Waterloo North Hydro Inc.

ED-2002-0575 (RP-2005-0021, EB-2005-0448)

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ADJ 1 (RATE BASE -TIER 1)

Tier 1 Adjustments (and other adjustments) to the **Rate Base** (Sheet 1 of 2).

					posted to account
1)	New Transformer Sta - 2005 In Service Dat				Equip - Primary above
2)	Retirements Without	Replacement			
		Total from Sheet ADJ 1a		0	various
3)	Wholesale Meters				
		2004 amount 2005 amount	386,482 117,391		
		Adjustment (Increase)		0	1860 - Meters
4)	CDM Qualifying Inves Smart Meter Investm				
	<u>CDM</u>				
		capital amount - 3rd tranche (incl. smart meters) capital amount - post 3rd tranche	(Handbook p.15)	665,000	1565 - Conservation Demand Mgmt
	Smart Meters				
		post 3rd tranche	(Handbook p.16)		1860 - Meters
5)	Non Routine/Unusua	I Adjustments			
		Total from Sheet ADJ 1a		0	various
	Subtotal - Tier 1 Adj	ustments to the Rate Base		665,000	
6)	Adjustment to Cost o Balance	f Power as Recorded in Trial			
5)	Balance Adjustment for "Norm		(Handbook 5.4)		
6)	Balance		(Handbook 5.4) 86,255,158		
6)	Balance Adjustment for "Norm	alized"	86,255,158		
5)	Balance Adjustment for "Norm	nalized" Cost of Power - 2004 Amount Consumption per customer: Ratio of three year average vs. 2004	86,255,158	2,241,724	
6)	Balance Adjustment for "Norm	nalized" Cost of Power - 2004 Amount Consumption per customer: Ratio of three year average vs. 2004 (calculated from figures in Sheet 6-2) Adjustment Factor	86,255,158 1.0260	2,241,724	
6)	Balance Adjustment for "Norm Cost of Power	nalized" Cost of Power - 2004 Amount Consumption per customer: Ratio of three year average vs. 2004 (calculated from figures in Sheet 6-2) Adjustment Factor	86,255,158 1.0260	2,241,724	
5)	Balance Adjustment for "Norm Cost of Power	nalized" Cost of Power - 2004 Amount Consumption per customer: Ratio of three year average vs. 2004 (calculated from figures in Sheet 6-2) Adjustment Factor	86,255,158 1.0260 <u>0.0260</u>	2,241,724	

WATERLOO NORTH HYDRO INC.

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TIER 1 ADJUSTMENT SHEETS WITH \$0

ADJ 1a (RATE BASE -TIER 1)

ADJ 2 (TIER 2 - RATE BASE)

ADJ 3a (DISTRIBUTION EXPENSES -TIER 1)

ADJ 4 (DISTRIBUTION EXPENSES -TIER 2)

ADJ 6 (REVENUE AMOUNTS -TIER 1)

Waterloo North Hydro Inc.

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ADJ 3 (DISTRIBUTION EXPENSES -TIER 1)

Tier 1 Adjustments related to **Distribution Expenses** (Sheet 1 of 3).

			posted to acco
1) OEB Annual Dues and Other Regulatory Agency Costs			
2004 amount (from Accounting Data Input, account 5655)	112,178		
2005 amount	203,840	<u> </u>	5655 - Regulate
Adjustment (Increment)		91,662	Expenses
2) Pensions			
2004 OMERS amount (from ADJ 5)	418,106		
2005 amount	472,218		
Adjustment (Increment)		54,112	5645 - Employe Pensions and Be
3) Insurance			
2004 amount (from ADJ 5)	190,761		
2005 amount	202,672		5635 - Property
Adjustment		11,911	Insurance
4) Non Routine/Unusual Adjustments			
Total from Sheet 3a		0	various
5) Low Voltage/Wheeling Adjustments	(Handbook p.13)		
(Embedded Distributors only)			
Amount included in 2004 Trial Balance data, if any			
Incremental Amount per section A (Handbook, p. 13) Amount per section C (Handboook, p. 13)	95,727		
[above items to Sheet 5-5 B.R.R. #2]			
Adjustment		95,727	5665 - Miscellar General Expense
6) Amortization Related to Tier 1 Adjustment to the Rate E	Base		
Total from Sheet 3b		26,600	5705 - Amortiza
7) CDM (and Smart Mataza)			
7) CDM (and Smart Meters) CDM	(Handbook p.14)		5415 Eporav
Adjustment			5415 - Energy Conservation
Smart Meters			
Adjustment			
			5065 - Meter Ex

Waterloo North Hydro Inc.

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ADJ 3b (TIER 1 AMORTIZATION)

Adjustments to Amortization related to Tier 1 Adjustment to the Rate Base (Sheet 3 of 3)

		1) Tier 1 Adjustments from Worksheet ADJ1 (items 1, 3, 4)	2) Retirements Without Replacement	5) Non Routine/ Unusual Adjustments	Total Adjustments	Amortization Rate (If more than one rate, or different than Appendix B, explain in Schedule 3-1)	Adjustment to Amortization
		\$	\$	\$	\$	%	\$
1565	Conservation and Demand Management Expenditures and Recoveries	665,000			665,000	4	26,600
1808	Buildings and Fixtures		0	0	0		0
1810	Leasehold Improvements		0	0	0		0
1815	Transformer Station Equipment - Normally Primary above 50 kV	0	0	0	0		0
1820	Distribution Station Equipment - Normally Primary below 50 kV		0	0	0		0
1825	Storage Battery Equipment		0	0	0		0
1830	Poles, Towers and Fixtures		0	0	0		0
1835	Overhead Conductors and Devices		0	0	0		0
1840	Underground Conduit		0	0	0		0
1845	Underground Conductors and Devices		0	0	0		0
1850	Line Transformers		0	0	0		0
1855	Services	-	0	0	0		0
1860	Meters	0	0	0	0		0
1908	Buildings and Fixtures		0	0	0		0
1910	Leasehold Improvements		0	0	0		0
1915	Office Furniture and Equipment		0	0	0		0
1920	Computer Equipment - Hardware		0	0	0		0
1925	Computer Software		0	0	0		0
1930	Transportation Equipment		0	0	0		0
1935	Stores Equipment		0	0	0		0
1940	Tools, Shop and Garage Equipment		0	0	0		0
1945	Measurement and Testing Equipment		0	0	0		0
1950	Power Operated Equipment		0	0	0		0
1955	Communication Equipment		0	0	0		0
1960	Miscellaneous Equipment		0	0	0		0
1970	Load Management Controls - Customer Premises		0	0	0		0
1975	Load Management Controls - Utility Premises		0	0	0		0
1980	System Supervisory Equipment		0	0	0		0
1990	Other Tangible Property		0	0	0		0
1995	Contributions and Grants - Credit		0	0	0		0
2005	Property Under Capital Leases		0	0	0		0
2010	Electric Plant Purchased or Sold		0	0	0		0
							26,600

Waterloo North Hydro Inc.

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S S S S INSURANCE EXPENSE 6.2.1 144.992 13,882 (0) 3rd Party Insurance Type & Number of Insurers 95,282 13,852 121,927 Property Insurance - 1 Insurer 95,282 133,252 121,927 Uability Insurance - 1 Insurer 95,282 133,252 121,927 Value Insurance - 1 Insurer 95,282 103,252 121,927 Value Insurance - 1 Insurer 95,282 103,252 121,927 Value Insurance - 1 Insurer 95,282 103,252 121,927 Total - 3rd Party Insurance 159,641 155,006 190,761 0 BAD DEBT EXPENSE 6.2.2 101,327 107,754 114,820 Residential GS-50 54,879 56,305 26,835 110,327 107,565 26,835 Intermediate Large Use Street Lighting Seminel Lighting 101,327 107,754 114,820 0 Advertising Expenses (0) (0) (0) (0) Political Contributions 62,467 42,467 42,46	Description	HANDBOOK REF.	2002 Expenses	2003 Expenses	2004 Expenses	Non- Recoverable 2004 Amounts	
3rd Party Insurance Type & Number of Insurers Property Insurance - 1 Insurer 95,282 109,525 121,927 Upbilde Insurance 159,541 155,006 190,761 0 BAD DEBT EXPENSE 6.2.2 101,327 107,754 114,820 0 Residential 54,879 58,305 57,066 36,50 36,50 31,884 28,919 31,884 28,919 31,884 28,919 31,884 28,919 31,884 28,919 31,884 38,355 35,50 31,820 101,327 107,754 114,820 0 Material Bad Debt Occurrences 31,845 28,467 31,845 28,467 31,845 31,845 31,845 31,845 31,845 31,845 31,845 <			\$	\$	\$	\$	
Type & Number of Insurers Property Insurance - 1 Insurer Lability Insurance - 1 Insurer Ubility Insurance - 1 Insurer 30,026 35,528 30,026 35,528 31,396 Less: Capitalized/Recovered (27,800) Total - 3rd Party Insurance 159,541 BAD DEBT EXPENSE 6.2.2 Residential 54,879 GS-50 27,188 GS-50 190,761 GS-50 27,188 Street Lighting 101,327 Total - Street Lighting 101,327 Total Bad Debt 101,327 Total Bad Debt 0 Material Bad Debt Occurrences 424,467 Advertising Expenses (0) (0) Political Contributions 101,327 Employee Dues (0) 500 Charitable Contributions (0) 500	INSURANCE EXPENSE	6.2.1	144,992	13,882	(0)		
Property Insurance - 1 Insurer 62,033 73,436 79,578 Lability Insurance - 1 Insurer 95,282 109,525 121,927 While Insurance - 1 Insurer 30,026 35,528 31,396 Less: Capitalized/Recovered 159,541 155,006 190,761 0 BAD DEBT EXPENSE 6.2.2 101,327 107,754 114,820 Residential 63,50 27,188 31,884 28,919 GS-50 27,188 31,844 28,919 0 Intermediate Large Use 101,327 107,754 114,820 0 Material Bad Debt Occurrences 101,327 107,754 114,820 0 Materiality (0.2% x Distribut. Expenses) = 28,467 28,355 0 Advertising Expenses (0) (0) (0) 0 Political Contributions 100 100 0 0 Charitable Contributions (0) 560 5,715 57,15	-						
Liability Insurance - 1 Insurer 95,282 109,525 121,927 Vehicle Insurance - 1 Insurer 30,026 35,528 31,396 Less: Capitalized/Recovered (27,800) (63,482) (42,139) Total - 3rd Party Insurance 159,541 155,006 190,761 0 BAD DEBT EXPENSE 6.2.2 101,327 107,754 114,820 Residential 54,879 56,305 57,066 28,335 GS-50 11termediate 192,60 17,665 28,335 Large Use Street Lighting 101,327 107,754 114,820 0 Material Bad Debt Occurrences 101,327 107,754 114,820 0 Material Bad Debt Occurrences 28,467 40/27,754 114,820 0 Moterial Bad Debt Occurrences (0) (0) (0) 0 Political Contributions (0) (0) (0) 0 Employee Dues (0) 560 5,715 570			62 022	72 426	70 579		2005
Vehicle Insurance - 1 Insurer 30,026 35,528 31,396 Image: Capitalized/Recovered 0 Total - 3rd Party Insurance 159,541 155,006 190,761 0 BAD DEBT EXPENSE 6.2.2 101,327 107,754 114,820 Image: Capitalized/Recovered 0 Residential 54,879 58,305 57,066 38,919 31,984 28,919 31,984 28,919 31,984 28,919 31,984 28,919 31,986 28,835 Image: Capitalized/Recovered 0					-		1
Less: Capitalized/Recovered (27,800) (63,422) (42,139) Total - 3rd Party Insurance 159,541 155,006 190,761 0 BAD DEBT EXPENSE 6.2.2 101,327 107,754 114,820 Residential GS-50 54,879 53,835 57,066 528,835 GS-50 19,260 17,565 28,835 0 Intermediate 101,327 107,754 114,820 0 Material Bad Debt Occurrences 101,327 107,754 114,820 0 Material Bad Debt Occurrences 101,327 107,754 114,820 0 Material Bad Debt Occurrences 62.44 4 0 0 ADVERTISING, ETC. 6.2.4 6 6 6 Political Contributions 0 0 0 0 Employee Dues 0 0 0 0 0 Charitable Contributions (0) 560 5,715 5,715	-						
BAD DEBT EXPENSE 6.2.2 101,327 107,754 114,820 Residential 54,879 58,305 57,066 GS-50 27,188 31,884 28,919 GS-50 19,260 17,565 28,835 Intermediate 101,327 107,754 114,820 0 Material Bad Debt 101,327 107,754 114,820 0 Material Bad Debt Occurrences 101,327 107,754 114,820 0 Material Bad Debt Occurrences 28,467 0 0 0 ADVERTISING, ETC. 62.4 6 6 6 6 Advertising Expenses (0) (0) (0) 0 0 Political Contributions 10 10 10 10 10 10 Employee Dues 0 (0) 560 5,715 10<							(
BAD DEBT EXPENSE 6.2.2 101,327 107,754 114,820 Residential 54,879 58,305 57,066 GS-50 27,188 31,884 28,919 GS-50 19,260 17,565 28,835 Intermediate 101,327 107,754 114,820 0 Material Bad Debt Occurrences 101,327 107,754 114,820 0 Material Bad Debt Occurrences 28,467 0 0 0 Advertising Expenses (0) (0) (0) 0 Political Contributions Employee Dues 0 0 0 Charitable Contributions (0) 560 5,715							
Residential 54,879 58,305 57,066 GS-50 27,188 31,844 28,919 Intermediate 19,260 17,565 28,835 Street Lighting 101,327 107,754 114,820 0 Material Bad Debt Occurrences 101,327 107,754 114,820 0 Material Bad Debt Occurrences 62.4	Total - 3rd Party Insurance		159,541	155,006	190,761	0	2
GS-50 27,188 31,884 28,919 GS-50 19,260 17,565 28,835 Intermediate 101,327 107,754 114,820 0 Material Bad Debt Occurrences 101,327 107,754 114,820 0 Material Bad Debt Occurrences 28,467 0 0 0 ADVERTISING, ETC. 6.2.4 0 0 0 0 Political Contributions 0 0 0 0 0 Charitable Contributions 0 560 5,715 0	BAD DEBT EXPENSE	6.2.2	101,327	107,754	114,820		
GS>50 19,260 17,565 28,835 Intermediate Large Use Street Lighting 0 Sentinel Lighting Total Bad Debt 101,327 107,754 114,820 0 Material Bad Debt Occurrences Materiality (0.2% x Distribut. Expenses) = 28,467 28,467 0 ADVERTISING, ETC. 6.2.4 (0) (0) (0) Political Contributions Employee Dues 0 0 0 Charitable Contributions (0) 560 5,715	Residential		54,879	58,305	57,066		
Intermediate Large Use Street Lighting Sentinel Lighting Total Bad Debt 0 Material Bad Debt 0 Material Bad Debt 0 Ccurrences Materiality (0.2% x Distribth. Expenses) = 28,467 ADVERTISING, ETC. 6.2.4 Advertising Expenses (0) (0) (0) Political Contributions Employee Dues Charitable Contributions (0) 560 5,715	GS<50		27,188	31,884	28,919		
Large Use Street Lighting Sentinel Lighting Total Bad Debt 101,327 107,754 114,820 O Material Bad Debt Occurrences Materiality (0.2% x Distribth. Expenses) = 28,467 ADVERTISING, ETC. 6.2.4 Advertising Expenses (0)			19,260	17,565	28,835		
Street Lighting Sentinel Lighting Total Bad Debt 101,327 107,754 114,820 0 Material Bad Debt Occurrences Materiality (0.2% x Distribtn. Expenses) = 28,467 ADVERTISING, ETC. 6.2.4 Advertising Expenses (0)							
Sentinel Lighting Total Bad Debt Material Bad Debt Occurrences Materiality (0.2% x Distribth. Expenses) = 28,467 ADVERTISING, ETC. 6.2.4 Advertising Expenses (0) Political Contributions Employee Dues Charitable Contributions (0) 560 5,715	-						
Total Bad Debt 101,327 107,754 114,820 0 Material Bad Debt Occurrences Materiality (0.2% x Distribtn. Expenses) = 28,467 ADVERTISING, ETC. 6.2.4 Advertising Expenses (0) (0) (0) Political Contributions							
Material Bad Debt Occurrences Materiality (0.2% x Distribth. Expenses) = 28,467 ADVERTISING, ETC. 6.2.4 Advertising Expenses (0) (0) Political Contributions			101 227	107 754	114 920	0	
Materiality (0.2% x Distribut. Expenses) = 28,467 ADVERTISING, ETC. 6.2.4 Advertising Expenses (0) Political Contributions Employee Dues Charitable Contributions (0) 560 5,715	Total Dau Debt		101,327	107,754	114,620	0	
ADVERTISING, ETC. 6.2.4 Advertising Expenses (0) (0) (0) Political Contributions Employee Dues Charitable Contributions (0) 560 5,715	Material Bad Debt Occurrences						
Advertising Expenses (0) (0) Political Contributions Employee Dues Charitable Contributions (0) 560	Materiality (0.2% x Distribtn. Expenses) =	28,467					
Political Contributions Employee Dues Charitable Contributions (0) 560	ADVERTISING, ETC.	6.2.4					1
Employee Dues Charitable Contributions (0) 560 5,715	Advertising Expenses		(0)	(0)	(0)		
Employee Dues Charitable Contributions (0) 560 5,715	Political Contributions						
Charitable Contributions (0) 560 5,715	i onical contributions						
	Employee Dues						
	Charitable Contributions		(0)	560	5.715		
		o he nut in Sch			5,000		
Other Contributions (non-recoverable) 3,000 715		o be put in och	euure 0-3)	-	3,000	715	
PENSION AND POST-RETIREMENT BENEFITS 0 0		6.2.6	161,457	0	0		
OMERS Members	OMERS Members						

TOTAL NON-RECOVERABLE AMOUNT

Waterloo North Hydro Inc.

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5-5 BASE REVENUE REQUIREMENT

	\$	\$
Service Revenue Requirement (from Sheet 5-1)		24,718,896
LESS:		
Revenue Offsets:		
Board Approved Charges		
Specific Service Charges (from Sheet 5-2)	304,646	
Late Payment Charges (from Sheet 2-4 ADJUSTED ACCOUNTING DATA)	160,296	
Other Distribution Revenue (from Sheet 5-3)	213,053	
Other Income & Deductions (from Sheet 2-4 ADJUSTED ACCOUNTING DATA)	323,902	
TOTAL REVENUE OFFSETS	1,001,897	1,001,897
Base Revenue Requirement		23,716,999
(defined as SERVICE REVENUE REQUIREMENT NET OF REVENUE OFF	FSETS)	
Base Revenue Requirement is allocated to classes in three portions:		
B.R.R. #1: Base Revenue Requirement net of B.R.R. #2 and #3 (below)		23,621,272
B.R.R. #2: Low Voltage Wheeling Costs (Embedded Distributors only) (from Sheet ADJ3, item 5)		95,727
B.R.R. #3: Directly assigned CDM (from Sheet 5-4)		0
Base Revenue Requirement (as above)		23,716,999