 161,851**		**$ (20,852)**	**$ 82,176**	**$ 107,547**	**$ (2,757)**	**$ (1,063)**	**$ (2,909)**	**$ (291)**	**$ 161,851**
Total to be Recovered	**$ (364,451)**		**$ (219,581)**	**$ 13,896**	**$ (182,915)**	**$ (15,264)**	**$ (2,872)**	**$ (7,403)**	**$ 49,688**	**$ (364,451)**
Balance to be collected or refunded, Variable	$ (364,451)		$ (219,581)	$ 13,896	$ (182,915)	$ (15,264)	$ (2,872)	$ (7,403)	$ 49,688	$ (364,451)
Number of years for Variable	**1**									
Balance to be collected or refunded per year, Variable	$ (364,451)		$ (219,581)	$ 13,896	$ (182,915)	$ (15,264)	$ (2,872)	$ (7,403)	$ 49,688	$ (364,451)

Class	**Residential**	**GS < 50 KW**	**GS > 50 Non TOU**	**Large User**	**Unmetered Scattered Load**	**Street Lighting**	**Embedded Distributor**
Deferral and Variance Account Rate Rider, Variable	$ (0.0003)	$ 0.0001	$ (0.0818)	$ (0.2423)	$ (0.0008)	$ (0.1640)	$ 1.1123
Billing Determinants	kWh	kWh	kW	kW	kWh	kW	kW

Appendix H

Global Adjustment Rate Rider Calculation

Deferral and Variance Accounts	Balances at Dec. 31, 2013	ALLOCATOR	Residential	GS < 50	GS > 50	Large User	Unmetered Scattered Load	Street Lighting	Total
			kWh	kWh	kW	kW	kW		
RSVA - Wholesale Market Service Charge	$ -	kWh	$ -	$ -	$ -	$ -	$ -	$ -	$ -
RSVA - Retail Transmission Network Charge	$ -	kWh	$ -	$ -	$ -	$ -	$ -	$ -	$ -
RSVA - Retail Transmission Connection Charge	$ -	kWh	$ -	$ -	$ -	$ -	$ -	$ -	$ -
RSVA - Power	$ -	kWh	$ -	$ -	$ -	$ -	$ -	$ -	$ -
RSVA - Global Adjustment	$ 2,948,416	kWh for non-RPP customers	$ 129,623	$ 111,100	$ 2,430,689	$ 224,500	$ -	$ 52,503	$ 2,948,416
Subtotal - RSVA	**$ 2,948,416**		**$ 129,623**	**$ 111,100**	**$ 2,430,689**	**$ 224,500**	**$ -**	**$ 52,503**	**$ 2,948,416**

Class	Residential	GS < 50 KW	GS > 50 Non TOU	Large User	Unmetered Scattered Load	Street Lighting
Deferral and Variance Account Rate Rider, Variable	$ 0.0002	$ 0.0005	$ 1.0868	$ 3.5634	$ -	$ 1.1630
Billing Determinants	kWh	kWh	kW	kW	kWh	kW

Appendix H

Rate Rider Calculation - Account 1576

Deferral and Variance Accounts	Balances at Dec. 31, 2013	ALLOCATOR	Residential kWh	GS < 50 kWh	GS > 50 kW	Large User kW	Unmetered Scattered Load kWh	Street Lighting kW	Embedded Distributor kW	Total
1576	$ (5,191,128)	Total Net Plant plus Directly Allocated Net Fixed Assets	$ (2,840,413)	$ (701,074)	$ (1,526,710)	$ (40,400)	$ (52,418)	$ (14,888)	$ (15,224)	$ (5,191,128)
Subtotal - Group 2	**$ (5,191,128)**		**$ (2,840,413)**	**$ (701,074)**	**$ (1,526,710)**	**$ (40,400)**	**$ (52,418)**	**$ (14,888)**	**$ (15,224)**	**$ (5,191,128)**

Balance to be collected or refunded, Variable	$ (5,191,128)		$ (2,840,413)	$ (701,074)	$ (1,526,710)	$ (40,400)	$ (52,418)	$ (14,888)	$ (15,224)	$ (5,191,128)
Number of years for Variable	**1**									
Balance to be collected or refunded per year, Variable	$ (5,191,128)		$ (2,840,413)	$ (701,074)	$ (1,526,710)	$ (40,400)	$ (52,418)	$ (14,888)	$ (15,224)	$ (5,191,128)

Class	Residential	GS < 50	GS > 50	Large User	Unmetered Scattered Load	Street Lighting	Embedded Distributor
Deferral and Variance Account Rate Rider, Variable	$ (0.0044)	$ (0.0029)	$ (0.6826)	$ (0.6413)	$ (0.0153)	$ (0.3298)	$ (0.3408)
Billing Determinants	kWh	kWh	kW	kW	kWh	kW	kW

Appendix H

Rate Rider Calculation - Lost CWIP

Deferral and Variance Accounts	Balances at Dec. 31, 2013	ALLOCATOR	Residential	GS < 50	GS > 50	Large User	Unmetered Scattered Load	Street Lighting	Embedded Distributor	Total
			kWh	kWh	kW	kW	kWh	kW	kW	
Lost CWIP	$ 765,071	Total Net Plant plus Directly Allocated Net Fixed Assets	$ 418,621	$ 103,325	$ 225,007	$ 5,954	$ 7,725	$ 2,194	$ 2,244	$ 765,071
Subtotal - Group 2	**$ 765,071**		**$ 418,621**	**$ 103,325**	**$ 225,007**	**$ 5,954**	**$ 7,725**	**$ 2,194**	**$ 2,244**	**$ 765,071**

Balance to be collected or refunded, Variable	$ 765,071		$ 418,621	$ 103,325	$ 225,007	$ 5,954	$ 7,725	$ 2,194	$ 2,244	$ 765,071
Number of years for Variable	**1**									
Balance to be collected or refunded per year, Variable	$ 765,071		$ 418,621	$ 103,325	$ 225,007	$ 5,954	$ 7,725	$ 2,194	$ 2,244	$ 765,071

Class	Residential	GS < 50	GS > 50	Large User	Unmetered Scattered Load	Street Lighting	Embedded Distributor
Deferral and Variance Account Rate Rider, Variable	$ 0.0006	$ 0.0004	$ 0.1006	$ 0.0945	$ 0.0023	$ 0.0486	$ 0.0502
Billing Determinants	kWh	kWh	kW	kW	kWh	kW	kW

Appendix 2-ED
Account 1576 - Accounting Changes under CGAAP
2012 Changes in Accounting Policies under CGAAP

Assumes the applicant made capitalization and depreciation expense accounting policy changes under CGAAP effective January 1,2012

	2009 Rebasing Year	2011	2012	2013	2014 Rebasing Year	2015	2016	2017	2018
Reporting Basis	CGAAP	IRM	IRM	IRM	CGAAP - ASPE	IRM	IRM	IRM	IRM
Forecast vs. Actual Used in Rebasing Year	Forecast	Actual	Actual	Forecast	Forecast				
			$	$	$	$	$	$	$
PP&E Values under former CGAAP									
Opening net PP&E - Note 1			152,037,099	160,842,094					
Net Additions - Note 4			16,364,527	25,896,000					
Net Depreciation (amounts should be negative) - Note 4			-7,559,532	-12,088,815					
Closing net PP&E (1)			160,842,094	174,649,279					
PP&E Values under revised CGAAP (Starts from 2012)									
Opening net PP&E - Note 1			152,037,099	163,614,014					
Net Additions - Note 4			14,994,869	23,284,898					
Net Depreciation (amounts should be negative) - Note 4			-3,417,954	-7,376,852					
Closing net PP&E (2)			163,614,014	179,522,060					
Difference in Closing net PP&E, former CGAAP vs. revised CGAAP			-2,771,920	-4,872,781					

Effect on Deferral and Variance Account Rate Riders

Closing balance in Account 1576	- 4,872,781	**WACC**	6.53%
Return on Rate Base Associated with Account 1576 balance at WACC - Note 2	- 318,347	**# of years of rate rider disposition period**	1
Amount included in Deferral and Variance Account Rate Rider Calculation	- 5,191,128		

Notes:

1 For an applicant that made the capitalization and depreciation expense accounting policy changes on January 1, 2012, the PP&E values as of January 1, 2012 under both former CGAAP

2 Return on rate base associated with Account 1576 balance is calculated as:
the variance account opening balance as of 2014 rebasing year x WACC X # of years of rate rider disposition period
* Please note that the calculation should be adjusted once WACC is updated and finalized in the rate application.

3 Account 1576 is cleared by including the total balance in the deferral and variance account rate rider calculation.

4 Net additions are additions net of disposals; Net depreciation is additions to depreciation net of disposals.