

## APPENDIX E

### CAPITAL ASSETS - AMORTIZATION RATES

The amortization rates below apply to the respective assets listed under "Asset Type". All rates are based on the straight line method of amortization.

Electric utilities that were subject to reporting using the "Accounting for Municipal Electric Utilities in Ontario" manual as prescribed by Ontario Hydro will be expected to use these rates until a change can be supported by an objective study and the change has been authorized by the Board.

- Note:
- a) The inclusion of an asset in the chart below does not imply Board acceptance of the asset for inclusion in the Rate Base or for any other rate making purpose.
  - b) The amortization expense related to an asset used for both Distribution and Non-utility activities should be properly allocated to each type of activity. The method of allocation should be reasonable and documented. The documentation should be available for Board review.
  - c) Assets acquired on or after January 1, 1992 are to be amortized in accordance with the revised rates shown below.

Former Account	USoA Account	Asset Type	Effective January 1, 1992		Prior to January 1, 1992	
			Life-Years	Rate	Life-Years	Rate
Part of 130	1930	<u>Rolling Stock and Equipment*</u> Automobiles	4	25.00%	4	25.00%
		Trucks under 3 tons	5	20.00%	5	20.00%
		Trucks 3 tons and over	8	12.50%	8	12.50%
Part of 130	1950	Work and Service Equipment	8	12.50%	8	12.50%
20	Part of 1620, 1708, 1808, 1908, as applicable	Buildings and Fixtures – Brick, Stone, Concrete and Steel	50	2.00%	60	1.67%
25	Part of 1620, 1708, 1808, 1908, as applicable	Buildings and Fixtures – Other Construction	25	4.00%	30	3.33%
115	1920	Computer Equipment – Hardware	5	20.00%	5	20.00%
70	1830, 1835, Part of 1855	Distribution Lines and Feeders – Overhead	25	4.00%	25	4.00%
75	1840, 1845, Part of 1855	Distribution Lines and Feeders – Underground	25	4.00%	25	4.00%
90	1860	Distribution Meters	25	4.00%	25	4.00%
80	1850	Distribution Transformers	25	4.00%	25	4.00%
110	1915	General Office Equipment	10	10.00%	10	10.00%
30	1635 to 1685	Generating Stations	60	1.67%	60	1.67%
10	1615, 1705, 1805, 1905	Land	Not depreciable		Not depreciable	

Former Account	USoA Account	Asset Type	Effective January 1, 1992		Prior to January 1, 1992	
			Life-Years	Rate	Life-Years	Rate
125	1630, 1710, 1810, 1910	Leasehold Improvements	Over term of lease		Over term of lease	
151	1970	Load Management Controls – Customer Premises	10	10.00%	15	6.67%
152	1975	Load Management Controls – Utility Premises	10	10.00%	15	6.67%
140	1940	Miscellaneous Equipment, Major Tools and Instruments	10	10.00%	10	10.00%
55	1820	Municipal Distribution Station Equipment (Below 50 kV)	30	3.33%	30	3.33%
50	1815, 1715	Municipal Transformer Station Equipment (Above 50 kV)	40	2.50%	40	2.50%
155	1985	Sentinel Lighting Rental Units	10	10.00%	10	10.00%
120	1935	Stores Warehouse Equipment	10	10.00%	10	10.00%
60	Above 50 kV relates to Part of 1720, 1725, and 1730. Below 50 kV relates to 1830 and 1835.	Subtransmission Feeders – Overhead	25	4.00%	25	4.00%
65	Above 50 kV relates to 1735 and 1740. Below 50 kV relates to 1840 and 1845.	Subtransmission Feeders – Underground	25	4.00%	25	4.00%
153	1980	System Supervisory Equipment	15	6.67%	25	4.00%
40	Part of 1725 and 1730	Transmission Lines – Wood Poles	25	4.00%	25	4.00%
150	1965	Water Heater Rental Units	10**	10.00%	10**	10.00%

\* No allowance to be made for residual value.

\*\* In areas where water conditions are deemed to affect the life of water heaters, a different depreciation rate may be approved.