



EB-2009-0139

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 Toronto
Hydro-Electric System Limited for an order approving just
and reasonable rates and other charges for electricity
distribution to be effective May 1, 2010.

BEFORE: Howard Wetston
Chair & Presiding Member

Gordon Kaiser
Vice Chair & Member

Ken Quesnelle
Member

DECISION

April 9, 2010

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1. THE APPLICATION AND THE PROCEEDING

Toronto Hydro-Electric System Limited (“THESL” or the “Applicant”) distributes electricity to 684,000 customers in the City of Toronto. A 100 percent-owned subsidiary of Toronto Hydro Corporation (“THC”), the Applicant is the successor to the six former hydro-electric commissions of the municipalities which amalgamated on January 1, 1998 to form the City of Toronto. THC, the Applicant and other affiliates of the Applicant were incorporated under the *Business Corporations Act* on June 23, 1999. The sole shareholder of THC is the City of Toronto

The Applicant filed an application dated August 28, 2009 with the Ontario Energy Board (the “Board”) under section 78 of the *Ontario Energy Board Act, 1998*, S.O. c.15, Schedule B) (the “Act”), for an order or orders approving just and reasonable rates and charges for the rate year commencing May 1, 2010.

The application included increases in operating expenses, increases in capital expenses, changes to the cost of debt and equity, as well as a smart grid plan. The Applicant also proposed disposing of certain deferral accounts and requested new deferral accounts. The Board assigned file number EB-2009-0139 to the application.

The application was for approval of distribution rates and other charges to recover a revenue requirement of \$528 Million for 2010.

The intervenors to this proceeding are listed in Appendix A.

The Approved Final Issues List is attached as Appendix B.

A Settlement Conference was convened on Tuesday December 8, 2010. On January 22, 2010, a Settlement Agreement was filed with the Board which incorporated settlement of most outstanding issues in this proceeding.

On the same date, the Board issued its Decision on Motion rejecting THESL's request that the Board vary part of a Decision with Reasons issued May 15, 2008, related to an earlier cost of service application by THESL concerning the Board's finding that 100% of the net after-tax gains arising from the sale of certain properties should go to the ratepayer. As part of its decision, the Board stated that while it did not accept THESL's argument, it did recognize that implementation of the May 15, 2008 decision required further direction from the Board and that the Board would hear submissions from parties during the EB-2009-0139 proceeding concerning the implementation of the Decision in view of the delay caused by the appeals process.

On February 4, 2010, the Board announced its acceptance of the Settlement Agreement. Unsettled issues remained in three areas, which were:

- (1) cost of capital and related PILs impact;
- (2) distributed generation issues, encompassing:
 - (i) whether or not THESL responded appropriately to all of the Board's relevant directions with respect to distributed generation from previous proceedings,
 - (ii) whether or not THESL's proposed capital expenditures to facilitate distributed generation are appropriate, and
 - (iii) whether or not THESL's Asset Condition Assessment information and Investment Planning Process adequately addresses the condition of the distribution system assets and supports the OM&A and Capital Expenditures for 2010, and;
- (3) the proper rate design for multiple unit residential "suite metered" customers.

The central feature of the Settlement Agreement was an agreement to decrease the utility's proposed 2010 revenue requirement from \$528.7 million to \$507 million contained in the Settlement Agreement, a \$21.7 million reduction before the cost of capital impact. The Settlement Agreement reflected a reduction in rate base of \$22 million and a reduction in OM&A of \$16.7 million. The Settlement Agreement is attached as Appendix C.

The oral hearing commenced on Thursday February 4, 2010 and was completed on Monday February 8, 2010. The argument phase was completed on Wednesday February 24, 2010.

The full record of the proceeding is available at the Board's offices. The Board has chosen to summarise the record in this Decision only to the extent necessary to provide context to its findings.

2. COST OF CAPITAL

Background

On December 11, 2009, the Board issued the *Report of the Board on the Cost of Capital for Ontario's Regulated Utilities* (the "2009 Report").¹ The culmination of a consultation which began in March 2009, the 2009 Report refined the Board's policies regarding the cost of capital by, among other things, resetting and refining the return on equity ("ROE") formula; the long-term debt guidelines and the approach to determining the deemed long-term debt rate; and the approach to determining the deemed short-term debt rate.² The policy refinements come into effect beginning in 2010, in cost of service applications.³

In its application, THESL calculated the forecast ROE using the guidelines contained in the *Report of the Board on Cost of Capital and 2nd Generation Incentive Regulation for Ontario's Electricity Distributors*⁴ (the "2006 Report"), and advised that if the Board's determination of the ROE was changed as a result of the cost of capital consultation, THESL would set its ROE based on the outcome of the consultation.⁵

THESL did so. Appendix B to the Settlement Agreement includes the revenue requirement impacts resulting from an estimate of 2009 Report adjustments to the cost of capital parameters.

Issues Raised by Submissions

VECC, CCC, BOMA, and SEC made submissions on Issues 5.1 and 5.2. Energy Probe adopted all of BOMA's comments.

¹ *Report of the Board on the Cost of Capital for Ontario's Regulated Utilities*, EB-2009-0084, December 11, 2009.

² *Ibid.*, p. 5.

³ *Ibid.*, p. 61.

⁴ *Report of the Board on Cost of Capital and 2nd Generation Incentive Regulation for Ontario's Electricity Distributors*, EB-2006-0088, December 20, 2006.

⁵ Application, Ex. E1, Tab 1, Sch. 1, p. 2.

The submissions raised a number of issues:

1. Should the 2009 Report be applied to determine THESL's cost of capital parameters?
2. Should THESL be permitted flotation costs?
3. What is the appropriate cost of new long-term debt?
4. What is the appropriate amount of new long-term debt?
5. What is the appropriate capital structure?
6. Should the ROE be used to mitigate distribution rates?

Issue #1: Should the 2009 Report be applied to determine THESL's cost of capital parameters?

Positions of the Parties

THESL submitted that it was just and reasonable for the Board to allow for a fair return to the shareholder in a manner that was consistent with the Board's policy as articulated in the 2009 Report, and noted that no other party to the proceeding had produced any evidence to support deviating from the application of the policy.⁶

Board staff supported THESL's position and submitted that the final cost of capital parameters published in February 2010 should be used to determine the ROE and other applicable rates for determination of the final revenue requirement for rate setting purposes.⁷

CCC submitted that the 2009 Report could not be used to determine THESL's cost of capital parameters as section 78 of the Act required the Board set rates based upon the evidence before it. As the 2009 Report was a consultation with no sworn testimony,

⁶ THESL, Argument in Chief, para. 13

⁷ Staff Submissions, p. 8.

particularly with regard to THESL, there was no evidence before the Board, and without evidence the Board could not rely upon it in this application. The CCC submitted that as a result, the Board was without jurisdiction to grant THESL's request for an ROE of 9.75%; rather, the only relief the Board could grant was the ROE originally applied for, namely 8.01%.⁸

SEC made similar submissions. SEC argued that the 2009 Report was a policy document which was not based on evidence properly tested and delivered, and should not be viewed as binding; that despite its lack of an evidentiary basis, the Board had indicated that it intended to treat the conclusions in the Report as if they were properly based on evidence and could form an appropriate basis for setting rates; and that the substantial increases imposed by the application of a policy created without a proper evidentiary foundation undermined the reputation of the Board as the objective and independent regulator of the energy sector.⁹

In reply THESL submitted that when assessing a utility's cost of capital needs, the ability of a utility to secure the ongoing financing necessary to operate, refurbish and expand its distribution system should be considered in addition to short-term rate impacts. THESL submitted that the Board should carefully consider the factors of predictability and certainty that financial market participants consistently identify as a key objective for regulators.¹⁰

Board Findings

Given the nature of the arguments raised regarding the 2009 Report, the Board considers it appropriate to discuss the legal principles underlying the development and use of policy guidelines; the setting of cost of capital policies at the Board including the process by which they are formulated, and the specific concerns raised by intervenors in this application regarding the process chosen before providing its determination of the issues related to the 2009 Report. This examination of policy formulation will provide the context for the Board findings which follow.

⁸ CCC Submissions, para. 7

⁹ SEC Submissions, para. 2.1.1-2.1.2

¹⁰ THESL Reply Submissions, para. 8

The Legal Principles Underlying Policy Guidelines

The legal principles that underlie the development and use of policy guidelines by administrative tribunals are well established and of long standing. Effective decision making by administrative tribunals often involves striking a balance between the benefits of certainty and consistency on the one hand, and flexibility and fact-specific solutions on the other. The use of policy guidelines to achieve an acceptable level of consistency in administrative decision making is particularly important for tribunals exercising discretion in the performance of adjudicative functions. Tribunals are permitted to issue guidelines, policy statements and handbooks setting out how the tribunal is likely to exercise its statutory discretion on a matter which is before it on a regular basis provided the guidelines are not applied as if they were law, and the regulator's discretion is not pre-empted.

The policy guidelines formulated by the Board reflect the principles set out above.

The Setting of Cost of Capital Policy at the Board

The Consultation Process

The Board has had three consultations on cost of capital policy since it began regulating electricity distributors. Each was initiated by the Board, and solicited the involvement of a variety of stakeholder groups. Each featured multiple technical conferences, presentations to the Board by interested stakeholders and expert witnesses, and written submissions. None of the consultations required sworn testimony or a hearing.

The Board was first given the role of regulating approximately 270 local distribution companies, many of which were municipally owned ("LDCs") in Ontario in 1998. It decided to use performance based regulation ("PBR") to do so. As a component of PBR, the Board required a methodology for determining the allowed ROE and the allowed overall rate of return on rate base for the regulated LDCs. Following a consultation with stakeholders, the Board established a size-related capital structure for

distributors and set the ROE at 9.88%, based on the method used by the Board to regulate natural gas utilities at that time (“2000 Reasons”).¹¹

By 2006, when the Board next undertook a cost of capital consultation, the number of LDCs had been reduced to less than 90 through consolidation. Noting that the electricity distribution sector had undergone significant change in the years which had elapsed since the 2000 Reasons were issued, the Board undertook a lengthy consultation process which culminated in the 2006 Report. The 2006 Report refined the application of the existing formula and established a capital structure which was not dependent on the size of the distributor. The application of the formulaic approach for the 2009 rate year beginning May 1, 2009 produced an ROE of 8.01%.

In 2009 the Board initiated another consultative process to determine whether economic and financial market conditions warranted an adjustment to any of the cost of capital parameters. The process was expanded to include representatives from the capital markets, and included a detailed Issues List that would form the basis of the Board’s review. The 2009 Report refined the return on equity arising from the application of the formula and a low-risk proxy group that could not be reconciled based on differences in risk alone. The 2009 Report also refined the formula to reduce its sensitivity to changes in government bond yields due to monetary and fiscal conditions that do not reflect changes in the utility cost of equity. The application of the reset and revised formulaic approach for the 2010 rate year beginning May 1, 2010 produced an ROE of 9.85%.

Intervenor Concerns with the Consultation Process

Both CCC and SEC have expressed the view that as the Board chose a consultative rather than an adjudicative process, the 2009 Report is not based on evidence “properly tested and delivered”, and thus “is not evidence that the Board can rely on” to support THESL’s application for an ROE of 9.85%. CCC concluded that the only relief that the Board could grant was the ROE originally requested, which was 8.01%; SEC concluded the increases resulting from the application of a policy without evidentiary foundation

¹¹ *Decisions with Reasons relating to the Proposed Electric Distribution Rate Handbook*, RP-1999-0034, January 18, 2000

“undermine the reputation of the Board as the objective and independent regulator of the energy sector.”¹²

The Board notes that similar concerns were expressed by the same intervenors regarding the use of a consultative rather than an adjudicative process for the 2006 Report.¹³

The Board is of the view that such concerns are unfounded for a number of reasons.

First, the 2009 Report (and any other policy guideline) is not intended to be, and indeed in law cannot be, evidence that is to be relied upon by panels adjudicating upon the appropriate cost of capital for a particular distributor.

As the 2009 Report states:

The final “product” of this process, of course, is a Board policy. This was not a hearing process, and it does not – indeed cannot – set rates. The Board’s refreshed cost of capital policies will be considered through rate hearings for the individual utilities, at which it is possible that specific evidence may be proffered and tested before the Board. Board panels assigned to these cases will look to the report for guidance in how the cost of capital should be determined. Board panels considering individual rate applications, however, are not bound by the Board’s policy, and where justified by specific circumstances, may choose not to apply the policy (or a part of the policy).¹⁴

The evidence on which the Board will rely is the evidence filed in each individual cost of service application; that is the evidence which will be subject to cross examination and upon which the Board will base its decision to apply the policy or to make adjustments to it.

¹² SEC Final Submissions, para. 2.1.1; CCC Final Submissions, para. 7 With regard to CCC’s position that the Board can only grant an ROE of 8.01%, the Board notes that the 2006 and 2009 Reports followed the same consultative process, thus if the lack of sworn testimony undermined the last report its predecessor is equally affected, rendering the 8.01% ROE as tenuous as the 9.85%.

¹³ CCC Final Submissions, October 27, 2006; SEC Final Submissions, December 6, 2006

¹⁴ 2009 Report, p. 13

Second, as the 2009 Report stated: “where a board is engaged, as here, in the development of a policy guideline, courts have held that it falls to the board to decide on the method of consultation to be employed—as long as legislative requirements, if any, are met.”¹⁵

There is no legal obligation under a common law administrative standard or under applicable legislation which imposes on the Board a requirement to engage in a generic hearing or any other process in the development of a guideline.

The Board’s choice of process when formulating policy is based upon the type of policy being formulated; the Board has used both consultative and adjudicative processes to set policy. The Board has set the cost of capital policy for electricity distributors three times, and on each occasion has decided to use the consultative process. Other Board policy guidelines, such as those for setting electricity rates through the incentive regulation mechanism, are also established through a consultative process.

The Board is of the view that the consultative process followed was fair, wide reaching and complete, and that the policy which was formulated reflected a considered and thoughtful refinement of the Board’s cost of capital. The Board disagrees with submissions that the consultation process results in a lack of independence and objectivity.

The Application of the Policy

The Board finds that it is appropriate to apply the cost of capital policy contained in the 2009 Report (“current cost of capital policy”) to set THESL’s 2010 cost of capital parameters.

As stated in the 2009 Report, the filing requirements for the implementation of the current cost of capital policy are those currently in place for distribution applications:

The Board’s “Minimum Filing Requirements for Natural Gas Distribution Cost of Service Applications” and the Board’s “Filing Requirements for Transmission and Distribution Applications” are sufficient for the purposes of implementing the

¹⁵ 2009 Report, p. 13

policies set out in this report. Those requirements include information to be filed in support of a utility's proposed cost of capital in a cost of service application. There is no need for additional filing requirements. The onus is on an applicant to adequately support its proposed cost of capital, including the treatment of and appropriate rates for debt instruments. The Board notes that this is being done in cost of service applications. However, the Board wishes to point out the increased emphasis that it is placing on applicants to support their existing and forecasted debt, and the treatment of these in accordance with the guidelines, or to support any proposed different treatment.¹⁶

As noted in the Decision and Order in the Burlington Hydro Inc. 2010 rates application ("Burlington Hydro"), there is no onus on the applicant to provide evidence to support the application of the current cost of capital policy beyond the existing filing requirements unless the applicant is seeking a treatment that differs from the established Board policy.¹⁷ THESL is not seeking any such treatment.

SEC and CCC submitted that the Board could not apply the policy because of the process used to formulate it; however, they did not file any evidence in this hearing to support a departure from or an adjustment to the policy. As stated previously in Burlington Hydro, the party proposing a departure from the policy must support it with evidence.¹⁸

The Board finds that the evidence filed by the applicant has adequately supported its proposed cost of capital and met the current filing requirements.

Issue #2: When setting THESL's ROE, should the Board permit THESL flotation costs of 50 basis points?

Positions of the Parties

THESL submitted that the flotation costs were intended to reflect legitimate costs and a fair return to equity owners for holding an equity interest in THESL given comparable

¹⁶ 2009 Report, p. 61

¹⁷ Decision and Order in Burlington Hydro Inc., EB-2009-0259, March 1, 2010, p. 28. See also section 2.6 of "Filing Requirements for Transmission and Distribution Applications".

¹⁸ Ibid., p. 28

investment opportunities in other enterprises of like risk. THESL noted that the premium for flotation and transaction costs has been included since the Board first introduced the premium in the early 1990s, and that the Board has never required distributors to produce evidence of their flotation and transaction costs.¹⁹

VECC, CCC, SEC and BOMA each took the position that as the evidence established that THESL would not be issuing equity, the Board should deduct the 50 basis points which were included in the ROE to compensate for issuance costs.²⁰

Board Findings

The Board will not make the adjustment to the ROE proposed by the intervenors for a number of reasons.

First, the downward adjustment of the ROE is proposed because THESL gave evidence that it did not intend to issue equity in the test year. THESL is not unique; very few of Ontario's regulated entities issue equity even indirectly and those who have would not necessarily have done so in every year. This is true for both the gas industry and the electricity industry. This situation has existed for considerable time and would have been understood throughout the evolution of the Board's approach. Since the Board started using the mechanistic approach, the Board has never differentiated the ROE awarded on the basis of whether an entity issued equity.

The Board points out that the submissions of cost of capital experts since 1998, including those of Dr. Booth (who has testified for the intervenors on numerous occasions), include this component in cost of equity estimates, without qualifying it as being only applicable to entities with equity issues in the test period or based on ownership. The Board further highlights that its treatment of flotation costs with respect to municipally-owned utilities is not unique; the ROE of municipally-owned utilities in Alberta also includes flotation costs and the ROE afforded Alberta-based, municipally-owned utilities is the same as that for investor-owned utilities. Finally, as set out in the 2009 Report, there is no information to suggest that the market differentiates the cost of equity capital in the manner presented by intervenors; rather "the cost of capital

¹⁹ THESL Reply Submissions, para. 36

²⁰ VECC Submissions, paras. 9-10; CCC Submissions, para. 13; SEC Submissions, paras. 2.3.3-2.3.7; BOMA Submissions, pp. 7-10

depends on the use of the capital – or, more precisely, the risk associated with the use of the funds”.²¹

Second, changes to the methodology should only be undertaken with evidence that can establish the appropriateness of the adjustment with regard to the applicant utility. The onus for providing that evidence rests with the proponent of the adjustment.²² In Burlington Hydro one of the intervenors proposed a similar adjustment on the basis that the utility would not and did not issue equity. The Board stated:

Energy Probe’s adjustment would have the Board make an adjustment to one component of an empirical methodology based on a specific fact situation as it applies to a specific component. As has already been noted, experts have included this component in their estimates, including Dr. Booth, without qualifying it as being only applicable to entities with equity issues in the test period. In addition, the adjustment has been characterized in a variety of ways, including as an allowance for “financial flexibility”, which suggests that the allowance is not limited to consideration of specific transactions. The Board finds it would be inappropriate to adjust the operation of the formula without evidence as to the appropriateness of such an adjustment in terms of the overall methodology in the context of Burlington’s circumstances. This evidence would need to address, for example, whether such an adjustment for Burlington is appropriate under the “stand alone” utility principle and whether the allowance is related only to specific transactional costs or whether it has broader application.²³

In this case, while the intervenors have put forward evidence to establish that THESL does not intend to issue equity in the test year, they have not put any evidence forward which would address the type of concerns raised by the Board in Burlington Hydro. The experts who have provided opinions to the Board on this matter have never qualified the flotation costs as being applicable only to entities with equity issues in the test period and as a result, the Board has always awarded an ROE containing that component. The Board requires a reasonable basis to support a departure from its longstanding practice in this application. The Board also requires a reasonable basis to support the

²¹ 2009 Report, pp. 24-25

²² Burlington Hydro, p. 28

²³ Burlington Hydro, p. 27

appropriateness of such an adjustment in terms of the overall methodology in the context of THESL's circumstances. No such information has been filed.

Having found that there is no reasonable basis to support an adjustment to the method of determining the ROE, the Board will apply the method set out in the 2009 Report.

Issue #3: What is the appropriate cost of new long-term debt?

Positions of the Parties

THESL forecasted a rate of 5.79% applicable to \$200 million in unissued long-term debt. The forecast was based on the most recently available Conference Board of Canada's December 2009 Report forecasting Government bond yields and THESL's forecast of corporate spreads over equivalent term Government bond yields.²⁴

VECC, SEC and BOMA took the position that the long-term debt rate was too high.

VECC argued that THESL was underestimating the effect of the increased ROE, and the Board should take into account the positive impact of the 2009 Report on ROE, and the parallel effect on the shareholder's interest coverage. VECC cited the lower rates offered by Infrastructure Ontario ("IO") and urged the Board to reduce the forecast spread of 205 basis points and coupon rate by 10-20 basis points, which would result in an effective rate of 5.6-5.7%.²⁵

BOMA submitted that THESL should borrow their long-term debt from IO. BOMA argued that by doing so, THESL could obtain 30 year loans at approximately 30 basis points lower than the 5.79% forecast, which would reduce interest expense by approximately \$600,000. BOMA submitted that the need to subordinate existing loans to any loans from IO was not a barrier to THESL borrowing from IO.²⁶

SEC submitted that the Board should reduce the forecast cost of the debt to be issued by THESL in 2010 by 49 basis points in total, to reflect IO's 30 year rate, the increase in the overall debt market anticipated in 2010, the improved debt service ratios that the

²⁴ THESL Argument in Chief, para. 9

²⁵ VECC Submissions, paras. 15, 18-22.

²⁶ BOMA Submissions, page 13

2009 Report provides, THESL's credit rating increase of the past twelve months and the reduction in the amount being borrowed.²⁷

In its reply submissions, THESL submitted that while the increase in the ROE was viewed positively by the market, it did not materially reduce financial risk and had no immediate effect upon the long-term debt rate.²⁸ THESL submitted that IO instruments were not appropriate to meet THESL's current financing needs because IO bonds had a materially different risk profile than its existing debt instruments, making IO rates not directly comparable to those which would normally be held by THESL; IO generally requires a utility to grant priority of IO debt over existing bond holder which would breach covenants with existing bondholders; and IO only offers bonds that relate to specific capital programs which could not be used to replace THESL's existing City Note.²⁹ THESL submitted the Board should accept its forecasted long-term debt rate and the resulting total cost of long-term debt as appropriate.³⁰

Board Findings

The Board finds that THESL's use of the Conference Board of Canada's December 2009 Report to forecast government bond yields is appropriate and that its estimated cost of new long-term debt is reasonable. The Board notes that THESL's forecast corporate spread over the equivalent term Government bond yield, when added to the government bond yield estimate, results in an estimated cost of new long-term debt of 5.79%, which is lower than the Board's deemed rate for 2010 of 5.87%.

In support of its argument that IO was a viable source of long-term debt, and an alternative to the capital market, VECC filed a single page titled "Lending Rates: Local Distribution Companies" taken from the public website of IO.³¹ The Board is of the view that the information provided was insufficient to allow any conclusion to be drawn.

The Board will not direct THESL to borrow from Infrastructure Ontario ("IO"). It is the responsibility of the management of THESL, not the Board, to manage the affairs of the utility. Any decisions relating to its financing needs are solely within the purview of

²⁷ SEC Submissions, paras. 2.4.3-2.4.4.

²⁸ THESL/THESL Reply Submissions, para. 42, 44.

²⁹ Toronto Reply Submissions, paras. 49-52

³⁰ Ibid., para. 54

³¹ www.infrastructureontario.ca/en/loan/rates/sectors/local_distribution_rates.asp

THESL. In any event, the Board accepts the evidence given by THESL that IO funding is unlikely to be an appropriate alternative source of financing.

Long-term Debt Rate

The Board finds there is no evidence to support the assertions that, as a result of the 2009 Report, THC's debt service ratios have been substantially improved as a result of lower expected 2010 long-term debt issuance, that THC's credit ratings have increased, and that the positive effect on the cost of long-term debt, if any, is not already reflected in THESL's forecasted cost of long-term debt.

The Board is unaware of a reduction in any Ontario based, rate-regulated entity's credit rating arising directly from the reduction in ROE over the period 1998 to present. Accordingly, the Board believes that it is unreasonable to expect that an increase in the ROE would, in and of itself, result in a positive rating action or an immediate, material improvement in a utility's credit metrics and financial risk profile.

The Board's view is supported by DBRS' assessment of the 2009 Report in its Newsletter dated December 16, 2009: "While the Decision is viewed as supportive to current ratings, in general, it is not expected to materially reduce any utility's financial risk and, therefore, its implementation is not expected to directly result in any positive rating actions."³²

The Board also reiterates the need to provide evidence to support assertions such as those made concerning THESL's long term debt forecast. The Board requires evidence on which to base its decision. In this instance, there was no evidence to support the assertion that the Applicant's long term debt forecast is inaccurate. .

Issue #4: What is the appropriate amount of long-term debt?

Positions of the Parties

As stated previously, THESL forecast unissued long-term debt of \$200 million.

³² Ex. S1, Tab 1, Sch. 1, filed February 8, 2010 in response to undertaking J.1

BOMA submitted that the forecast was overstated and should be reduced to more closely match the deemed and actual amount of long-term debt. BOMA asserts that THESL has used long-term debt to finance the deemed debt portion of its assets despite the fact that a significant portion of rate base is made up of short term assets. BOMA submitted that the Board should limit the June 2010 long-term debt issue to \$66 million, which would lower the overall rate associated with the long-term debt which in turn would lower borrowing costs.³³

In reply THESL submitted that BOMA confused THESL's actual long-term debt needs with a regulatory concept of deemed debt used for calculating a utility's return on rate base. THESL's need for long-term debt is based on its cash forecast and the size of its capital budget. THESL submitted that its forecast was appropriate.³⁴

Board Findings

The Board accepts as reasonable THESL's estimated need for new long-term debt of \$200 million in mid-2010. The Board notes that planned capital expenditures in 2010 have declined from \$423 million to \$350 million as a result of the Settlement Agreement for 2010 Distribution Rates and that based on this lower planned level of capital expenditures, THESL plans to issue \$200 million of long-term debt in 2010 versus its previous estimate of \$260 million.

The Board finds it particularly noteworthy that THESL's need for new long-term debt in 2010 is not predicated on activities undertaken to refinance city notes but rather THESL's estimates that it will deplete its own cash float by June. THESL states that the planned long-term debt issue is the amount that is required for the utility to keep cash at virtually a zero balance while meeting its working capital obligations, and again match assets and liabilities. THESL also asserts that the new, long-term debt to be issued in 2010 will be used to fund long-term capital investments.

The issuance of new long-term debt to fund new long-term capital investments and the depletion of cash balances reflects the ongoing commercialization of the utility, which is a long-standing component to the Board's overall cost of capital approach which

³³ BOMA Submissions, pp. 11-12

³⁴ THESL Reply Submissions, para 40-41

underscores the need for the Board to maintain an analytically based and principled approach to the cost of capital.

Issue #5: What is the Appropriate Capital Structure?

Positions of the Parties

THESL proposed a deemed capital structure of 56% long term debt, 4% short term debt and 40% equity.³⁵

BOMA submitted that the evidence in the proceeding indicated that the 4% deemed level of short-term debt is not reasonable and that the incremental costs imposed on ratepayers by the deemed level is neither just nor reasonable. BOMA calculated the working capital allowance (“WCA”) component of rate base was approximately 13% of rate base, and submitted that the mismatch between the amounts of deemed short-term debt of 4% and the working capital level included in rate base was not appropriate. BOMA urged the Board to make an adjustment to the deemed short-term debt component of THESL’s capital structure.³⁶

SEC submitted that as THESL’s working capital was 12.8% of rate base, the cost of capital on that portion of rate base should be the short term debt rate of 2.3%. SEC also proposed that the same ratio of long term debt and equity should be maintained, which would make long-term debt 50.9% and equity 36.3% of rate base.³⁷

In its reply submissions, THESL submitted that the intervenors confused the financing of rate base with the return on rate base. A working capital allowance reflects the ongoing cost of financing distribution services while a deemed capital structure and all of its components (short- and long-term debt and equity) provide for the return on the approved rate base. The deemed 4% short-term debt component is intended to signal that some short-term debt is a suitable tool to meet fluctuations in the working capital. THESL warned that an acceptance of BOMA’s argument would create a tremendous administrative challenge as it would “open the floodgates to numerous parties making a wide variety of arguments” to change a distributor’s deemed capital structure. THESL

³⁵ THESL Argument in Chief, para. 8

³⁶ BOMA Submissions, pp. 4-6

³⁷ SEC Submissions, paras. 2.2.1-2.2.8

also warned that the acceptance of BOMA's submissions could prompt utilities to finance long-term assets with short-term bank lines thereby exposing their operations to floating interest rate risk and the potential for harm to ratepayers. Finally, THESL submitted that acceptance of BOMA's submission would be "a significant departure from well thought out and accepted utility practices."³⁸

Board Findings

The Board does not accept the argument put forward by BOMA and will not adjust the debt component of the deemed capital structure of 56% long-term debt and 4% short-term debt.

With regard to short-term debt, the Board has previously decided against using a distributor's actual short-term debt. In the 2006 Report the Board noted that while the extensive use of short-term debt was advantageous in a period characterized by low inflation and interest rates, it would expose the distributor and ratepayers to inordinate risk if the rates climbed.³⁹ The Board also noted that using a firm's actual short-term debt component would be administratively challenging, given the number of distributors and the volume of data that would need to be reported and verified.⁴⁰ The Board continues to have those concerns.

The Board has previously indicated that the formula approach to determining the WCA may be reviewed. In the context of that review it may be appropriate to examine the levels of WCA across utilities and consider whether any refinement to the deemed capital structure is warranted.

In summary, the Board finds that the weighted average cost of capital for THESL will be 7.04%. The table below sets out the Board's conclusions for THESL's deemed capital structure and cost of capital. It incorporates the Board's recent updated cost of capital parameters.

³⁸ THESL Reply submissions, paras. 25, 31

³⁹ 2006 Report, p. 9

⁴⁰ 2006 Report, p. 11

Capital Component	% of Total Capital Structure	Cost Rate
Long-Term Debt	56%	5.38%
Short-Term Debt	4%	2.07%
Equity	40%	9.85%
Weighted average cost of capital		7.04%

Issue #6: Should the ROE be used to mitigate distribution rates?

Positions of the Parties

CCC submitted that the increases in rates resulting from THESL's revenue requirement should not be viewed in isolation; rather the Board should be aware of the other increases affecting ratepayers such as those arising from the implementation of green energy initiatives, the global adjustment and the impact of the 'special fund' levied to support government research, and award an ROE takes into account the impact of the other increases.⁴¹

THESL argued that it was inappropriate for intervenors to argue for a reduction in THESL's allowable return on the basis of mitigating non-distribution rate impacts that are entirely outside of its control. THESL submitted that a distributor's cost of capital should not be manipulated in order to subsidize other cost drivers of consumer's electricity bills.⁴²

Board Findings

The Board will not adopt the approach suggested by CCC. To do so would be inconsistent with the ratemaking practices of the Board and contrary to the key principles in the 2009 Report. It is useful to reiterate certain of those principles at this time:

- The determination of a utility's cost of capital must meet the Fair Return Standard. All three requirements – comparable investment, financial integrity and capital attraction – must be met and none ranks in priority to the others

⁴¹ CCC Submissions, paras. 9-12

⁴² THESL Reply Submissions, para.13

- The overall ROE must be determined solely on the basis of a company's cost of equity capital. The opportunity cost of capital should be determined by the Board based on a systematic and empirical approach that applies to all rate-regulated utilities.
- The opportunity cost of capital must be determined as accurately as possible to ensure that an efficient amount of investment occurs in the public interest for the purpose of setting utility rates.
- The approach adopted by the Board to determine the opportunity cost of capital should result in an environment where outcomes are predictable and consistent so that investors, utilities and consumers are better able to plan and make decisions.
- The methodology used by the Board to determine the cost of debt and equity capital should be a systematic approach that relies on economic theory and is empirically derived from objective, data-based analysis.

CCC's approach would introduce a consideration into the determination of the overall ROE which does not fit within the principled approach adopted by the Board in the 2009 Report, and as such, is not acceptable to the Board.

3. PAYMENTS IN LIEU OF TAXES (PILS)

Background

BOMA submitted that there were five adjustments that should be made related to PILs to accurately reflect the most current information and the known changes beyond what THESL had already incorporated into its evidence. These changes related to the provincial corporate tax rate, the small business deduction changes, changes to the Co-operative Education Tax Credit, changes to the Apprenticeship Training Tax Credit and the application of the federal apprenticeship job creation tax credits. VECC supported BOMA's submission.

In its reply submission, THESL stated that while it agreed in principle with BOMA's suggestion that as a general policy its PILs calculations should be updated in the final rate order to accurately reflect the most current information, THESL expressed its disagreement with the specifics of the adjustments proposed by BOMA, each of which it argued was based on incorrect and misleading assumptions, or an unsubstantiated BOMA forecast. THESL submitted that it will update all applicable information in its draft Rate Order and will include specific discussions to address the particular concerns raised by BOMA.

Board Findings

The Board notes that the Settlement Agreement contains a partial settlement of Issue 3.7, "Is the amount proposed for PILs, including the methodology, appropriate?"

The partial settlement was stated as follows:

For the purposes of settlement, the intervenors accept THESL's evidence that it has followed the Board's methodology to determine PILs, however the amount of PILs is dependent on the net income, and therefore the PILs amount to be

included in revenue requirement is dependent on the determination of Issues 5.1 and 5.2.

Issues 5.1 and 5.2 are the unsettled cost of capital issues. On page five of the Settlement Agreement, the first unsettled issue is described as “cost of capital and related PILs impact (issues 3.7, 5.1 and 5.2).

The Board notes that the Settlement Agreement was based on an acceptance of THESL’s methodology in calculating PILs. The Board finds that BOMA’s proposed adjustments are beyond the scope of the unsettled issues related to the determination of the impact on PILs of the unsettled cost of capital and capital structure issues and accordingly does not accept them.

The Board accepts THESL’s submission that it will update all applicable information in its draft Rate Order and will include specific discussions to address the particular concerns raised by BOMA.

4. SUITE METERING ISSUES

Background

The Smart Sub-Metering Working Group (the “Working Group”), an association of companies⁴³, has intervened in this proceeding and claims that the rate that THESL is charging for condominium smart metering is not recovering the costs of these services. They argue that the cost of providing service to condominium corporations is greater than the cost of providing service to residential consumers. THESL charges the same rate for smart metering to condominium corporations and their unit-holders as they do to ordinary residential customers.

The members of the Working Group compete with THESL in the provision of these services. They argue that THESL is subsidizing these services and as a result has an unfair competitive advantage in the marketplace. Given this dispute, the following issue in the Settlement Agreement was set out as an unresolved issue;

- Is THESL’s cost allocation in respect of residential customers residing in individually metered multi-unit residential buildings (“suite metered customers”) appropriate?

THESL claims that this market is not competitive, at least with respect to the service aspect as opposed to the equipment aspect of the service. That argument was also raised by THESL in the proceeding related to *Notice of Intention to Make an Order for Compliance against Toronto Hydro – Electric System Limited*, EB-2009-0308 (January 27, 2010). (“the Toronto Enforcement case”). There the Board found that the market was clearly competitive in both the service and equipment aspects.

⁴³ These companies are Carma Industries Inc., Enbridge Electric Connections Inc., Hydro Connection Inc., Intellimeter Canada Inc., Provident Energy Management Inc., Stratacon Inc., and Wyse Meter Solutions.

THESL also argues that there is no evidence that competition will in fact promote conservation which is one of the objectives that the Board must now consider in its decisions. This argument was also rejected by the Board in the *Toronto Enforcement*⁴⁴ case in the following terms:

Installation of smart meters in individual condominium units offers significant gains in energy conservation. The Legislature has signalled the advantage of competing suppliers and specifically allowed regulated utilities to engage in the service directly. Implicit in this direction is a belief that competing suppliers will promote price competition and improve service quality.

It is also significant that this is a new market with new competitors. It would be unfortunate (and contrary to the public interest) if competitors were disadvantaged or even eliminated in the early days of this market.⁴⁵

The Working Group called as a witness Philip Hanser, an economist with the Brattle Group, who provided evidence regarding the degree of cross-subsidization (Exhibit K6). The conclusion of this evidence was that since THESL charges the same rate for smart metering to condominium corporations and their unit-holders as they do to ordinary residential customers, “whether viewed from an incremental standpoint for 2010 or viewed cumulatively, it appears that THESL is not recovering sufficient revenues from its suite metered customers to offset the increased capital and OM&A expenditures associated with the installation and operation of the suite meters.”⁴⁶

THESL and two of the intervenors, CCC and VECC, argue that the evidence is insufficient and cannot be the basis for a conclusion that there is cross-subsidization.

THESL submitted that the Working Group had failed to produce any meaningful evidence to support its proposition that THESL is cross-subsidizing its suite metered customers. THESL also stated that the proper treatment of cost allocation for smart sub-metering requires a generic proceeding. THESL cited both the Board’s May 15, 2008 Decision on its previous cost of service application and the Decision of the Majority Panel of the Board in its July 27, 2009 Decision in respect of Powerstream’s 2009 cost-of-service rates, in which the Working Group raised similar issues. THESL stated that in

⁴⁴ *Notice of Intention to Make an Order for Compliance against Toronto Hydro – Electric System Limited*, EB-2009-0308 (January 27, 2010).

⁴⁵ Powerstream Inc. EB-2008-0244, July 27, 2009, pp.14-15

⁴⁶ Prefiled Evidence of the Smart Sub-Metering Working Group, Filed December 15, 2009, p 10

both these decisions, the Board agreed to take a generic approach in addressing this matter as it was an issue of Board policy.

THESL observed that the issue raised by the Working Group is such an important public policy issue that the Ontario legislature is currently debating Bill 235, its proposed *Energy Consumer Protection Act, 2009*⁴⁷ to directly address specific concerns related to the regulation of suite metering activities. THESL submitted that the Board should maintain its existing position that the issues raised by Working Group are best addressed in a generic proceeding involving the appropriate stakeholders once the relevant framework is established by the Ministry, particularly given the policy uncertainties raised by the Bill 235 debate.

The Working Group argued that a generic proceeding was not necessary. This was because Mr. Hanser's evidence had confirmed the existence of a cross subsidy.

The Working Group submitted that THESL had failed to demonstrate that its rates for suite metering were just and reasonable. THESL had done nothing to demonstrate that its suite metering program was not being cross-subsidized by other ratepayers. Under the circumstances, the Working Group argued the Board had three options. First, it should exclude the program unless and until a fully allocated cost (FAC) study had been completed that justified associated costs and convincingly demonstrated that there is no cross subsidization. Second, the Board could decide that THESL's suite metering program be transferred to an affiliate, thereby removing the need to address the cross-subsidization issue. Thirdly, THESL could be required to create a new rate class for smart metering services to residential multi-unit buildings.

The Working Group submitted that the appropriate remedy in this case would be for the Board to adopt the first of these options that is to exclude the program unless and until a FAC study has been completed. The Working Group further suggested that this could be combined with its proposed second remedy and that THESL could continue with its Suite Metering Program, but through an affiliate.

VECC, CCC and SEC also made submissions on this matter.

⁴⁷ Government Bill 235, An Act to enable the Energy Consumer Protection Act, 2009 and to amend other acts is currently in Second Reading and has been referred to Committee for review and consideration.

VECC stated that on the basis of the evidence filed, the issue as to whether THESL's cost allocation is appropriate with respect to suite metered customers cannot be answered. Where the Working Group evidence is concerned, VECC argued that it could at most conclude that there may be a cross subsidy. VECC submitted that this evidence was flawed because Mr. Hanser was double counting some costs which he had attributed to smart metering. VECC expressed the belief that there was a real possibility that the suite metered customer may in fact be over contributing, relative to the costs that would be appropriately assigned to them in a cost allocation study, rather than under contributing as posited by the Working Group and, as such, the Board should not act until a cost allocation study is undertaken.

CCC agreed with VECC that insufficient evidence had been produced in this proceeding to conclude that there was a cross subsidy and submitted that the Board should approve THESL's metering costs. CCC submitted that the Board should hold a generic proceeding following the finalization of the new rules regarding suite metering that will be determined through the new *Energy Consumer Protection Act, 2009*.

SEC submitted that smart sub-metering is contestable and the applicant should not be allowed to use its preferred status to influence the market for this contestable service.

In its reply submission, THESL responded that the remedies proposed by the Working Group, which it characterized as one-sided and self-serving, were clearly designed for no other purpose than the economic advantage of its members. THESL noted that in the *PowerStream* decision of July 27, 2009⁴⁸ the Board had already rejected the concept of the separate subsidiary. With respect to the proposal for a separate rate class, THESL responded this should only be considered in the context of an extensive generic cost allocation proceeding.

Board Findings

This is not the first time that this issue has come before the Board. It was first addressed in THESL's last rate case⁴⁹ and then in the *Powerstream* case one year later⁵⁰. In both cases the Board deferred the matter to a generic proceeding. This is now

⁴⁸ *Decision with Reasons*, EB-2008-0294 (July 27, 2009).

⁴⁹ *Decision of the Board*, EB-2007-0680 (May 15, 2008).

⁵⁰ *Decision with Reasons*, EB-2008-0294 (July 27, 2009).

the third time that the matter has arisen in a rate case. For the reasons that follow the Board finds that THESL should undertake a cost allocation study related to its provision of suite metering services. The study shall include an analysis of the implications of creating and maintaining a separate rate class for those customers served in this manner. The Board is of the opinion that the potential for cross-subsidization is ongoing and that there may be merit in the establishment of a separate rate class for multi unit-residential customers that are served directly by THESL through its suite metering provision. This should be filed as part of the next cost of service application, which THESL intends to file later this year, but in any event no later than six months from the date of this Decision.

The Board is not convinced the evidence of Mr. Hanser established cross-subsidization of suite metering by residential customers, as argued by the Working Group. In making this finding, the Board is mindful of the limitations of Mr. Hanser's study, as acknowledged by Mr. Hanser himself, given the Working Group's inability to obtain from THESL all the information he considered relevant to his study. Accordingly, the Board will not adopt the remedy proposed by the Working Group and require THESL to exclude the suite metering program until a cost allocation study has been completed. However, the Board has been convinced that there is a pressing need for THESL to file such a cost allocation study in order for this matter to be properly addressed.

The regulatory structure of the *Energy Consumer Protection Act, 2009*⁵¹ ("ECPA"), which is currently before the Legislature, leads the Board to conclude that the Government wishes to promote a competitive market to encourage the rapid expansion of this service. Restrictive conditions of service are one possible barrier to that development. The Board has addressed this issue in the Toronto Compliance proceeding. Potential cross-subsidization is another issue the Board must consider.

The Board believes that continual delay is not useful. It is significant that the Board recently completed an extensive compliance proceeding against THESL⁵² which, amongst other things, required THESL to alter its Conditions of Service and to make it clear that condominium developers and unit-holders are able to choose between

⁵¹ Government Bill 235, An Act to enable the Energy Consumer Protection Act, 2009 and to amend other acts.

⁵² *Notice of Intention to Make an Order for Compliance against Toronto Hydro – Electric System Limited*, EB-2009-0308 (January 27, 2010).

THESL as a suite metering supplier and a smart sub-metering regime that includes competing suppliers for these services. In other words, the Board has clearly stated that a utility does not hold a monopoly for individual metering in multi-unit buildings. It would defeat the purpose of that exercise to allow cross-subsidization, (if it exists), to exert a negative impact on competition.

The Board also notes that this case concerns the City of Toronto which likely accounts for the majority of condominiums in Ontario. Therefore, a cost allocation study examining the specifics of THESL's experience is warranted. The Board also believes that the results of a study completed by THESL will be informative to other utilities and to the Board as to how to advance utility rate structures on a province wide scale in response to the introduction of this competitive sub-metering business.

In summary, no judgment can be made regarding cross-subsidization without a proper cost allocation study. That information will be important regardless of how the policy initiatives relating to this activity unfold in this province.

The Board accepts that the Government intended this to be a competitive market and believed that competition would result in better service quality at lower prices. The clear objective of this legislative framework is to create a regime that will promote the rapid introduction of this technology. If individual condo units are responsible for the costs of the electricity they consume, greater conservation would inevitably result than under the current situation where there is absolutely no incentive to conserve because total costs are simply divided between all unit-holders.

5. DISTRIBUTED GENERATION ISSUES

Background

The Board's Decision on THESL's EB-2007-0680 application of May 15, 2008 made the following finding regarding distributed generation issues:

The Board observes that the Applicant's study of distributed generation has not been rigorous. Therefore, the Board directs the Applicant to conduct a study into the capability, costs and benefits of incorporating into the Applicant system, a significant (up to 300MW) component of bi-directional distributed generation in Toronto. In this study, the Applicant should also incorporate the outcomes, as they pertain to distributed generation, of two items which are currently being considered by the Board: 1) enabler lines and their connection costs; and 2) the IPSP. The study should also be responsive to any new policy or regulatory developments in these areas. This study shall be filed as part of the Company's next application dealing with rates beyond the test period dealt with in this proceeding.

On August 28, 2009, THESL filed as part of its 2010 application a study by Navigant Consulting Inc. (the "Navigant study") designed to meet this requirement entitled "Distributed Generation in Central and Downtown Toronto". This study was stated as being presented jointly to THESL and the Ontario Power Authority ("OPA").

The Navigant study concludes that distributed generation may be able to serve some future electricity supply for Central and Downtown Toronto, but that further analysis is required to more fully understand how distributed generation could serve the needs of Central and Downtown Toronto and how it could serve the provincial government's policy objectives.

The following "next steps" for THESL and/or the OPA were suggested by the Navigant study:

1. Information gathering with respect to the options and costs for upgrading the short-circuit capabilities of the distribution and transmission system in this area, the effects of Toronto Hydro's and the City of Toronto's aggressive CDM efforts, and an evaluation of the end of Life Asset Replacement plan for the transmission system serving this area.

2. Further analysis to identify the preferred Local Area Integrated Electrical Service solution that would serve as a long-term plan for the local subsystem that meets the unique issues facing Central and Downtown Toronto. This analysis would assess local system impacts and examine the short-term, midterm and long-term benefits and costs for each option.

3. Development of an implementation plan for the preferred solution that could include development of additional CDM programs, working with stakeholders to lower barriers to DG (including incentives as appropriate), reinforcing distribution and transmission system facilities as necessary (leveraging Smart Grid initiatives where possible) and phasing of system upgrades to manage short-circuit levels.

On November 10, 2009, the Board issued Issues List Decision and Procedural Order No. 2 which confirmed Issue 1.1, which was “Has Toronto Hydro responded appropriately to all of the Board’s relevant directions from previous proceedings?” as being on the Final Issues List. Pollution Probe had proposed two additional issues be placed on the Final Issues List related to distributed generation and combined heat and power (“CHP”) implementation. The Board found that it was unnecessary to place either of these issues on the Issues List on the basis that they were both subsumed under Issue 1.1.

The Settlement Agreement noted that issues related to CHP and distributed generation had not been settled, but that the scope of the unsettled component of Issue 1.1 could be narrowed to “Has Toronto Hydro responded appropriately to all of the Board’s relevant directions with respect to distributed generation from previous proceedings?”

THESL submitted that the Navigant study had been diligently completed and satisfied the requirements of the Board’s directive. THESL further submitted that it did not “propose” any part of the study as part of its distribution system and that there were no revenue requirement or rate impacts that flowed directly from the study. As such, the study was not being used as evidence to support any increase in THESL’s revenue requirement or rates as part of this cost of service rate hearing.

Pollution Probe stated that there were presently four barriers to the installation of small-scale, high efficiency CHP plants in downtown and central Toronto, which are: (1) Ontario’s wholesale spot market price for electricity is substantially less than the total

cost of building a new power plant, (2) At present, as a result of short circuit constraints at Hydro One's Leaside, Manby and Hearn Transformer Stations only 80 MW of CHP can be installed in downtown and central Toronto, (3) Toronto Hydro's policy of requiring CHP customers to compensate it for 100% of its costs of connecting them to its distribution grid, and (4) Toronto Hydro's distribution system has short circuit issues that impede the installation of more than approximately 200 MW of CHP in downtown and central Toronto.

Pollution Probe submitted that THESL should do three things to deal with constraints on its system related to the facilitation of CHP: (1) Ensure that charges for connecting CHP plants to its distribution grid are identical to its charges for connecting renewable power plants to its distribution grid; (2) Establish a deferral account to permit it to recover its CHP connection costs from all of its customers, and (3) be directed to file within six months, a plan and budget to upgrade its distribution system to permit the installation of at least 300 MW of natural gas-fired CHP in downtown and central Toronto as soon as practically possible.

SEC was the only other party to make a submission in this area, stating that it supported in principle Pollution Probe's position, but believed that the Board should await a policy signal from the provincial government before embarking on major changes relating to support for CHP projects.

In its reply submission, THESL discussed the four barriers to the installation of natural gas-fired CHP asserted by Pollution Probe. It argued that the first two of these barriers, the wholesale electricity price and the apparent lack of an OPA program to provide a higher price to gas-fired CHP generators and the constraint on short-circuit capacity at transmission facilities are both clearly outside THESL's control and do not go to anything in THESL's revenue requirement or rate proposals.

THESL argued that the suggested barrier related to CHP connection policy had already been visited in the course of Pollution Probe's motion for interrogatory responses and in its Decision on that motion, the Board had clearly ruled this issue out of order for this proceeding.

In response to claims regarding the existence of short-circuit constraints on its distribution system which impede the installation of natural gas-fired CHP, THESL

submitted that Pollution Probe had not made its case that removing short circuit impediments to allow CHP is an imperative or even preferred to other supply alternatives.

THESL further submitted that any such plan would necessarily be only a fragment of an overall plan, which would not yet be determined and which would likely overtake the fragmentary plan should they be developed in that sequence. Therefore, THESL saw it as unlikely that the fragmentary plan demanded by Pollution Probe could be guiding for any Board decision or action on the part of THESL.

THESL stated that it was quite prepared to contribute significantly to the development of an overall plan in an appropriate, inclusive forum where all affected parties can participate.

Board Findings

The Board finds THESL's response, as reflected in the Navigant study, to be acceptable at this time but incomplete. While informative on some of the challenges associated with the introduction of DG in Central and Downtown Toronto, the study does not identify the actual system costs and benefits related to the incorporation of significant levels of DG.

The study illustrates the potential for uptake of DG in Central and Downtown Toronto from a customer choice perspective based on the current market and policy environment. However, it does not provide sufficient analysis of the system costs and benefits related to the power system alternatives discussed in the Navigant study. The Navigant study noted these limitations, stating that this study "is only the first step and further analysis is required to more fully understand how distributed generation could serve the needs of Central and Downtown Toronto and how it could serve the provincial government's policy objectives."

The Board's concern regarding the lack of a robust plan related to DG arose in the context of a rate application. The Board's direction to THESL was to file the product of its direction in this rate setting proceeding. The Board remains of the view that a cost of service proceeding is the most appropriate forum to review the analysis requested.

It is appropriate to consider the potential system needs associated with the incorporation of DG at the same time as the Board considers the merits of the applicant's spending related to distribution development or sustaining efforts. This is the case irrespective of whether or not THESL is seeking recoveries for spending related to DG. THESL has submitted that a fragmented planning process would not be informative to the Board. The Board agrees. It is important that all planning initiatives that consider distribution system optimization, irrespective of the impetus, be considered in a holistic fashion.

The regulatory framework has evolved since the Board first directed THESL to perform the study. The Board has just recently released its filing requirements for distribution planning related to the GEA. As well, the analysis done to date within the study has provided a new starting point for the evaluation work related to the incorporation of DG going forward. Being cognizant of these factors and in keeping with the need to review all system plans and related studies in a common context, the Board directs THESL as follows: THESL shall continue its analysis of the incorporation of DG into its Central and Downtown areas. In that regard it shall file a plan concurrent with its filing according to its distribution system planning requirements.

The plan will contain an adoption of and justification for the "next steps" listed in the Navigant study and referenced above, or in the alternative, rationale for an "alternative approach" to determining the optimal power system configuration for Central and Downtown Toronto.

The Board leaves it to THESL to determine the most effective way to present the outcomes of these two separate but related planning requirements. A conflation of the exercises may be desirable and is acceptable so long as the outcomes of the two initiatives are identifiable separately.

The Board has not established an expected time-line for the completion of the DG study. However, it expects that the filed plan will contain, at a minimum, a scope of the work associated with the "next steps" or "alternative approach" and a schedule of key milestones within the plan. The Board reiterates and cautions THESL that it considers the analysis of the incorporation of DG to be an important element of its review of THESL's overall infrastructure spending. The absence of such information diminishes the confidence the Board can place on THESL's overall system plans.

With regard to Pollution Probe's interest in this issue, the Board will not direct THESL to take any **specific** action in response to Pollution Probe's submissions. The Board is in agreement with THESL that any such action at the present time would result in a fragmentary plan, rather than the more comprehensive plan which the Board believes is required in the present environment. In this context, the Board considers that the issues raised by Pollution Probe are relevant to the development of such a comprehensive plan. The Board expects that the requirements of both the GEA and those which have been imposed in this Decision will allow for ample consideration of the matters raised by Pollution Probe in future proceedings where this is appropriate.

6. PROCEEDS FROM THE SALE OF BUILDINGS

Background

On May 15, 2008, the Board issued its 2008 Decision concerning THESL's 2008 cost of service application. The Board made the following finding and order regarding certain properties owned by THESL: "100% of the net after-tax gains from the sale of 228 Wilson Avenue, 175 Goddard Street, and 28 Underwriters Road, the properties that are planned to be sold in 2008, should go to the ratepayer. The Company's revenue requirement for the 2008 test year shall be adjusted downward by \$10.3 Million to reflect this finding" (the "sales proceeds order").

The Board further directed THESL to employ a variance account to record any differences in the gains reflected in rates and the actual gains achieved from the sale of these properties either in 2008, or beyond.

In addition, the Board found that the evidence was unclear as to whether all or any of four other parcels of land, referenced as Bathurst, Birmingham, Sterling and Rustic, were sold in 2007. The Board noted that THESL's proposed regulatory treatment of the capital gains did not include the capital gains associated with the sale of these four parcels of land and directed THESL to record 100% of the net capital gains associated with the sale of these four pieces of land in the above variance account also.

On June 4, 2008, THESL filed a Notice of Motion with the Board requesting, among other things, a review and variance of the sale proceeds order. On June 9, 2008, THESL filed an amended Notice of Motion with the Board advising it would appeal the sale proceeds order to the Divisional Court, which it did on June 16, 2008. (the "2008 Motion to Review") On June 25, 2008, the Divisional Court granted THESL's request for a stay of the sale proceeds order pending the hearing of the appeal.

On June 27, 2008, the Board issued a decision declaring the portion of the 2008 Motion to Review related to the sale proceeds order moot given the stay granted by the

Divisional Court. The Board ordered THESL to record the forecasted sale proceeds of \$10.3 million in Deferral Account 1508, Other Regulatory Assets, to ensure that it could be credited to ratepayers in the event that THESL was unsuccessful with its appeal.

On April 29, 2009, the Divisional Court dismissed THESL's appeal and on September 14, 2009, the Court of Appeal denied THESL's motion for leave to appeal the decision of the Divisional Court.

On November 27, 2009 THESL filed a Notice of Motion under Rule 42 of the Board's *Rules of Practice and Procedure* for an Order of the Board reviewing and varying the sale proceeds order (the "2009 Motion to Review"). THESL stated the passage of time had rendered it impossible to implement as its 2008 rates had been superseded by its 2009 distribution rates, and no process had been established through which to dispose of the sale proceeds. Further, THESL advised that it had not realized \$10.3 million from the disposition of the properties referred to in the 2008 decision.

THESL requested: (i) that the net after-tax gains on the sale of properties which were actually sold be used rather than the forecast contained in the 2008 decision, which as of the date of filing was \$1.65 million; and (ii) that this amount be treated as a revenue offset to the 2010 revenue requirement.

On December 17, 2009, the Board issued a procedural order requesting written submissions from parties on the threshold question of whether the 2009 Motion to Review should be reviewed before conducting any review on the merits. The Board received submissions from the VECC and SEC as well as a reply submission from THESL.

On January 22, 2010, the Board issued its decision on the Motion to Review. The Board found that THESL had not met the threshold test and the 2009 Motion to Review was dismissed. In so finding, the Board noted that a decision to appeal an order of the Board will always result in the passage of time during which the circumstances underlying the order may change. The Board stated that if THESL's argument was adopted, a possible outcome is that any order under appeal could be the subject of a motion to review on the basis that changes in the circumstances or facts underlying the order have occurred.

The Board further stated that while it did not accept THESL's argument, it did recognize that the implementation of the 2008 decision would require further direction from the Board and it would hear submissions from parties during the oral hearing of THESL's current 2010 cost of service (EB-2009-0139) rate application concerning the implementation of the 2008 decision in view of the delay caused by the appeals process.

On February 4, 2010, THESL filed an update of Exhibit I1, Tab 1, Schedule 1 "Actual and Forecast Net After-tax Gains on Sale of Named Properties"⁵³ during the oral hearing. This update showed that of the seven named properties, four of these, 3706 Bathurst Street, 124 Birmingham Avenue, 522 Rustic Road and 228 Wilson Avenue had been sold to produce net after-tax gain on sale amounts totalling \$1,649.8 million and that another, 175 Goddard Street, is forecast to be sold in 2010 for an after-tax gain of \$2.4 million for a total amount of \$4.05 million in net after-tax gains. Of the two remaining properties, 211 Sterling Road and 28 Underwriters Road, the former is not forecast to be sold in 2010 and the latter is now not for sale. THESL stated that 211 Sterling Road was not forecast to be sold in 2010 as it is the subject of considerable environmental damage and that 28 Underwriters Road is no longer for sale due to changes in its facilities strategy and plans which have resulted in that property again being used⁵⁴.

In its Argument-in-Chief, THESL proposed that the Board provide it with approval to credit ratepayers in 2010 rates with all of the net after tax gains on sale amounts related to named properties that either have been sold or, in the case of Goddard Street, are forecast to be sold, within the test period. THESL stated that this would result in an additional \$4.05 million reduction in revenue requirement and rates to those originally proposed.⁵⁵ This proposal would exclude the two properties that are either not anticipated to be sold in this time period, or are no longer planned to be sold at all (211 Sterling Street and 28 Underwriters Road).

Board staff submitted that as THESL's appeals had been unsuccessful, the draft Rate Order should be based on the incorporation of the \$10.3 million in Deferral Account

⁵³ Exhibit K2

⁵⁴ Transcript of Hearing, Vol. 1, p.67, L3-L27

⁵⁵ Toronto Hydro-Electric System Limited, Argument-in-Chief, February 12, 2010, p.15

1508 related to the forecast sale proceeds, which the Board's 2008 decision had determined should go to the ratepayer, as a revenue offset.

Staff further submitted that THESL's proposal is not in accordance with the Board's decision of January 22, 2010 and should not be accepted as the Board's decision stated that the passage of time, and the events which occur or do not occur during its passage, do not constitute new facts or changes in circumstances sufficient to justify changing that finding. Accordingly, staff submitted that the Board's original finding in its 2008 decision that THESL's revenue requirement be adjusted downward by \$10.3 million must now be implemented, and the fact that THESL has not sold, or may not sell, two of the named properties is irrelevant to its implementation.

Staff further submitted that the only remaining issue was how and when the variance account which tracks the actual proceeds of the sale of the named buildings should be disposed. Staff submitted that the variance account should not be disposed until 175 Goddard Street had been sold and the amount in this account could be determined based on the proceeds of all of the buildings which are likely to be sold in the 2010 test year (i.e. exclusive of 211 Sterling Road and 28 Underwriters Road). Staff submitted that this variance account should not be disposed as part of the present proceeding; a more appropriate time for the disposition of this variance account to be considered would be as part of the review of THESL's 2011 application.

Staff stated that in making this submission, it was mindful of the fact that two of the buildings have not been sold. Staff suggested that in the event that 211 Sterling Road and 28 Underwriters Road are subsequently sold, these amounts can be considered for disposition at the time of a future application. Staff submitted that the proposed approach would also provide some further mitigation of the increases which are contained in this 2010 cost of service application.

CCC and SEC both were in agreement with the approach outlined in the Board staff submission. CCC adopted the staff submission. SEC stated that the suggested resolution by the Applicant was sensible and protected both ratepayers and the utility. However, SEC submitted that it was not consistent with the Board's order and in order to protect the integrity of the Board's processes, the Board should require specific compliance with the original decision according to its terms.

VECC agreed that it represented the correct, principled approach to the implementation of the Board's prior decisions on this issue.

However, VECC's position was that as a practical matter, it might be reasonable for the Board to account for the reduction of the actual capital gains realized for these properties as long as: (i) the interest accruing on the original before tax \$10.3 million offset is properly accounted for, and (ii) THESL is required in ultimately clearing the variance account to provide justification for the disparity between its original forecast of approximately \$10.3 million in before tax capital gains for these properties and the updated forecast of only \$3.186 million, failing which THESL may be required to pay out some or all of the difference to ratepayers.

In its reply submission, THESL expressed its disagreement with the submissions of staff and intervenors. THESL submitted that its proposal properly distinguishes between the Board's Sale Proceeds Order ("SPO") which pertains to the actual net after-tax gains on sale of the Named Properties, and the now-dated forecast of the ratemaking implications of that Order. THESL stated that the now-dated forecast quantity was intended for the 2008 revenue requirement and cannot properly be used for the 2010 revenue requirement; to do so would wrongly set aside actual information in favour of outdated forecasts known to be inaccurate. THESL stated that its proposal fairly implemented the SPO in today's circumstances and does not imply that the Board's decisions are subject to a lack of finality; conversely, THESL's proposal accurately implements the SPO without introducing what it characterized as spurious rate fluctuations that would occur under other proposals.

THESL submitted that Board staff's suggestion that the variance account not be cleared at this time was also plainly flawed and should be rejected. THESL stated that Board staff did not offer any reason for its suggestion, but simply asserted that it would be "more appropriate" if the account were cleared in the proceeding for 2011 rates and that this approach would 'also' provide some further mitigation of rate increases in 2010.

THESL suggested that, if implemented, staff's suggestion would amount to the deliberate introduction of a spurious variance into revenue requirement, which would improperly create rate volatility and not advantage ratepayers who would simply have to repay the variance amount in the next year together with interest. THESL submitted that if the Board were willing to proceed in 2008 with the forecast that then existed, there

was no reason to delay now, given that the gains are mostly realized or can be forecast with reasonable assurance. THESL argued that to suggest a variance account now be constructed with what it characterized as fictional entries representing known, actual events (i.e., the actual gains) is an unjustifiable approach to ratemaking which the Board should reject.

THESL also urged the Board to reject the qualifications proposed by VECC. THESL rejected VECC's proposal that interest be calculated on an opening balance of \$10.3 million, but that this principal be reduced as the properties in question are being sold, arguing that the Board's SPO was that the actual gains be credited to ratepayers. THESL submitted that a fair, principled resolution of this particular issue would be for interest at the prescribed rates to be calculated from May 1, 2008 to April 30, 2010 on the actual gains realized together with the forecast for Goddard (i.e. \$4.050 million) and to be credited to ratepayers along with the proposed principle amount of \$4.050 million.

Where VECC's proposal that it 'provide justification' for the difference between its original forecast and what has actually occurred, or what is now forecast to occur is concerned, THESL submitted that this was unreasonable beyond providing any broad and obvious statement that could be made about the dramatic deterioration of the economic climate in the intervening period.

THESL also rejected VECC's suggestion that THESL be required to show that the actual capital gains were reasonable, and that 'its decision not to sell 211 Sterling Road was reasonable,' or else face Board deeming amounts that would apply. THESL stated that these suggestions were unreasonable if not outrageous and should be rejected by the Board. THESL stated that the explanation for the non-sale of Sterling Road relates to its significant and unresolved environmental problems. Where the actual capital gains are concerned, they are determined by the sale price and THESL cannot manipulate them, and in THESL's view nothing suggests that the Board itself has the required information and expertise, or even the appetite, to enter the business of real estate appraisal.

Board Findings

The Board's decision of January 22, 2010 referred to the implementation of its 2008 decision, not to changing the 2008 decision. Accordingly, the Board finds that the \$10.3

million capital gain amount with interest calculated from May 1, 2008 should be incorporated as a revenue offset in THESL's draft Rate Order. In making this finding, the Board is mindful of the principle established in the January 22, 2010 decision that if THESL's argument was adopted, a possible outcome is that any order under appeal could be the subject of a motion to review on the basis that changes in the circumstances or facts underlying the order have occurred. The Board acknowledges the practical issues raised by THESL and some intervenors, but is of the view that the importance of the principle supercedes the practical concerns in this situation.

Where the variance account is concerned, if the 2008 decision had been implemented in the original time frame, it would not have been cleared until the subsequent proceeding. The Board finds that the variance account will not be cleared in this proceeding given the importance of implementing the 2008 decision to the extent possible in the same fashion as would have been the case if it had not been appealed. In making this finding, the Board found merit in the arguments of Board staff as to the desirability of clearing this account once all the buildings that are likely to be sold have been sold and also of the mitigating impact that not clearing the variance account would have on the overall rate increases arising from this application. Interest should be recorded on the amounts in the variance account in exactly the same fashion as would have been the case had the 2008 decision been implemented at the time it was issued in the absence of THESL's appeal. The Board notes that THESL has stated its intention to file a cost of service application for 2011 rates later this year and it is open to THESL to apply for clearance of the variance account at that time.

7. DEFERRAL ACCOUNTS

The Settlement Agreement of January 22, 2010 established a deferral account for the tracking by THESL of the savings it may realize as a result of the implementation of the HST on July 1, 2010 and until THESL's next cost of service application is determined by the Board or until the Board provides guidance on this matter, whichever occurs first.

THESL shall use Account 1592 PILs and Tax Variances, "Sub-account HST / OVAT Input Tax Credits (ITCs)" to track the savings as described in the Settlement Agreement.

The Settlement Agreement also stated on page 14 that THESL agrees to record in a deferral account for future disposition, subject to the Board's standard prudence review, any revenue requirement impact in 2010 of up to \$27.8 million of capital expense actually incurred related to its proposed Transit City program.

THESL shall use Account 1508, Other Regulatory Assets, "Sub-account Transit City Program 2010 Deferred Capital Costs" to record any such revenue requirement impact.

The Board reminds THESL that the necessary accounting entries to reflect the Board's Decision in this proceeding on the disposition of deferral and variance accounts should be recorded as soon as possible but not later than June 30, 2010 so that the RRR data reported in the second quarter of 2010 reflect these adjustments.

8. MICROFIT GENERATOR SERVICE CLASSIFICATION AND RATE

Ontario's Feed-In Tariff ("FIT") program for renewable energy generation was established in the Green Energy and Green Economy Act, 2009. The program includes a stream called MicroFIT, which is designed to encourage homeowners, businesses and others to generate renewable energy with projects of 10 kilowatts ("kW") or less.

In its EB-2009-0326 Decision and Order, issued February 23, 2010, the Board approved the following service classification definition, which is to be used by all licensed distributors:

MicroFIT Generator

This classification applies to an electricity generation facility contracted under the Ontario Power Authority's microFIT program and connected to the distributor's distribution system.

In addition, the Board approved the establishment of a single province-wide interim rate to be applied by all distributors. The Board also adopted September 21, 2009 (the date of the establishment of the interim rate) as the effective date for the new rate.

On March 17, 2010, the Board issued its Rate Order which stated that the province-wide fixed monthly charge for all electricity distributors related to the microFIT Generator rate class was approved at \$5.25 per month, effective September 21, 2009.

Board Findings

As part of its draft Rate Order, THESL shall identify the MicroFit Generator service classification on its Tariff of Rates and Charges and incorporate the above-referenced \$5.25 rate.

9. IMPLEMENTATION

9.1 Draft Rate Order

The Board has made findings in this Decision which change the 2010 revenue requirement and therefore change the distribution rates from those proposed by THESL. In filing its draft Rate Order, it is the Board's expectation that THESL will not use a calculation of the revised revenue deficiency to reconcile the new distribution rates with the Board's findings in this Decision. Rather, the Board expects THESL to file detailed supporting material, including all relevant calculations showing the impact of this Decision on THESL's revenue requirement, the allocation of the approved revenue requirement to the classes 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 which can be found on the Board's website. THESL should also show detailed calculations of the revised retail transmission service rates and variance account rate riders reflecting this Decision.

THESL applied for rates effective May 1, 2010. The Board approves a May 1 effective date and notes that there is sufficient time to implement the rate on May 1, 2010 as well.

The Board expects that THESL's draft Rate Order will also reflect its findings in its EB-2008-0401 decision of September 22, 2009 granting THESL approval of its LRAM and SSM claims with recovery of these funds commencing May 1, 2010.

COST AWARDS

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

All filings with the Board must quote the file number EB-2009-0139, and be made through the Board's web portal at www.errr.oeb.gov.on.ca, 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.oeb.gov.on.ca. If the web portal is not available, parties may e-mail their documents to the attention of the Board Secretary at BoardSec@oeb.gov.on.ca. All other filings not filed via the Board's web portal should be filed in accordance with the Board's *Practice Directions on Cost Awards*.

THE BOARD DIRECTS THAT:

1. THESL shall file with the Board, and shall also forward to intervenors, a draft Rate Order attaching a proposed Tariff of Rates and Charges reflecting the Board's findings in this Decision, within 10 days of the date of this Decision. The draft Rate Order shall also include customer rate impacts and detailed supporting information showing the calculation of the final rates including the Revenue Requirement Work Form in Microsoft Excel format.
2. Intervenors shall file any comments on the draft Rate Order with the Board and forward to THESL within 4 days of the date of filing of the draft Rate Order.
3. THESL shall file with the Board and forward to intervenors responses to any comments on its draft Rate Order within 4 days of the date of receipt of intervenor submissions.
4. Intervenors shall file with the Board and forward to THESL their respective cost claims within 28 days from the date of this Decision.
5. THESL shall file with the Board and forward to intervenors any objections to the claimed costs within 37 days from the date of this Decision.
6. Intervenors shall file with the Board and forward to THESL any responses to any objections for cost claims within 44 days of the date of this Decision.

7. THESL shall pay the Board's costs incidental to this proceeding upon receipt of the Board's invoice.

DATED at Toronto, April 9, 2010

ONTARIO ENERGY BOARD

Original Signed By

Howard Wetston
Chair & Presiding Member

Original Signed By

Gordon Kaiser
Vice Chair & Member

Original Signed By

Ken Quesnelle
Member

Appendix “A”

List of Applicant and Intervenors

EB-2009-0139

APRIL 9, 2010

Toronto Hydro-Electric System Limited
EB-2009-0139

APPLICANT & LIST OF INTERVENORS

April 9, 2010

APPLICANT

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Toronto Hydro-Electric System Limited
EB-2009-0139

APPLICANT & LIST OF INTERVENORS

- 2 -

April 9, 2010

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**Toronto Hydro-Electric System Limited
EB-2009-0139**

APPLICANT & LIST OF INTERVENORS

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April 9, 2010

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Toronto Hydro-Electric System Limited

EB-2009-0139

APPLICANT & LIST OF INTERVENORS

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April 9, 2010

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Toronto Hydro-Electric System Limited

EB-2009-0139

APPLICANT & LIST OF INTERVENORS

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April 9, 2010

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**Toronto Hydro-Electric System Limited
EB-2009-0139**

APPLICANT & LIST OF INTERVENORS

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April 9, 2010

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Appendix “B”

Issues List

EB-2009-0139

April 9, 2010

Appendix “B”
Toronto Hydro-Electric System Limited
EB-2009-0139

Approved Final Issues List

1. GENERAL

- 1.1 Has Toronto Hydro responded appropriately to all relevant Board directions from previous proceedings?
- 1.2 Are Toronto Hydro’s economic and business planning assumptions for 2010 appropriate?
- 1.3 Is service quality, based on the OEB specified performance indicators, acceptable?
- 1.4 Is the overall increase in the 2010 revenue requirement reasonable given the impact on consumers?

2. LOAD and REVENUE FORECAST

- 2.1 Is the load forecast and methodology appropriate and have the impacts of Conservation and Demand Management initiatives been suitably reflected?
- 2.2 Is the proposed amount for 2010 other revenues appropriate?

3. OPERATIONS, MAINTENANCE and ADMINISTRATION COSTS

- 3.1 Are the overall levels of the 2010 Operation, Maintenance and Administration budgets appropriate?
- 3.2 Is the proposed level of 2010 Shared Services and Other O&M spending appropriate?
- 3.3 Are the methodologies used to allocate Shared Services and Other O&M costs to the distribution business for 2010 appropriate?
- 3.4 Are the 2010 Human Resources related costs (wages, salaries, benefits, incentive payments, and pension costs) including employee levels, appropriate? Has Toronto Hydro demonstrated improvements in efficiency, including labour productivity, and value for dollar associated with its compensation costs?
- 3.5 Is Toronto Hydro’s depreciation expense appropriate?
- 3.6 Are the amounts proposed for capital and property taxes appropriate?
- 3.7 Is the amount proposed for PILs, including the methodology, appropriate?

4. CAPITAL EXPENDITURES and RATE BASE

- 4.1 Are the amounts proposed for Rate Base appropriate?
- 4.2 Are the amounts proposed for 2010 Capital Expenditures appropriate including the specific Operational and Emerging Requirements categories?
- 4.3 Are the inputs used to determine the Working Capital component of the Rate Base appropriate and is the methodology used consistent with the methodologies approved by the Board in previous Toronto Hydro rate applications?
- 4.4 Does Toronto Hydro's Asset Condition Assessment information and Investment Planning Process adequately address the condition of the distribution system assets and support the O&MA and Capital expenditures for 2010?

5. CAPITAL STRUCTURE AND COST OF CAPITAL

- 5.1 Is the proposed Capital Structure, Rate of Return on Equity, and Short-Term Debt Rate appropriate?
- 5.2 Is the proposed Long-Term Debt Rate appropriate?

6. DEFERRAL and VARIANCE ACCOUNTS

- 6.1 Is the proposal for the amounts, disposition and continuance of Toronto Hydro's existing Deferral and Variance Accounts appropriate?
- 6.2 Is Toronto Hydro's proposal to record variances between the approved levels of capital contributions to Hydro One and the actual contribution levels in USOA 1508 appropriate?

7. COST ALLOCATION and RATE DESIGN

- 7.1 Is Toronto Hydro's cost allocation appropriate?
- 7.2 Are the proposed revenue to cost ratios for each class appropriate?
- 7.3 Are the fixed-variable splits for each class appropriate?
- 7.4 Are the proposed Retail Transmission Service rates appropriate?
- 7.5 Are the proposed Distribution Loss Factors appropriate?

8. SMART GRID PLAN

- 8.1 Does Toronto Hydro's Smart Grid Plan meet the Board's filing guidelines and the objectives set out in the Green Energy and Green Economy Act, 2009?

8.2 Has Toronto Hydro appropriately addressed the Smart Grid Plan expenditures in the context of its overall Capital and O&M budgets?

8.3 Is Toronto Hydro's approach to allocating Smart Grid Plan O&M and Capital costs to its distribution customers appropriate?

Appendix “C”

Settlement Agreement

EB-2009-0139

April 9, 2010

EB-2009-0139

TORONTO HYDRO-ELECTRIC SYSTEM LIMITED

SETTLEMENT AGREEMENT

January 22, 2010

Toronto Hydro-Electric System Limited

EB-2009-0139

Settlement Agreement

Filed with OEB: January 22, 2009

This settlement proposal is filed with the Ontario Energy Board (“the Board”) in connection with an application by Toronto Hydro-Electric System Limited (“THESL”) for an Order or Orders fixing just and reasonable distribution rates and other charges, effective May 1, 2010 (Board Docket Number EB-2009-0139) (the “Application”).

Further to the Board’s Procedural Order No. 1 dated October 19, 2009, a settlement conference was held commencing on December 8, 2009 in accordance with the Board’s *Rules of Practice and Procedure* (the “Rules”) and the Board’s *Settlement Conference Guidelines* (the “Guidelines”). Mr. Ken Rosenberg acted as facilitator for the settlement conference, which continued until December 18, 2009.

THESL and the following intervenors (the “intervenors”, and collectively including THESL, the “parties”) participated in the settlement conference:

- Association of Major Power Consumers in Ontario (“AMPCO”)
- Building Owners and Managers Association of the Greater Toronto Area (“BOMA”)
- Consumers Council of Canada (“CCC”)
- Energy Probe Research Foundation (“EP”)
- Pollution Probe Foundation (“PP”)
- School Energy Coalition (“SEC”)
- Smart Sub-metering Working Group (“SSMWG”)
- Vulnerable Energy Consumers Coalition (“VECC”)

Ontario Energy Board staff also participated in the settlement conference but are not a party to this settlement proposal. The Canadian Union of Public Employees (Local One) and the Ontario Power Authority did not participate in the settlement conference and are not parties to this settlement proposal.

These settlement proceedings are subject to the rules relating to confidentiality and privilege contained in the *Guidelines*. The parties understand this to mean that the documents and other information provided, the discussion of each issue, the offers and counter-offers, and the negotiations leading to the settlement – or not – of each issue during the Settlement Conference are strictly confidential and without prejudice. None of the foregoing is admissible as evidence in this proceeding, or otherwise, with one exception: the need to resolve a subsequent dispute over the interpretation of any provision of this settlement proposal.

Outlined below are the final positions of the parties following the settlement conference. For ease of reference, the settlement proposal follows the format of the Approved Final Issues List provided in the Board’s Procedural Order No. 2 dated November 10, 2009 (which is hereto

attached as Appendix “A”). The following table describes how the issues have been characterized for the purposes of this settlement proposal and provides a summary of the status of the issues at the outcome of the settlement conference:

<p>Complete Settlement: An issue for which complete settlement was reached by all parties. If this settlement proposal is accepted by the Board, the parties will not adduce any evidence or argument during the oral hearing in respect of these issues.</p>	<p># issues settled: 20</p>
<p>Partial Settlement: An issue for which there is partial settlement, as THESL and the intervenors who take any position on the issue were able to agree on some, but not all, aspects of the particular issue. If this settlement proposal is accepted by the Board, the parties who take any position on the issue will only adduce evidence and argument during the hearing on those portions of the issues not addressed in this settlement proposal.</p>	<p># issues partially settled: 7</p>
<p>No Settlement: An issue for which no settlement was reached. THESL and the intervenors who take a position on the issue will adduce evidence and/or argument at the hearing on the issue.</p>	<p># issues not settled: 2</p>

A party who is noted as taking no position on an issue may or may not have participated in the discussion on that particular issue and takes no position on the settlement or partial settlement reached or on the sufficiency of the evidence filed to date.

This settlement proposal provides a brief description of each of the settled and partially settled issues, together with references to the evidence filed to-date. The supporting parties for each settled or partially settled issue agree that the evidence filed to-date in respect of that settled or partially settled issue, as supplemented in some instances by additional information recorded in this settlement proposal, is sufficient in the context of the overall settlement to support the proposed settlement or partial settlement. There are Appendices to this settlement proposal which provide further support for the proposed settlement.

According to the *Guidelines* (p. 3), the parties must consider whether a settlement proposal should include an appropriate adjustment mechanism for any settled issue that may be affected by external factors. THESL and the other parties consider that no settled issue requires a specific adjustment mechanism. The settlement on each of the issues may, however, be subject to adjustment for the impacts of the Board’s determination on the unsettled issues such as individual suite metering or cost of capital, as further described below.

The parties have settled the issues as a package and none of the parts of this settlement proposal is severable. If the Board does not accept this settlement proposal, in its entirety, then there is no settlement (unless the parties agree in writing that any part(s) of this settlement proposal that the Board does accept may continue as a valid settlement without inclusion of any part(s) that the Board does not accept).

Unless stated otherwise, the settlement of any particular issue in this proceeding and the positions of the parties in this settlement proposal are without prejudice to the rights of parties to raise the same issue and/or to take any position thereon in any other proceeding, whether or not THESL is a party to such proceeding.

Summary of the Settlement

The central feature of this settlement proposal is an agreed-to decrease in THESL’s proposed 2010 Revenue Requirement from \$528M, as proposed in the Application, to \$507M in this settlement proposal, subject to adjustments arising out of the Board’s determination of the unsettled issues.

This reduced Revenue Requirement corresponds to the following changes in capital and operational expenditures, which changes are more fully explained in the applicable section of this settlement agreement:

(\$ million)	Application	Settlement proposal	See also issue #
2010 Revenue Requirement	\$528	\$507	1.4
2010 Capital Expenditures	\$423.6	\$350 ¹	4.2
2010 OM&A	\$212.1 ²	\$195.4 ³	3.1

In addition, THESL agrees as part of this settlement proposal to:

- 1) Maintain, relative to 2009 rates, its fixed – variable splits for rates charged to ratepayers constant for all classes with the exception of GS-50-999 kW, which would see an increase in its fixed charge component to no more than \$40.00 per month.
- 2) Beginning July 1, 2010 and until THESL’s next cost-of-service rebasing application, track in a deferral account the incremental Input Tax Credit it receives on non-pass-through items that were previously subject to Provincial Sales Tax and become subject to Harmonized Sales Tax. The intention of this account is to track the incremental change due to the shift from Provincial Sales Tax to the Harmonized Sales Tax and the amounts THESL receives through the incremental Input Tax Credit. Tracking of these amounts will continue in the deferral account until THESL’s next cost of service application is determined by the Board or until the Board provides guidance on this matter, whichever occurs first. For example, Cost of Power and all other upstream charges applied to

¹ Plus a deferral account for an additional \$27.8M in capital spending for Transit City.

² Plus Property Taxes of approximately \$6.7M for 2010 and Ontario Capital Tax of approximately \$2M for 2010 for a total OM&A of \$220.8M.

³ Plus Property Taxes of approximately \$6.7M for 2010 and Ontario Capital Tax of approximately \$2M for 2010 for total OM&A of \$204.1M.

THESL by the IESO and/or Hydro One are excluded from this calculation, and to qualify for this treatment the cost of the subject items must be determinative of distribution revenue requirement (including capital and distribution expenses). THESL will apply to clear the balance in the variance account as a credit to customers at the next opportunity for a rate change after the account balance information becomes available.

- 3) Clear all deferral and variance accounts as proposed by THESL in Exhibit J1, Tab 1, Schedule 2, Table 2, over two rate years (2010 and 2011), instead of three as originally proposed, in order to mitigate some of the expected increase in rates arising out of the Application.
- 4) File an updated Asset Condition Assessment Report for the next cost of service rate filing, anticipated to be made in connection with rates effective May 1, 2011.

Attached hereto as Appendix B are schedules comparing Revenue Requirement and bill impacts as reflected in the original Application filed in August, as the result of the proposed settlement based on a \$507M revenue requirement, and reflecting the settlement agreement adjusted for estimates of cost of capital based on the Board's recently released Cost of Capital policy.

Unsettled Issues

The parties were able to settle all of the issues except for the following contested issues. These issues are either not resolved or only partially resolved as part of this settlement proposal. Each contested issue described below are considered subsets of the Board Approved Final Issues List attached as Appendix A, as described by the parties that are opposing settlement on the specific issues:

- (i) cost of capital and related PILs impact (issues 3.7, 5.1 and 5.2);
- (ii) has Toronto Hydro responded appropriately to all of the Board's relevant directions with respect to distributed generation from previous proceedings (issue 1.1);
- (iii) are Toronto Hydro's proposed capital expenditures to facilitate distributed generation appropriate (issues 4.1 and 4.2);
- (iv) does Toronto Hydro's Asset Condition Assessment information and Investment Planning Process adequately address the condition of the distribution system assets and support the OM&A and Capital Expenditures for 2010 (issue 4.4); and
- (v) the proper rate design for multiple unit residential "suite metered" customers (issues 7.1 and 7.2).

The parties agree that failure to achieve settlement on the above-noted issues should not otherwise displace the settlement described in this settlement proposal. The parties agree that all unsettled issues will be dealt with during the oral phase of this proceeding.

Individual Suite Metering (Issues 7.1 and 7.2)

Included in many of the general issues in this proceeding are impacts of THESL's individual suite metering activities. SSMWG has taken the position that the revenue requirement impacts

of those activities should not be included in rates in the Test Year. THESL believes that they should. Other parties have not, as yet, taken any position on this issue.

The parties agree that the evidence on this matter, and resulting submissions, should be put to the Board for a determination. In such hearing, it is agreed that all parties may participate, and the settlement by the parties of the issues as set forth in this settlement proposal shall have no effect on their ability to participate in that hearing, or on the positions they take on the suite metering issue or any part of it.

The costs associated with suite metering activities are included in rate base, OM&A, and potentially other consequential aspects of the calculation of revenue requirement, and the figures set forth in this settlement proposal include those amounts as filed by THESL. In the event that, after a hearing on this issue, the Board determines that all or any portion of those costs should not be included in the revenue requirement, the amounts for each component of revenue requirement that may be affected will be adjusted to reflect the Board's decision, and the lower adjusted figures shall be deemed to be the figures agreed to by the parties. Correspondingly, any consequential revenue reductions and lower revenues will be deemed to be the figures agreed to by the parties.

The settlement of all issues in this proceeding is therefore subject to any adjustments that arise from the Board's decision on suite metering. Where, throughout this document, issues relating to revenue requirement and its components are listed as settled, the phrase "subject to the Board's determination of the revenue requirement impacts of suite metering" shall be read in.

Cost of Capital (Issues 3.7, 5.1 and 5.2)

The agreed-upon revenue requirement of \$507 million for the Test Year is based on the as-filed cost of capital parameters which were in place at the time the Application was filed. THESL reiterates its proposal to adjust those parameters on the basis of the Board's recent policy report on Cost of Capital dated December 11, 2009 in a manner consistent with its pre-filed evidence, which would if accepted have an impact on the figures set forth in this settlement proposal. The amount and appropriateness of these adjustments are not agreed to by the parties. Appendix B to this settlement proposal sets out the revenue requirement impact of these adjustments.

The settlement of all issues in this proceeding is therefore subject to any adjustments that arise from the Board's decision on cost of capital. Where, throughout this document, issues relating to revenue requirement and its components are listed as settled, the phrase "subject to the Board's determination of the revenue requirement impacts of cost of capital" shall be read in.

Distributed Generation (Issues 1.1, 4.1, 4.2 and 4.4)

Issues relating to combined heat and power and distributed generation have not been settled, but the scope of the issues has been focused as set forth under those headings below. The resolution of the DG issue may impact rate base, revenue requirement and other monetary issues.

The parties agree that the evidence on this matter, and resulting submissions, should be put to the Board for a determination. The settlement of all issues in this proceeding is therefore subject to

any adjustments that arise from the Board's decision on issues 1.1, 4.1, 4.2 and 4.4. Where, throughout this document, issues relating to revenue requirement and its components are listed as settled, the phrase "subject to the Board's determination of issues 1.1, 4.1, 4.2 and 4.4" shall be read in.

1. GENERAL

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

Partial Settlement: For the purposes of settlement of the issues in this proceeding, the intervenors, with the exception of PP, accept THESL's evidence that it has responded appropriately to all relevant Board directions from previous proceedings.

As part of this settlement proposal, THESL agrees to complete and file an updated Asset Condition Assessment as part of its application to be filed by August 2010 for new rates to be implemented by May 1, 2011.

Evidence: Exhibit A1, Tab 5; Exhibit Q1, Tab 1-5; ; Exhibit R1, Tab 1, Schedule 1-3; Exhibit R1, Tab 4, Schedule 8, 37; Exhibit R1, Tab 8, Schedule 1-9; Exhibit R1, Tab 11, Schedule 2

Supporting parties: THESL, AMPCO, BOMA, CCC, EP, SEC and VECC.

Party taking no position: SSMWG.

Opposing party: PP.

Opposing party notes: PP does not agree with a settlement on this issue.

THESL and PP agree that that the scope of the unsettled component of this issue can be narrowed to:

"Has Toronto Hydro responded appropriately to all of the Board's relevant directions with respect to distributed generation from previous proceedings?"

1.2 Are Toronto Hydro's economic and business planning assumptions for 2010 appropriate?

Complete Settlement: For the purposes of settlement of the issues in this proceeding, the intervenors accept THESL's economic and business planning assumptions for 2010 as an appropriate and reasonable foundation for the settlement herein.

Evidence: Exhibit C1, Tab 4; Exhibit R1, Tab 1, Schedule 4; Exhibit R1, Tab 3, Schedule 2; Exhibit R1, Tab 4, Schedule 6

Supporting parties: THESL, AMPCO, BOMA, CCC, EP, SEC and VECC.

Parties taking no position: PP and SSMWG.

1.3 Is service quality, based on the OEB specified performance indicators, acceptable?

Complete Settlement: For the purpose of obtaining settlement of the issues contained herein, the intervenors accept THESL's service quality targets for the Test Year.

Evidence: Exhibit B1, Tab 13-14; Exhibit R1, Tab 1, Schedule 5; Exhibit R1, Tab 6, Schedule 22

Supporting parties: THESL, AMPCO, BOMA, CCC, EP, SEC and VECC.

Parties taking no position: PP and SSMWG.

1.4 Is the overall increase in the 2010 revenue requirement reasonable given the impact on consumers?

Complete Settlement: As part of this settlement agreement, THESL has agreed to reduce its revenue requirement to \$507M, from \$528.7M originally requested in its pre-filed evidence, subject to resolution of the unsettled issues. In addition, THESL agrees to dispose of the combined credit balance in deferral and variance accounts over a 2-year period, rather than the 3-year period originally proposed in its pre-filed evidence (see Issue 6.1). All parties agree that together, these changes are sufficient to alleviate the revenue requirement impact on consumers in the Test Year. The parties do not agree on whether the \$23.2 million increase in revenue requirement that would result if the Cost of Capital issues are accepted by the Board as proposed by THESL produces a reasonable result given the impact on consumers.

Evidence: Exhibit J1, Tab 1-2; Exhibit O1, Tab 1; Exhibit R1, Tab 3, Schedule 4; Exhibit R1, Tab 9, Schedule 36-37; Exhibit R1, Tab 11, Schedule 42

Supporting parties: THESL, AMPCO, BOMA, CCC, EP, SEC and VECC.

Parties taking no position: PP and SSMWG.

2. LOAD AND REVENUE FORECAST

2.1 Is the load forecast and methodology appropriate and have the impacts of Conservation and Demand Management initiatives been suitably reflected?

Complete Settlement: For the purpose of settlement the intervenors accept the load forecast and methodology and the reflection therein of the impact of CDM initiatives.

Evidence: Exhibit K1, Tab 1-3, Exhibit R1, Tab 1, Schedule 7; Exhibit R1, Tab 1, Schedule 7-11; Exhibit R1, Tab 3, Schedule 6-15; Exhibit R1, Tab 11, Schedule 43-48

Supporting parties: THESL, AMPCO, BOMA, CCC, EP, SEC and VECC.

Parties taking no position: PP and SSMWG.

2.2 Is the proposed amount for 2010 other revenues appropriate?

Complete Settlement: For the purpose of settlement the intervenors accept THESL's forecast of 2010 other revenues.

Evidence: Exhibit I1, Tab 1; Exhibit R1, Tab 1, Schedule 13; Exhibit R1, Tab 3, Schedule 16-17; Exhibit R1, Tab 9, Schedule 34

Supporting parties: THESL, AMPCO, BOMA, CCC, EP, SEC and VECC.

Parties taking no position: PP and SSMWG.

3. OPERATIONS, MAINTENANCE AND ADMINISTRATION COSTS

3.1 Are the overall levels of the 2010 Operation, Maintenance and Administration budgets appropriate?

Complete Settlement: As part of the settlement agreement, THESL has agreed to reduce its Revenue Requirement to \$507M with the OM&A component reduced to \$195.4M⁴. For the purpose of settlement the intervenors accept this reduced OM&A budget.

To accommodate the OM&A reduction which is reflected in the proposed settlement, THESL plans to modify the pace of some activities. THESL believes it can make these OM&A changes in the Test Year without materially impacting customer service and in a manner that allows THESL to continue the safe operation of its distribution system.

Evidence: Exhibit F1, Tab 1-7; Exhibit F2, Tab 1-11; Exhibit R1, Tab 1, Schedule 14; Exhibit R1, Tab 4, Schedule 18; Exhibit R1, Tab 9 Schedule 25; Exhibit R1, Tab 11, Schedule 17-18

Supporting parties: THESL, AMPCO, BOMA, CCC, EP, SEC and VECC.

Parties taking no position: PP and SSMWG.

3.2 Is the proposed level of 2010 Shared Services and Other O&M spending appropriate?

Complete Settlement: For the purpose of settlement, the intervenors accept the revised level of Shared Services and Other O&M spending (see Issue 3.1 above).

Evidence: Exhibit C1, Tab 2-3; Exhibit R1, Tab 11, Schedule 3, 5

Supporting parties: THESL, AMPCO, BOMA, CCC, EP, SEC and VECC.

Parties taking no position: PP and SSMWG.

⁴ Plus Property Taxes of approximately \$6.7M for 2010 and Ontario Capital Tax of approximately \$2M for 2010 for total OM&A of \$204.1M.

3.3 Are the methodologies used to allocate Shared Services and Other O&M costs to the distribution business for 2010 appropriate?

Complete Settlement: Because the level of Shared Services and Other OM&A spending was settled, the issue of the methodology no longer arises in this proceeding.

Evidence: Exhibit C1, Tab 1-3; Exhibit R1, Tab 11, Schedule 2

Supporting parties: THESL, AMPCO, BOMA, CCC, EP, SEC and VECC.

Parties taking no position: PP and SSMWG.

3.4 Are the 2010 Human Resources related costs (wages, salaries, benefits, incentive payments, and pension costs) including employee levels, appropriate? Has Toronto Hydro demonstrated improvements in efficiency, including labour productivity, and value for dollar associated with its compensation costs?

Complete Settlement: For the purpose of settlement, the intervenors accept the revised levels of Human Resources related costs.

Evidence: Exhibit C2, Tab 1; Exhibit R1, Tab 1, Schedule 36-42; Exhibit R1, Tab 3, Schedule 28; Exhibit R1, Tab 4, Schedule 13; Exhibit R1, Tab 11, Schedule 10-14

Supporting parties: THESL, AMPCO, BOMA, CCC, EP, SEC and VECC.

Parties taking no position: PP and SSMWG.

3.5 Is Toronto Hydro's depreciation expense appropriate?

Complete Settlement: For the purposes of settlement, the intervenors accept THESL's depreciation expenses, as adjusted to reflect the reduced 2010 Capital Expenditures discussed under item 4.2 below in this Settlement Proposal.

Evidence: Exhibit D1, Tab 12-13; Exhibit R1, Tab 3, Schedule 29; Exhibit R1, Tab 9, Schedule 15

Supporting parties: THESL, AMPCO, BOMA, CCC, EP, SEC and VECC.

Parties taking no position: PP and SSMWG.

3.6 Are the amounts proposed for capital and property taxes appropriate?

Complete Settlement: For the purposes of settlement, the intervenors accept the proposed amounts for capital and property taxes, but with the Ontario Capital Tax adjusted to reflect the reduced 2010 Capital Expenditures discussed under item 4.2 below in this Settlement Proposal.

Evidence: Exhibit H1, Tab 1; Exhibit R1, Tab 1, Schedule 48; Exhibit R1, Tab 3, Schedule 30

Supporting parties: THESL, AMPCO, BOMA, CCC, EP, SEC and VECC.

Parties taking no position: PP and SSMWG.

3.7 Is the amount proposed for PILs, including the methodology, appropriate?

Partial Settlement: For the purposes of settlement, the intervenors accept THESL's evidence that it has followed the Board's methodology to determine PILs, however the amount of PILs is dependent on the net income, and therefore the PILs amount to be included in revenue requirement is dependent on the determination of Issues 5.1 and 5.2.

Evidence: Exhibit H1, Tab 1; Exhibit R1, Tab 1, Schedule 49

Supporting parties: THESL, AMPCO, BOMA, CCC, EP, SEC and VECC.

Parties taking no position: PP and SSMWG.

4. CAPITAL EXPENDITURES AND RATE BASE

4.1 Are the amounts proposed for Rate Base appropriate?

Partial Settlement: For the purposes of settlement the intervenors, with the exception of PP, accept the proposed amounts for Rate Base, based on the revised capital budget discussed under 4.2 below.

Evidence: Exhibit D1, Tab 1-15; Exhibit R1, Tab 3, Schedule 39

Supporting parties: THESL, AMPCO, BOMA, CCC, EP, SEC and VECC.

Party taking no position: SSMWG.

Opposing party: PP.

4.2 Are the amounts proposed for 2010 Capital Expenditures appropriate including the specific Operational and Emerging Requirements categories?

Partial Settlement: As part of this settlement proposal, THESL agrees to reduce its 2010 capital budget from \$423.6M originally requested in the Application to \$350M, excluding any capital expenditures on its proposed Transit City program. THESL agrees to record in a deferral account for future disposal, subject to the Board's standard prudence review, any revenue requirement impact in 2010 of up to \$27.8M of capital expense actually incurred related to its proposed Transit City program. All of the parties, with the exception of PP, agree that the revised

capital expenditure levels are appropriate, including the treatment of any capital expenditures in connection with the Transit City initiative.

THESL will accommodate the reduction in its capital budget by slowing down the pace of non-critical renewal and new emerging capital programs. THESL will review its prioritization schedule to ensure that it yields the maximum benefits for its customers. THESL believes that the level of capital expenditures agreed to as part of this settlement will still allow for the majority of the required capital projects to proceed, avoiding material effects to customers or the system in the Test Year.

It is THESL's intention to file another COS application in 2010 for implementation for May 1, 2011. This will provide the Board and parties with an opportunity to review the status of THESL's capital program again next year.

Evidence: Exhibit D1, Tab 7-9; Exhibit R1, Tab 1, Schedule 56, 58-63,67,72, 73, 75, 76, 78; Exhibit R1, Tab 4, Schedule 32, 33, 36, 38, 39; Exhibit R1, Tab 6, Schedule 4-32; Exhibit R1, Tab 9, Schedule 8-14; Exhibit R1, Tab 11, Schedule 19-20

Supporting parties: THESL, AMPCO, BOMA, CCC, EP, SEC and VECC.

Party taking no position: SSMWG.

Opposing party: PP.

4.3 Are the inputs used to determine the Working Capital component of the Rate Base appropriate and is the methodology used consistent with the methodologies approved by the Board in previous Toronto Hydro rate applications?

Complete Settlement: For the purpose of settlement the intervenors accept the proposed working capital calculation.

Evidence: Exhibit D1, Tab 14; Exhibit R1, Tab 1, Schedule 80; Exhibit R1, Tab 11, Schedule 49

Supporting parties: THESL, AMPCO, BOMA, CCC, EP, SEC and VECC.

Parties taking no position: PP and SSMWG.

4.4 Does Toronto Hydro's Asset Condition Assessment information and Investment Planning Process adequately address the condition of the distribution system assets and support the O&MA and Capital expenditures for 2010?

Partial Settlement: For the purpose of settlement the intervenors, except for PP, accept that THESL's Asset Condition Assessment and Investment Planning Process adequately support the revised levels of spending.

Evidence: Exhibit Q1, Tab 3; Exhibit C1, Tab 6, Schedule 1-2; Exhibit R1, Tab 4, Schedule 37; Exhibit R1, Tab 11, Schedule 57

Supporting parties: THESL, AMPCO, BOMA, CCC, EP, SEC and VECC.

Party taking no position: SSMWG.

Opposing party: PP.

5. CAPITAL STRUCTURE AND COST OF CAPITAL

5.1 Is the proposed Capital Structure, Rate of Return on Equity, and Short-Term Debt Rate appropriate?

No Settlement: The parties were unable to reach agreement on this issue.

5.2 Is the proposed Long-Term Debt Rate appropriate?

No Settlement: The parties were unable to reach agreement on this issue.

6. DEFERRAL AND VARIANCE ACCOUNTS

6.1 Is the proposal for the amounts, disposition and continuance of Toronto Hydro's existing Deferral and Variance Accounts appropriate?

Complete Settlement: As part of this settlement proposal, THESL agrees to clear the total credit balance of the deferral and variance accounts proposed by THESL to customers over a period of 2 years, instead of 3 as proposed in the prefiled evidence. The details of these accounts are provided in Exhibit J1, Tab 1, Schedule 2, Table 2, and result in a credit to customers forecast to be \$68.5M which amount will be subject to adjustments for Board approved carrying costs.

Included in the group of accounts subject to disposition is account 1592, PILs and Tax Variances for 2006 and Subsequent Years. Parties are aware that there is currently a separate proceeding in progress that will establish corrected values for account balances in account 1562, Deferred Payments in Lieu of Taxes (for the period October 1, 2001 to April 30, 2006)⁵ ("PILs Proceeding").

The notice for the PILs proceeding indicated that the results of that proceeding "may also have an impact on balances in other accounts, such as 1563 Contra - Deferred PILS, or 1592 PILS for 2006 and Subsequent Years". Parties have included the disposition of account 1592 as part of this settlement agreement primarily because account 1592 represents a large credit balance of \$11.7M as of December 31, 2008 which THESL and the intervenors wish to dispose at this time ("the current balance").

⁵ EB-2008-0381 (previously EB-2007-0820).

Parties propose that this current balance in account 1592 be cleared in this proceeding. The impact, if any, of the PILs proceeding on account 1592 shall be incorporated in account 1592 by THESL and brought forward by THESL to the Board for review at a future proceeding.

In addition, as a result of the pending changes to Provincial Sales Tax regulations, and the introduction of the Harmonized Sales Tax (HST) as of July 1, 2010, THESL agrees to record in a deferral account the difference between any PST on forecast capital expenditures and expenses to be incurred, and any HST (8% Ontario share) on similar capital and expense actual amounts for which it will be eligible for an HST Input Tax Credit (“ITC”).

Beginning July 1, 2010 and until THESL’s next cost-of-service rebasing application, THESL will track in a deferral account the incremental Input Tax Credit it receives on non-pass-through items (the “subject items”) that were previously subject to PST and become subject to HST. The intention of this account is to track the incremental change due to the shift from Provincial Sales Tax to the Harmonized Sales Tax and the amounts THESL receives through the incremental Input Tax Credit. Tracking of these amounts will continue in the deferral account until THESL’s next cost of service application is determined by the Board or until the Board provides guidance on this matter, whichever occurs first. For example, Cost of Power and all other upstream charges applied to THESL by the IESO and/or Hydro One are excluded from this calculation.

To qualify for this treatment the cost of the subject items must be in the category of distribution revenue requirement. THESL will apply to clear the balance in the variance account as a credit to customers at the next opportunity for a rate change after the account balance information becomes available and is supported by audited financial statements.

In practice, this treatment effects a refund to the ratepayer of the incremental ITC. THESL will file to dispose of the balance in this account at a future date.

The parties understand that as of the date of the filing of this settlement agreement, the Board has not established a deferral account to address the introduction of the HST for any rate regulated distributor. Parties recognize that if the Board establishes an HST account on a generic basis, the Board will likely provide specific directions on the accounting guidelines to be followed with regard to the HST account (“HST guidelines”). If the Board does so, the parties understand that the Board’s HST guidelines will supersede the methodology noted above.

THESL agrees to record in a deferral account for future disposal, subject to the Board’s standard prudence review, any revenue requirement impact in 2010 of up to \$27.8M of capital expense actually incurred related to its proposed Transit City program.

Subject to these three changes, for the purposes of settlement the intervenors accept THESL's proposal for the amounts, disposition, use and continuance of deferral and variance accounts.

Evidence: Exhibit J1, Tab 1, Schedule 2; Exhibit J2, Tab 2, Schedule 8-10; Exhibit R1, Tab 1, Schedule 84-89; Exhibit R1, Tab 11, Schedule 38-40

Supporting parties: THESL, AMPCO, BOMA, CCC, EP, SEC and VECC.

Parties taking no position: PP and SSMWG.

6.2 Is Toronto Hydro's proposal to record variances between the approved levels of capital contributions to Hydro One and the actual contribution levels in USOA 1508 appropriate?

Complete Settlement: For the purposes of settlement the intervenors accept THESL's proposal.

Evidence: Exhibit D2, Tab 1; Exhibit J1, Tab 1, Schedule 2; Exhibit R1, Tab 1, Schedule 92

Supporting parties: THESL, AMPCO, BOMA, CCC, EP, SEC and VECC.

Parties taking no position: PP and SSMWG.

7. COST ALLOCATION AND RATE DESIGN

7.1 Is Toronto Hydro's cost allocation appropriate?

Partial Settlement: For the purposes of settlement, the intervenors, with the exception of the SSMWG, accept THESL's cost allocation for 2010 rates.

Evidence: Exhibit L1, Tab 1-2; Exhibit R1, Tab 1, Schedule 93; Exhibit R1, Tab 10, Schedule 4; Exhibit R1, Tab 3, Schedule 41, 50-51

Supporting parties: THESL, AMPCO, BOMA, CCC, EP, SEC and VECC.

Party taking no position: PP.

Opposing party: SSMWG.

Opposing party notes: The SSMWG views THESL's treatment of residential customers residing in individually metered multiple unit residential units (i.e. "suite metered customers") as inappropriate.

THESL and SSMWG agree that that the scope of this issue can be narrowed to:

“Is Toronto Hydro’s cost allocation in respect of residential customers residing in individually metered multiple unit residential units (“suite metered customers”) appropriate?”

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

Partial Settlement: For the purposes of settlement, the intervenors, with the exception of the SSMWG, accept THESL’s proposed revenue to cost ratios for each class as the basis for 2010 rates.

Evidence: Exhibit L1, Tab 1-2, Exhibit M1, Tab 1, Schedule 1; Exhibit R1, Tab 1, Schedule 96; Exhibit R1, Tab 3, Schedule 50; Exhibit R1, Tab 11, Schedule 52

Supporting parties: THESL, AMPCO, BOMA, CCC, EP, SEC and VECC.

Party taking no position: PP.

Opposing party: SSMWG.

Opposing party notes: The SSMWG views THESL’s treatment of residential customers residing in individually metered multiple unit residential units (i.e. “suite metered customers”) as inappropriate.

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

Complete Settlement: As part of this settlement proposal, THESL agrees to maintain the existing fixed-variable split for all rate classes (with the exception of the GS50-999 class) as included in its 2009 rate design. The company's original proposal for fixed portion of rates was informed by the outputs of the Cost Allocation model for fixed rates. All parties agree that maintaining the split is acceptable.

Regarding the GS50-999 class, THESL agrees that the fixed charge will be increased from the current \$32.69 per 30 days to no more than \$40.00 per 30 days. While this increase is not as large as would be suggested by the outputs of the cost allocation model, it moves the fixed rate in the correct direction, and is an acceptable increase. Therefore, all parties agree that THESL’s revised fixed variable splits for each class are appropriate.

The proposed rates, subject to adjustment of the revenue requirement with respect to the unsettled issues, are set forth in Appendix B.

Evidence: Exhibit M1, Tab 1-2; Exhibit R1, Tab 11, Schedule 53

Supporting parties: THESL, AMPCO, BOMA, CCC, EP, SEC and VECC.

Parties taking no position: PP and SSMWG.

7.4 Are the proposed Retail Transmission Service rates appropriate?

Complete Settlement: For the purposes of settlement, the intervenors accept the proposed Retail Transmission Service rates.

Evidence: Exhibit N1, Tab 2, Schedule 2; Exhibit R1, Tab 3, Schedule 52-53; Exhibit R1, Tab 11, Schedule 56

Supporting parties: THESL, AMPCO, BOMA, CCC, EP, SEC and VECC.

Parties taking no position: PP and SSMWG.

7.5 Are the proposed Distribution Loss Factors appropriate?

Complete Settlement: For the purposes of settlement, the intervenors accept the proposed Distribution Loss Factors.

Evidence: Exhibit M1, Tab 1-2 and 5; Exhibit R1, Tab 3, Schedule 51

Supporting parties: THESL, AMPCO, BOMA, CCC, EP, SEC and VECC.

Parties taking no position: PP and SSMWG.

8. SMART GRID PLAN

8.1 Does Toronto Hydro's Smart Grid Plan meet the Board's filing guidelines and the objectives set out in the *Green Energy and Green Economy Act, 2009*?

Complete Settlement: For the purposes of settlement, the intervenors accept THESL's evidence that its Smart Grid Plan meets the Board's filing guidelines and the objectives set out in the *Green Energy and Green Economy Act, 2009*.

Evidence: Exhibit G1, Tab 1; Exhibit R1, Tab 1, Schedule 74, 101-121; Exhibit R1, Tab 2, Schedule 11-20; Exhibit R1, Tab 4, Schedule 50-52; Exhibit R1, Tab 11, Schedule 34-36

Supporting parties: THESL, AMPCO, BOMA, CCC, EP, SEC and VECC.

Parties taking no position: PP and SSMWG.

8.2 Has Toronto Hydro appropriately addressed the Smart Grid Plan expenditures in the context of its overall Capital and O&M budgets?

Complete Settlement: For the purposes of settlement the intervenors accept THESL's evidence with respect to its Smart Grid expenditures .

Evidence: Exhibit G1, Tab 1; Exhibit D1, Tab 7, Schedule 7-8; Exhibit R1, Tab 1, Schedule 74, 101-121; Exhibit R1, Tab 2, Schedule 11-20; Exhibit R1, Tab 4, Schedule 50-52; Exhibit R1, Tab 11, Schedule 34-36

Supporting parties: THESL, AMPCO, BOMA, CCC, EP, SEC and VECC.

Parties taking no position: PP and SSMWG.

8.3 Is Toronto Hydro's approach to allocating Smart Grid Plan O&M and Capital costs to its distribution customers appropriate?

Complete Settlement: For the purposes of settlement, the intervenors accept THESL's allocation of its Smart Grid costs.

Evidence: Exhibit G1, Tab 1; Exhibit R1, Tab 1, Schedule 104-105

Supporting parties: THESL, AMPCO, BOMA, CCC, EP, SEC and VECC.

Parties taking no position: PP and SSMWG.

APPENDIX "A"

Approved Final Issues List

1. GENERAL

- 1.1 Has Toronto Hydro responded appropriately to all relevant Board directions from previous proceedings?
- 1.2 Are Toronto Hydro's economic and business planning assumptions for 2010 appropriate?
- 1.3 Is service quality, based on the OEB specified performance indicators, acceptable?
- 1.4 Is the overall increase in the 2010 revenue requirement reasonable given the impact on consumers?

2. LOAD and REVENUE FORECAST

- 2.1 Is the load forecast and methodology appropriate and have the impacts of Conservation and Demand Management initiatives been suitably reflected?
- 2.2 Is the proposed amount for 2010 other revenues appropriate?

3. OPERATIONS, MAINTENANCE and ADMINISTRATION COSTS

- 3.1 Are the overall levels of the 2010 Operation, Maintenance and Administration budgets appropriate?
- 3.2 Is the proposed level of 2010 Shared Services and Other O&M spending appropriate?
- 3.3 Are the methodologies used to allocate Shared Services and Other O&M costs to the distribution business for 2010 appropriate?
- 3.4 Are the 2010 Human Resources related costs (wages, salaries, benefits, incentive payments, and pension costs) including employee levels, appropriate? Has Toronto Hydro demonstrated improvements in efficiency, including labour productivity, and value for dollar associated with its compensation costs?
- 3.5 Is Toronto Hydro's depreciation expense appropriate?
- 3.6 Are the amounts proposed for capital and property taxes appropriate?
- 3.7 Is the amount proposed for PILs, including the methodology, appropriate? Ontario Energy Board

4. CAPITAL EXPENDITURES and RATE BASE

- 4.1 Are the amounts proposed for Rate Base appropriate?
- 4.2 Are the amounts proposed for 2010 Capital Expenditures appropriate including the specific Operational and Emerging Requirements categories?

- 4.3 Are the inputs used to determine the Working Capital component of the Rate Base appropriate and is the methodology used consistent with the methodologies approved by the Board in previous Toronto Hydro rate applications?
- 4.4 Does Toronto Hydro's Asset Condition Assessment information and Investment Planning Process adequately address the condition of the distribution system assets and support the O&MA and Capital expenditures for 2010?

5. CAPITAL STRUCTURE AND COST OF CAPITAL

- 5.1 Is the proposed Capital Structure, Rate of Return on Equity, and Short-Term Debt Rate appropriate?
- 5.2 Is the proposed Long-Term Debt Rate appropriate?

6. DEFERRAL and VARIANCE ACCOUNTS

- 6.1 Is the proposal for the amounts, disposition and continuance of Toronto Hydro's existing Deferral and Variance Accounts appropriate?
- 6.2 Is Toronto Hydro's proposal to record variances between the approved levels of capital contributions to Hydro One and the actual contribution levels in USOA 1508 appropriate?

7. COST ALLOCATION and RATE DESIGN

- 7.1 Is Toronto Hydro's cost allocation appropriate?
- 7.2 Are the proposed revenue to cost ratios for each class appropriate?
- 7.3 Are the fixed-variable splits for each class appropriate?
- 7.4 Are the proposed Retail Transmission Service rates appropriate?
- 7.5 Are the proposed Distribution Loss Factors appropriate?

8. SMART GRID PLAN

- 8.1 Does Toronto Hydro's Smart Grid Plan meet the Board's filing guidelines and the objectives set out in the Green Energy and Green Economy Act, 2009? Ontario Energy Board
- 8.2 Has Toronto Hydro appropriately addressed the Smart Grid Plan expenditures in the context of its overall Capital and O&M budgets?
- 8.3 Is Toronto Hydro's approach to allocating Smart Grid Plan O&M and Capital costs to its distribution customers appropriate?

APPENDIX “B”

Revenue Requirements and Bill Impacts

Revenue Requirement

	Col. 1	Col. 2	Col. 3	Col. 4
		As Filed (Aug 2009)	As Per Settlement Agreement (before CoC impact)	As Per Settlement Agreement (including CoC estimate Impact)
1				
2	Net Fixed assets (\$M)	1,885.4	1,867.1	1867.1
3	Working capital (\$M)	276.9	273.0	273.7
4	Rate Base (\$M)	2,162.3	2,140.2	2,140.9
5	Deemed Long-Term Debt Component %	56.0%	56.0%	56.0%
6	Deemed Short-Term Debt Component %	4.0%	4.0%	4.0%
7	Deemed Equity Component %	40.0%	40.0%	40.0%
8	Long-Term Debt Rate	5.60%	5.37%	5.37%
9	Short-Term Debt Rate	1.33%	1.33%	2.30%
10	Return on Equity	8.01%	8.01%	9.75%
11	Weighted Average Cost of Capital	6.39%	6.26%	7.00%
12	Cost of Capital (Return on Rate Base)	138.2	134.1	149.8
13	OM&A	212.1	195.4	195.4
14	Municipal and Property Taxes	6.7	6.7	6.7
15	Depreciation and Amortization (\$M)	167.0	166.4	166.4
16	PILS (\$M)	23.4	23.2	30.6
17	Service Revenue Requirement (\$M)	547.5	525.7	548.9
18	Revenue Offsets (\$M)	18.7	18.7	18.7
19	Base Revenue Requirement (\$M)	528.7	507.0	530.2

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Summary Table - Monthly Bill Impacts - Percentage Change from 2009 Rates

	Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8	Col. 9	Col. 10	Col. 11	Col. 12	Col. 13
				Prefiled Evidence			ADR			ADR plus Cost of Capital Estimate			
	kWh	kW	kVA	Distribution	Distribution + Rate Riders	Total Bill	Distribution	Distribution + Rate Riders	Total Bill	Distribution	Distribution + Rate Riders	Total Bill	
1													
2	Residential												
3	(RPP)	800		11.7%	10.4%	3.3%	6.7%	3.7%	1.4%	11.6%	8.6%	2.8%	
4	GS<50 kW												
5	(RPP)	2,000		16.2%	13.7%	4.2%	11.5%	7.0%	2.5%	16.3%	11.8%	3.8%	
6	GS 50-999 kW												
7	(RPP)	200,000	500	556	9.0%	2.0%	-0.4%	5.6%	-5.4%	-1.4%	10.5%	-0.4%	-0.8%
8	(Non RPP)				9.0%	4.4%	-0.1%	5.6%	-1.7%	-0.9%	10.5%	3.3%	-0.3%
9	GS 1000-4999 kW												
10	(RPP)	1,000,000	2,000	2,222	-5.3%	-13.5%	-1.4%	-8.9%	-22.2%	-2.3%	-5.1%	-18.4%	-1.9%
11	(Non RPP)				-5.3%	-9.9%	-1.1%	-8.9%	-16.8%	-1.8%	-5.1%	-13.0%	-1.4%
12	Large Use												
13	(RPP)	2,500,000	5,000	5,556	9.0%	-0.1%	0.2%	6.4%	-8.6%	-0.6%	10.6%	-4.3%	-0.2%
14	(Non RPP)				9.0%	3.6%	0.6%	6.4%	-3.1%	-0.1%	10.6%	1.2%	0.4%
15	Street Lighting			Connections	Mthly kVA								
16	(RPP)	365	1	1	56.1%	54.2%	20.4%	54.2%	51.0%	19.2%	62.3%	59.2%	22.4%
17	(Non RPP)				56.1%	54.8%	20.7%	54.2%	52.0%	19.5%	62.3%	60.1%	22.8%
18	Unmetered Scattered Loads			Customers	Connections								
19	(RPP)	365	1	1	42.3%	44.5%	17.4%	37.4%	38.1%	15.0%	44.3%	45.2%	17.7%

NOTE: The Global Adjustment Rate Riders are included for the Non RPP customers in each rate class.

2010 Distribution Bill Impact (Prefiled Evidence)

	Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8	Col. 9	Col. 10	Col. 11	Col. 12	Col. 13
	2009 Rates						2010 Rates				2010 Change		
	kWh	kW	kVA	Customer (\$/cust)	Volumetric (\$/kWh or KVa)	Connection (\$/conn)	Dist Bill (\$)	Customer (\$/cust)	Volumetric (\$/kWh or KVa)	Connection (\$/conn)	Dist Bill (\$)	\$	%
1	Residential												
2	100			16.85	0.01432		18.28	18.14	0.01684		19.82	1.54	8.4%
3	250			16.85	0.01432		20.43	18.14	0.01684		22.35	1.92	9.4%
4	500			16.85	0.01432		24.01	18.14	0.01684		26.56	2.55	10.6%
5	800			16.85	0.01432		28.31	18.14	0.01684		31.61	3.31	11.7%
6	1,000			16.85	0.01432		31.17	18.14	0.01684		34.98	3.81	12.2%
7	1,500			16.85	0.01432		38.33	18.14	0.01684		43.40	5.07	13.2%
8	2,000			16.85	0.01432		45.49	18.14	0.01684		51.82	6.33	13.9%
9	GS<50 kW												
10	2,000			21.44	0.01975		60.94	22.84	0.02399		70.82	9.88	16.2%
11	5,000			21.44	0.01975		120.19	22.84	0.02399		142.79	22.60	18.8%
12	10,000			21.44	0.01975		218.94	22.84	0.02399		262.74	43.80	20.0%
13	20,000			21.44	0.01975		416.44	22.84	0.02399		502.64	86.20	20.7%
14	GS 50-999 kW												
23	30,000	100	100	32.69	5.15090		547.78	50.50	5.5866		609.16	61.38	11.2%
24	40,000	100	100	32.69	5.15090		547.78	50.50	5.5866		609.16	61.38	11.2%
25	150,000	500	556	32.69	5.15090		2,894.30	50.50	5.5866		3,154.17	259.87	9.0%
26	200,000	500	556	32.69	5.15090		2,894.30	50.50	5.5866		3,154.17	259.87	9.0%
27	270,000	900	1,000	32.69	5.15090		5,183.59	50.50	5.5866		5,637.10	453.51	8.7%
28	360,000	900	1,000	32.69	5.15090		5,183.59	50.50	5.5866		5,637.10	453.51	8.7%
29	450,000	900	1,000	32.69	5.15090		5,183.59	50.50	5.5866		5,637.10	453.51	8.7%
30	GS 1000-4999 kW												
31	300,000	1,000	1,111	705.35	4.32300		5,508.68	691.11	4.0844		5,229.33	-279.35	-5.1%
32	400,000	1,000	1,111	705.35	4.32300		5,508.68	691.11	4.0844		5,229.33	-279.35	-5.1%
33	500,000	1,000	1,111	705.35	4.32300		5,508.68	691.11	4.0844		5,229.33	-279.35	-5.1%
34	600,000	2,000	2,222	705.35	4.32300		10,312.02	691.11	4.0844		9,767.55	-544.46	-5.3%
35	800,000	2,000	2,222	705.35	4.32300		10,312.02	691.11	4.0844		9,767.55	-544.46	-5.3%
36	1,000,000	2,000	2,222	705.35	4.32300		10,312.02	691.11	4.0844		9,767.55	-544.46	-5.3%
37	Large Use												
38	1,500,000	5,000	5,556	2639.04	3.93480		24,499.04	2277.32	4.3984		26,712.88	2,213.84	9.0%
39	2,000,000	5,000	5,556	2639.04	3.93480		24,499.04	2277.32	4.3984		26,712.88	2,213.84	9.0%
40	2,500,000	5,000	5,556	2639.04	3.93480		24,499.04	2277.32	4.3984		26,712.88	2,213.84	9.0%
41	3,000,000	10,000	11,111	2639.04	3.93480		46,359.04	2277.32	4.3984		51,148.43	4,789.39	10.3%
42	4,000,000	10,000	11,111	2639.04	3.93480		46,359.04	2277.32	4.3984		51,148.43	4,789.39	10.3%
43	5,000,000	10,000	11,111	2639.04	3.93480		46,359.04	2277.32	4.3984		51,148.43	4,789.39	10.3%
44	Street Lighting Connections Mthly kVA												
45	9,108,245	162,353	26,765	0.89	19.75810		673,324.73	1.12	31.1169		1,014,686.96	341,362.24	50.7%
46	365	1	1	0.89	19.75810		20.65	1.12	31.1169		32.24	11.59	56.1%
47	Unmetered												
48	Scattered Loads Customers Connections												
49	4,367,777	1,124	21,782	3.42	0.0417	0.35	193,779.08	3.74	0.06283	0.37	286,690.84	92,911.76	47.9%
50	365	1	1	3.42	0.0417	0.35	19.01	3.74	0.06283	0.37	27.04	8.04	42.3%

2010 Distribution + Rate Rider Bill Impact (Prefiled Evidence) - RPP Customers

Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 8	Col. 9	Col. 10	Col. 12	Col. 13	Col. 14
			2009			2010 Rate Rider			2010 Change		
	kWh	kW	kVA	Distribution (\$)	Rate Rider (\$)	Total (\$)	Distribution (\$)	(\$)	Total (\$)	\$	%
1	Residential										
2	100			18.28	0.57	18.85	19.82	0.55	20.37	1.52	8.1%
3	250			20.43	0.45	20.88	22.35	0.36	22.71	1.83	8.8%
4	500			24.01	0.25	24.26	26.56	0.05	26.61	2.35	9.7%
5	800			28.31	0.01	28.32	31.61	-0.34	31.27	2.96	10.4%
6	1,000			31.17	-0.15	31.02	34.98	-0.59	34.39	3.37	10.9%
7	1,500			38.33	-0.55	37.78	43.40	-1.23	42.17	4.39	11.6%
8	2,000			45.49	-0.95	44.54	51.82	-1.86	49.96	5.42	12.2%
9	GS<50 kW										
10	2,000			60.94	-0.16	60.78	70.82	-1.72	69.10	8.32	13.7%
11	5,000			120.19	-1.36	118.83	142.79	-5.32	137.47	18.64	15.7%
12	10,000			218.94	-3.36	215.58	262.74	-11.32	251.42	35.84	16.6%
13	20,000			416.44	-7.36	409.08	502.64	-23.32	479.32	70.24	17.2%
14	GS 50-999 kW										
23	30,000	100	100	547.78	-4.02	543.76	609.16	-40.32	568.84	25.08	4.6%
24	40,000	100	100	547.78	-4.02	543.76	609.16	-40.32	568.84	25.08	4.6%
25	150,000	500	556	2,894.30	-24.52	2,869.78	3,154.17	-227.10	2,927.07	57.29	2.0%
26	200,000	500	556	2,894.30	-24.52	2,869.78	3,154.17	-227.10	2,927.07	57.29	2.0%
27	270,000	900	1,000	5,183.59	-44.52	5,139.07	5,637.10	-409.32	5,227.78	88.71	1.7%
28	360,000	900	1,000	5,183.59	-44.52	5,139.07	5,637.10	-409.32	5,227.78	88.71	1.7%
29	450,000	900	1,000	5,183.59	-44.52	5,139.07	5,637.10	-409.32	5,227.78	88.71	1.7%
30	GS 1000-4999 kW										
31	300,000	1,000	1,111	5,508.68	-106.88	5,401.81	5,229.33	-514.65	4,714.68	-687.13	-12.7%
32	400,000	1,000	1,111	5,508.68	-106.88	5,401.81	5,229.33	-514.65	4,714.68	-687.13	-12.7%
33	500,000	1,000	1,111	5,508.68	-106.88	5,401.81	5,229.33	-514.65	4,714.68	-687.13	-12.7%
34	600,000	2,000	2,222	10,312.02	-214.43	10,097.59	9,767.55	-1,029.99	8,737.56	-1,360.02	-13.5%
35	800,000	2,000	2,222	10,312.02	-214.43	10,097.59	9,767.55	-1,029.99	8,737.56	-1,360.02	-13.5%
36	1,000,000	2,000	2,222	10,312.02	-214.43	10,097.59	9,767.55	-1,029.99	8,737.56	-1,360.02	-13.5%
37	Large Use										
38	1,500,000	5,000	5,556	24,499.04	-548.76	23,950.28	26,712.88	-2,782.65	23,930.23	-20.05	-0.1%
39	2,000,000	5,000	5,556	24,499.04	-548.76	23,950.28	26,712.88	-2,782.65	23,930.23	-20.05	-0.1%
40	2,500,000	5,000	5,556	24,499.04	-548.76	23,950.28	26,712.88	-2,782.65	23,930.23	-20.05	-0.1%
41	3,000,000	10,000	11,111	46,359.04	-1,098.21	45,260.83	51,148.43	-5,565.99	45,582.44	321.61	0.7%
42	4,000,000	10,000	11,111	46,359.04	-1,098.21	45,260.83	51,148.43	-5,565.99	45,582.44	321.61	0.7%
43	5,000,000	10,000	11,111	46,359.04	-1,098.21	45,260.83	51,148.43	-5,565.99	45,582.44	321.61	0.7%
44	Street Lighting										
45	9,108,245	162,353	26,765	673,324.73	-1,769.18	671,555.55	1,014,686.96	-13,288.46	1,001,398.50	329,842.96	49.1%
46	365	1	1	20.65	-0.07	20.58	32.24	-0.50	31.74	11.15	54.2%
47	Unmetered										
48	Scattered Loads										
49	4,367,777	1,124	21,782	193,779.08	-7,381.54	186,397.54	286,690.84	-6,374.60	280,316.24	93,918.70	50.4%
50	365	1	1	19.01	-0.62	18.39	27.04	-0.48	26.56	8.17	44.5%

2010 Distribution + Rate Rider Bill Impact (Prefiled Evidence) - Non RPP Customers

Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 8	Col. 9	Col. 10	Col. 12	Col. 13	Col. 14
			2009			2010 Rate Rider			2010 Change		
	kWh	kW	kVA	Distribution (\$)	Rate Rider (\$)	Total (\$)	Distribution (\$)	(\$)	Total (\$)	\$	%
1	Residential										
2	100			18.28	0.57	18.85	19.82	0.59	20.41	1.56	8.3%
3	250			20.43	0.45	20.88	22.35	0.46	22.81	1.93	9.2%
4	500			24.01	0.25	24.26	26.56	0.23	26.79	2.53	10.4%
5	800			28.31	0.01	28.32	31.61	-0.04	31.57	3.26	11.5%
6	1,000			31.17	-0.15	31.02	34.98	-0.22	34.76	3.74	12.1%
7	1,500			38.33	-0.55	37.78	43.40	-0.67	42.73	4.95	13.1%
8	2,000			45.49	-0.95	44.54	51.82	-1.12	50.70	6.16	13.8%
9	GS<50 kW										
10	2,000			60.94	-0.16	60.78	70.82	-0.98	69.84	9.06	14.9%
11	5,000			120.19	-1.36	118.83	142.79	-3.47	139.32	20.49	17.2%
12	10,000			218.94	-3.36	215.58	262.74	-7.62	255.12	39.54	18.3%
13	20,000			416.44	-7.36	409.08	502.64	-15.92	486.72	77.64	19.0%
14	GS 50-999 kW										
23	30,000	100	100	547.78	-4.02	543.76	609.16	-29.82	579.34	35.58	6.5%
24	40,000	100	100	547.78	-4.02	543.76	609.16	-26.32	582.84	39.08	7.2%
25	150,000	500	556	2,894.30	-24.52	2,869.78	3,154.17	-174.60	2,979.57	109.79	3.8%
26	200,000	500	556	2,894.30	-24.52	2,869.78	3,154.17	-157.10	2,997.07	127.29	4.4%
27	270,000	900	1,000	5,183.59	-44.52	5,139.07	5,637.10	-314.82	5,322.28	183.21	3.6%
28	360,000	900	1,000	5,183.59	-44.52	5,139.07	5,637.10	-283.32	5,353.78	214.71	4.2%
29	450,000	900	1,000	5,183.59	-44.52	5,139.07	5,637.10	-251.82	5,385.28	246.21	4.8%
30	GS 1000-4999 kW										
31	300,000	1,000	1,111	5,508.68	-106.88	5,401.81	5,229.33	-406.65	4,822.68	-579.13	-10.7%
32	400,000	1,000	1,111	5,508.68	-106.88	5,401.81	5,229.33	-370.65	4,858.68	-543.13	-10.1%
33	500,000	1,000	1,111	5,508.68	-106.88	5,401.81	5,229.33	-334.65	4,894.68	-507.13	-9.4%
34	600,000	2,000	2,222	10,312.02	-214.43	10,097.59	9,767.55	-813.99	8,953.56	-1,144.02	-11.3%
35	800,000	2,000	2,222	10,312.02	-214.43	10,097.59	9,767.55	-741.99	9,025.56	-1,072.02	-10.6%
36	1,000,000	2,000	2,222	10,312.02	-214.43	10,097.59	9,767.55	-669.99	9,097.56	-1,000.02	-9.9%
37	Large Use										
38	1,500,000	5,000	5,556	24,499.04	-548.76	23,950.28	26,712.88	-2,257.65	24,455.23	504.95	2.1%
39	2,000,000	5,000	5,556	24,499.04	-548.76	23,950.28	26,712.88	-2,082.65	24,630.23	679.95	2.8%
40	2,500,000	5,000	5,556	24,499.04	-548.76	23,950.28	26,712.88	-1,907.65	24,805.23	854.95	3.6%
41	3,000,000	10,000	11,111	46,359.04	-1,098.21	45,260.83	51,148.43	-4,515.99	46,632.44	1,371.61	3.0%
42	4,000,000	10,000	11,111	46,359.04	-1,098.21	45,260.83	51,148.43	-4,165.99	46,982.44	1,721.61	3.8%
43	5,000,000	10,000	11,111	46,359.04	-1,098.21	45,260.83	51,148.43	-3,815.99	47,332.44	2,071.61	4.6%
44	Street Lighting										
45	9,108,245	Connections 162,353	Mthly kVA 26,765	673,324.73	-1,769.18	671,555.55	1,014,686.96	-9,982.94	1,004,704.02	333,148.48	49.6%
46	365	1	1	20.65	-0.07	20.58	32.24	-0.37	31.87	11.28	54.8%
47	Unmetered										
48	Scattered Loads										
49	4,367,777	Customers 1,124	Connections 21,782	193,779.08	-7,381.54	186,397.54	286,690.84	-6,374.60	280,316.24	93,918.70	50.4%
50	365	1	1	19.01	-0.62	18.39	27.04	-0.48	26.56	8.17	44.5%

2010 Total Bill Impact (Prefiled Evidence) - RPP Customers

Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8	Col. 9	Col. 10	Col. 11	Col. 12	Col. 13	Col. 14
				2009				2010				2010 Change	
				Non-Distribution				Non-Distribution					
				Rate Rider				Rate Rider					
	kWh	kW	kVA	Distribution (\$)	Rate Rider (\$)	Distribution (\$)	Total (\$)	Distribution (\$)	Rate Rider (\$)	Distribution (\$)	Total (\$)	\$	%
Residential													
	100			18.28	0.57	8.63	27.48	19.82	0.55	8.66	29.03	1.55	5.6%
	250			20.43	0.45	21.20	42.08	22.35	0.36	21.27	43.98	1.91	4.5%
	500			24.01	0.25	42.14	66.40	26.56	0.05	42.29	68.90	2.50	3.8%
	800			28.31	0.01	67.55	95.86	31.61	-0.34	67.79	99.06	3.20	3.3%
	1,000			31.17	-0.15	86.17	117.19	34.98	-0.59	86.47	120.86	3.67	3.1%
	1,500			38.33	-0.55	132.73	170.51	43.40	-1.23	133.18	175.35	4.84	2.8%
	2,000			45.49	-0.95	179.29	223.83	51.82	-1.86	179.89	229.85	6.02	2.7%
GS<50 kW													
	2,000			60.94	-0.16	178.70	239.48	70.82	-1.72	180.55	249.65	10.17	4.2%
	5,000			120.19	-1.36	456.51	575.34	142.79	-5.32	461.13	598.60	23.26	4.0%
	10,000			218.94	-3.36	919.52	1,135.10	262.74	-11.32	928.75	1,180.17	45.07	4.0%
	20,000			416.44	-7.36	1,845.54	2,254.62	502.64	-23.32	1,864.01	2,343.33	88.71	3.9%
GS 50-999 kW													
	30,000	100	100	547.78	-4.02	2,815.28	3,359.04	609.16	-40.32	2,785.83	3,354.67	-4.37	-0.1%
	40,000	100	100	547.78	-4.02	3,637.54	4,181.30	609.16	-40.32	3,608.09	4,176.93	-4.37	-0.1%
	150,000	500	556	2,894.30	-24.52	14,102.40	16,972.18	3,154.17	-227.10	13,955.15	16,882.22	-89.96	-0.5%
	200,000	500	556	2,894.30	-24.52	18,213.70	21,083.48	3,154.17	-227.10	18,066.45	20,993.52	-89.96	-0.4%
	270,000	900	1,000	5,183.59	-44.52	25,389.52	30,528.59	5,637.10	-409.32	25,124.47	30,352.25	-176.34	-0.6%
	360,000	900	1,000	5,183.59	-44.52	32,789.86	37,928.93	5,637.10	-409.32	32,524.81	37,752.59	-176.34	-0.5%
	450,000	900	1,000	5,183.59	-44.52	40,190.20	45,329.27	5,637.10	-409.32	39,925.15	45,152.93	-176.34	-0.4%
GS 1000-4999 kW													
	300,000	1,000	1,111	5,508.68	-106.88	28,581.30	33,983.11	5,229.33	-514.65	28,536.60	33,251.28	-731.83	-2.2%
	400,000	1,000	1,111	5,508.68	-106.88	36,803.90	42,205.71	5,229.33	-514.65	36,759.20	41,473.88	-731.83	-1.7%
	500,000	1,000	1,111	5,508.68	-106.88	45,026.50	50,428.31	5,229.33	-514.65	44,981.80	49,696.48	-731.83	-1.5%
	600,000	2,000	2,222	10,312.02	-214.43	57,169.10	67,266.69	9,767.55	-1,029.99	57,079.70	65,817.26	-1,449.42	-2.2%
	800,000	2,000	2,222	10,312.02	-214.43	73,614.30	83,711.89	9,767.55	-1,029.99	73,524.90	82,262.46	-1,449.42	-1.7%
	1,000,000	2,000	2,222	10,312.02	-214.43	90,059.50	100,157.09	9,767.55	-1,029.99	89,970.10	98,707.66	-1,449.42	-1.4%
Large Use													
	1,500,000	5,000	5,556	24,499.04	-548.76	141,277.13	165,227.40	26,712.88	-2,782.65	141,881.63	165,811.85	584.45	0.4%
	2,000,000	5,000	5,556	24,499.04	-548.76	181,705.00	205,655.28	26,712.88	-2,782.65	182,309.50	206,239.73	584.45	0.3%
	2,500,000	5,000	5,556	24,499.04	-548.76	222,132.88	246,083.15	26,712.88	-2,782.65	222,737.38	246,667.60	584.45	0.2%
	3,000,000	10,000	11,111	46,359.04	-1,098.21	282,560.75	327,821.58	51,148.43	-5,565.99	283,769.75	329,352.19	1,530.61	0.5%
	4,000,000	10,000	11,111	46,359.04	-1,098.21	363,416.50	408,677.33	51,148.43	-5,565.99	364,625.50	410,207.94	1,530.61	0.4%
	5,000,000	10,000	11,111	46,359.04	-1,098.21	444,272.25	489,533.08	51,148.43	-5,565.99	445,481.25	491,063.69	1,530.61	0.3%
Street Lighting		Connections	Mthly kVA										
	9,108,245	162,353	26,765	673,324.73	-1,769.18	872,048.16	1,543,603.71	1,014,686.96	-13,288.46	857,975.00	1,859,373.51	315,769.80	20.5%
	365	1	1	20.65	-0.07	31.45	52.04	32.24	-0.50	30.93	62.67	10.63	20.4%
Unmetered													
Scattered Loads		Customers	Connections										
	4,367,777	1,124	21,782	193,779.08	-7,381.54	390,409.14	576,806.68	286,690.84	-6,374.60	392,357.90	672,674.14	95,867.46	16.6%
	365	1	1	19.01	-0.62	29.47	47.86	27.04	-0.48	29.63	56.19	8.34	17.4%

2010 Total Bill Impact (Prefiled Evidence) - Non RPP Customers

Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8	Col. 9	Col. 10	Col. 11	Col. 12	Col. 13	Col. 14			
				2009				2010				2010 Change				
				Non-				Non-								
				Rate Rider	Distribution			Rate Rider	Distribution							
				(\$)	(\$)	(\$)	Total (\$)	(\$)	(\$)	(\$)	Total (\$)	\$	%			
kWh	kW	kVA	Distribution (\$)	Rate Rider (\$)	Distribution (\$)	Total (\$)	Distribution (\$)	Rate Rider (\$)	Distribution (\$)	Total (\$)	Distribution (\$)	Rate Rider (\$)	Distribution (\$)	Total (\$)	\$	%
Residential																
100			18.28	0.57	8.63	27.48	19.82	0.59	8.66	29.07				29.07	1.59	5.8%
250			20.43	0.45	21.20	42.08	22.35	0.46	21.27	44.08				44.08	2.01	4.8%
500			24.01	0.25	42.14	66.40	26.56	0.23	42.29	69.08				69.08	2.68	4.0%
800			28.31	0.01	67.55	95.86	31.61	-0.04	67.79	99.36				99.36	3.50	3.6%
1,000			31.17	-0.15	86.17	117.19	34.98	-0.22	86.47	121.23				121.23	4.04	3.4%
1,500			38.33	-0.55	132.73	170.51	43.40	-0.67	133.18	175.91				175.91	5.40	3.2%
2,000			45.49	-0.95	179.29	223.83	51.82	-1.12	179.89	230.59				230.59	6.76	3.0%
GS<50 kW																
2,000			60.94	-0.16	178.70	239.48	70.82	-0.98	180.55	250.39				250.39	10.91	4.6%
5,000			120.19	-1.36	456.51	575.34	142.79	-3.47	461.13	600.45				600.45	25.11	4.4%
10,000			218.94	-3.36	919.52	1,135.10	262.74	-7.62	928.75	1,183.87				1,183.87	48.77	4.3%
20,000			416.44	-7.36	1,845.54	2,254.62	502.64	-15.92	1,864.01	2,350.73				2,350.73	96.11	4.3%
GS 50-999 kW																
30,000	100	100	547.78	-4.02	2,815.28	3,359.04	609.16	-29.82	2,785.83	3,365.17				3,365.17	6.13	0.2%
40,000	100	100	547.78	-4.02	3,637.54	4,181.30	609.16	-26.32	3,608.09	4,190.93				4,190.93	9.63	0.2%
150,000	500	556	2,894.30	-24.52	14,102.40	16,972.18	3,154.17	-174.60	13,955.15	16,934.72				16,934.72	-37.46	-0.2%
200,000	500	556	2,894.30	-24.52	18,213.70	21,083.48	3,154.17	-157.10	18,066.45	21,063.52				21,063.52	-19.96	-0.1%
270,000	900	1,000	5,183.59	-44.52	25,389.52	30,528.59	5,637.10	-314.82	25,124.47	30,446.75				30,446.75	-81.84	-0.3%
360,000	900	1,000	5,183.59	-44.52	32,789.86	37,928.93	5,637.10	-283.32	32,524.81	37,878.59				37,878.59	-50.34	-0.1%
450,000	900	1,000	5,183.59	-44.52	40,190.20	45,329.27	5,637.10	-251.82	39,925.15	45,310.43				45,310.43	-18.84	0.0%
GS 1000-4999 kW																
300,000	1,000	1,111	5,508.68	-106.88	28,581.30	33,983.11	5,229.33	-406.65	28,536.60	33,359.28				33,359.28	-623.83	-1.8%
400,000	1,000	1,111	5,508.68	-106.88	36,803.90	42,205.71	5,229.33	-370.65	36,759.20	41,617.88				41,617.88	-587.83	-1.4%
500,000	1,000	1,111	5,508.68	-106.88	45,026.50	50,428.31	5,229.33	-334.65	44,981.80	49,876.48				49,876.48	-551.83	-1.1%
600,000	2,000	2,222	10,312.02	-214.43	57,169.10	67,266.69	9,767.55	-813.99	57,079.70	66,033.26				66,033.26	-1,233.42	-1.8%
800,000	2,000	2,222	10,312.02	-214.43	73,614.30	83,711.89	9,767.55	-741.99	73,524.90	82,550.46				82,550.46	-1,161.42	-1.4%
1,000,000	2,000	2,222	10,312.02	-214.43	90,059.50	100,157.09	9,767.55	-669.99	89,970.10	99,067.66				99,067.66	-1,089.42	-1.1%
Large Use																
1,500,000	5,000	5,556	24,499.04	-548.76	141,277.13	165,227.40	26,712.88	-2,257.65	141,881.63	166,336.85				166,336.85	1,109.45	0.7%
2,000,000	5,000	5,556	24,499.04	-548.76	181,705.00	205,655.28	26,712.88	-2,082.65	182,309.50	206,939.73				206,939.73	1,284.45	0.6%
2,500,000	5,000	5,556	24,499.04	-548.76	222,132.88	246,083.15	26,712.88	-1,907.65	222,737.38	247,542.60				247,542.60	1,459.45	0.6%
3,000,000	10,000	11,111	46,359.04	-1,098.21	282,560.75	327,821.58	51,148.43	-4,515.99	283,769.75	330,402.19				330,402.19	2,580.61	0.8%
4,000,000	10,000	11,111	46,359.04	-1,098.21	363,416.50	408,677.33	51,148.43	-4,165.99	364,625.50	411,607.94				411,607.94	2,930.61	0.7%
5,000,000	10,000	11,111	46,359.04	-1,098.21	444,272.25	489,533.08	51,148.43	-3,815.99	445,481.25	492,813.69				492,813.69	3,280.61	0.7%
Street Lighting																
9,108,245	Connections	Mthly kVA	673,324.73	-1,769.18	872,048.16	1,543,603.71	1,014,686.96	-9,982.94	857,975.00	1,862,679.03				1,862,679.03	319,075.32	20.7%
365	1	1	20.65	-0.07	31.45	52.04	32.24	-0.37	30.93	62.80				62.80	10.76	20.7%
Unmetered																
Scattered Loads																
4,367,777	Customers	Connections	193,779.08	-7,381.54	390,409.14	576,806.68	286,690.84	-6,374.60	392,357.90	672,674.14				672,674.14	95,867.46	16.6%
365	1	1	19.01	-0.62	29.47	47.86	27.04	-0.48	29.63	56.19				56.19	8.34	17.4%

2010 Distribution Bill Impact (As Per ADR)

	Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8	Col. 9	Col. 10	Col. 11	Col. 12	Col. 13
	2009 Rates							2010 Rates				2010 Change	
	kWh	kW	kVA	Customer (\$/cust)	Volumetric (\$/kWh or KVa)	Connection (\$/conn)	Dist Bill (\$)	Customer (\$/cust)	Volumetric (\$/kWh or KVa)	Connection (\$/conn)	Dist Bill (\$)	\$	%
Residential													
	100			16.85	0.01432		18.28	17.83	0.01548		19.38	1.10	6.0%
	250			16.85	0.01432		20.43	17.83	0.01548		21.70	1.27	6.2%
	500			16.85	0.01432		24.01	17.83	0.01548		25.57	1.56	6.5%
	800			16.85	0.01432		28.31	17.83	0.01548		30.22	1.91	6.7%
	1,000			16.85	0.01432		31.17	17.83	0.01548		33.31	2.14	6.9%
	1,500			16.85	0.01432		38.33	17.83	0.01548		41.05	2.72	7.1%
	2,000			16.85	0.01432		45.49	17.83	0.01548		48.79	3.30	7.3%
GS<50 kW													
	2,000			21.44	0.01975		60.94	22.69	0.02262		67.93	6.99	11.5%
	5,000			21.44	0.01975		120.19	22.69	0.02262		135.79	15.60	13.0%
	10,000			21.44	0.01975		218.94	22.69	0.02262		248.89	29.95	13.7%
	20,000			21.44	0.01975		416.44	22.69	0.02262		475.09	58.65	14.1%
GS 50-999 kW													
	30,000	100	100	32.69	5.15090		547.78	34.60	5.4405		578.65	30.87	5.6%
	40,000	100	100	32.69	5.15090		547.78	34.60	5.4405		578.65	30.87	5.6%
	150,000	500	556	32.69	5.15090		2,894.30	34.60	5.4405		3,057.10	162.79	5.6%
	200,000	500	556	32.69	5.15090		2,894.30	34.60	5.4405		3,057.10	162.79	5.6%
	270,000	900	1,000	32.69	5.15090		5,183.59	34.60	5.4405		5,475.10	291.51	5.6%
	360,000	900	1,000	32.69	5.15090		5,183.59	34.60	5.4405		5,475.10	291.51	5.6%
	450,000	900	1,000	32.69	5.15090		5,183.59	34.60	5.4405		5,475.10	291.51	5.6%
GS 1000-4999 kW													
	300,000	1,000	1,111	705.35	4.32300		5,508.68	746.46	3.8937		5,072.80	-435.89	-7.9%
	400,000	1,000	1,111	705.35	4.32300		5,508.68	746.46	3.8937		5,072.80	-435.89	-7.9%
	500,000	1,000	1,111	705.35	4.32300		5,508.68	746.46	3.8937		5,072.80	-435.89	-7.9%
	600,000	2,000	2,222	705.35	4.32300		10,312.02	746.46	3.8937		9,399.13	-912.89	-8.9%
	800,000	2,000	2,222	705.35	4.32300		10,312.02	746.46	3.8937		9,399.13	-912.89	-8.9%
	1,000,000	2,000	2,222	705.35	4.32300		10,312.02	746.46	3.8937		9,399.13	-912.89	-8.9%
Large Use													
	1,500,000	5,000	5,556	2639.04	3.93480		24,499.04	2792.86	4.1894		26,067.31	1,568.27	6.4%
	2,000,000	5,000	5,556	2639.04	3.93480		24,499.04	2792.86	4.1894		26,067.31	1,568.27	6.4%
	2,500,000	5,000	5,556	2639.04	3.93480		24,499.04	2792.86	4.1894		26,067.31	1,568.27	6.4%
	3,000,000	10,000	11,111	2639.04	3.93480		46,359.04	2792.86	4.1894		49,341.75	2,982.71	6.4%
	4,000,000	10,000	11,111	2639.04	3.93480		46,359.04	2792.86	4.1894		49,341.75	2,982.71	6.4%
	5,000,000	10,000	11,111	2639.04	3.93480		46,359.04	2792.86	4.1894		49,341.75	2,982.71	6.4%
Street Lighting	Connections		Mthly kVA										
	9,182,014	159,861	26,461	0.89	19.75810		665,085.50	0.94	30.8913		967,968.49	302,882.99	45.5%
	365	1	1	0.89	19.75810		20.65	0.94	30.8913		31.83	11.19	54.2%
Unmetered Scattered Loads	Customers		Connections										
	4,829,242	1,466	17,721	3.42	0.0417	0.35	212,788.64	3.62	0.06062	0.37	304,618.49	91,829.85	43.2%
	365	1	1	3.42	0.0417	0.35	19.01	3.62	0.06062	0.37	26.12	7.11	37.4%

2010 Distribution + Rate Rider Bill Impact (as per ADR) - RPP Customers

Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 8	Col. 9	Col. 10	Col. 12	Col. 13	Col. 14
			2009			2010			2010 Change		
	kWh	kW	kVA	Distribution (\$)	Rate Rider (\$)	Total (\$)	Distribution (\$)	Rate Rider (\$)	Total (\$)	\$	%
1	Residential										
2	100			18.28	0.57	18.85	19.38	0.49	19.87	1.02	5.4%
3	250			20.43	0.45	20.88	21.70	0.21	21.91	1.03	4.9%
4	500			24.01	0.25	24.26	25.57	-0.27	25.30	1.04	4.3%
5	800			28.31	0.01	28.32	30.22	-0.84	29.38	1.06	3.7%
6	1,000			31.17	-0.15	31.02	33.31	-1.22	32.09	1.07	3.5%
7	1,500			38.33	-0.55	37.78	41.05	-2.17	38.88	1.10	2.9%
8	2,000			45.49	-0.95	44.54	48.79	-3.12	45.67	1.13	2.5%
9	GS<50 kW										
10	2,000			60.94	-0.16	60.78	67.93	-2.92	65.01	4.23	7.0%
11	5,000			120.19	-1.36	118.83	135.79	-8.32	127.47	8.64	7.3%
12	10,000			218.94	-3.36	215.58	248.89	-17.32	231.57	15.99	7.4%
13	20,000			416.44	-7.36	409.08	475.09	-35.32	439.77	30.69	7.5%
14	GS 50-999 kW										
23	30,000	100	100	547.78	-4.02	543.76	578.65	-60.82	517.83	-25.93	-4.8%
24	40,000	100	100	547.78	-4.02	543.76	578.65	-60.82	517.83	-25.93	-4.8%
25	150,000	500	556	2,894.30	-24.52	2,869.78	3,057.10	-340.99	2,716.11	-153.67	-5.4%
26	200,000	500	556	2,894.30	-24.52	2,869.78	3,057.10	-340.99	2,716.11	-153.67	-5.4%
27	270,000	900	1,000	5,183.59	-44.52	5,139.07	5,475.10	-614.32	4,860.78	-278.29	-5.4%
28	360,000	900	1,000	5,183.59	-44.52	5,139.07	5,475.10	-614.32	4,860.78	-278.29	-5.4%
29	450,000	900	1,000	5,183.59	-44.52	5,139.07	5,475.10	-614.32	4,860.78	-278.29	-5.4%
30	GS 1000-4999 kW										
31	300,000	1,000	1,111	5,508.68	-106.88	5,401.81	5,072.80	-772.32	4,300.48	-1,101.33	-20.4%
32	400,000	1,000	1,111	5,508.68	-106.88	5,401.81	5,072.80	-772.32	4,300.48	-1,101.33	-20.4%
33	500,000	1,000	1,111	5,508.68	-106.88	5,401.81	5,072.80	-772.32	4,300.48	-1,101.33	-20.4%
34	600,000	2,000	2,222	10,312.02	-214.43	10,097.59	9,399.13	-1,545.32	7,853.81	-2,243.78	-22.2%
35	800,000	2,000	2,222	10,312.02	-214.43	10,097.59	9,399.13	-1,545.32	7,853.81	-2,243.78	-22.2%
36	1,000,000	2,000	2,222	10,312.02	-214.43	10,097.59	9,399.13	-1,545.32	7,853.81	-2,243.78	-22.2%
37	Large Use										
38	1,500,000	5,000	5,556	24,499.04	-548.76	23,950.28	26,067.31	-4,174.88	21,892.43	-2,057.84	-8.6%
39	2,000,000	5,000	5,556	24,499.04	-548.76	23,950.28	26,067.31	-4,174.88	21,892.43	-2,057.84	-8.6%
40	2,500,000	5,000	5,556	24,499.04	-548.76	23,950.28	26,067.31	-4,174.88	21,892.43	-2,057.84	-8.6%
41	3,000,000	10,000	11,111	46,359.04	-1,098.21	45,260.83	49,341.75	-8,350.43	40,991.32	-4,269.51	-9.4%
42	4,000,000	10,000	11,111	46,359.04	-1,098.21	45,260.83	49,341.75	-8,350.43	40,991.32	-4,269.51	-9.4%
43	5,000,000	10,000	11,111	46,359.04	-1,098.21	45,260.83	49,341.75	-8,350.43	40,991.32	-4,269.51	-9.4%
44	Street Lighting										
45	9,182,014	Connections	Mthly kVA	665,085.50	-1,749.04	663,336.46	967,968.49	-19,932.69	948,035.79	284,699.34	42.9%
46	365	1	1	20.65	-0.07	20.58	31.83	-0.75	31.08	10.50	51.0%
47	Unmetered										
48	Scattered Loads										
49	4,829,242	Customers	Connections	212,788.64	-8,161.42	204,627.22	304,618.49	-9,561.90	295,056.59	90,429.37	44.2%
50	365	1	1	19.01	-0.62	18.39	26.12	-0.72	25.39	7.01	38.1%

2010 Distribution + Rate Rider Bill Impact (as per ADR) - Non RPP Customers

Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 8	Col. 9	Col. 10	Col. 12	Col. 13	Col. 14
			2009			2010 Rate Rider			2010 Change		
	kWh	kW	kVA	Distribution (\$)	Rate Rider (\$)	Total (\$)	Distribution (\$)	(\$)	Total (\$)	\$	%
1	Residential										
2	100			18.28	0.57	18.85	19.38	0.55	19.93	1.07	5.7%
3	250			20.43	0.45	20.88	21.70	0.34	22.04	1.16	5.6%
4	500			24.01	0.25	24.26	25.57	0.01	25.58	1.32	5.4%
5	800			28.31	0.01	28.32	30.22	-0.40	29.82	1.50	5.3%
6	1,000			31.17	-0.15	31.02	33.31	-0.67	32.64	1.62	5.2%
7	1,500			38.33	-0.55	37.78	41.05	-1.35	39.71	1.93	5.1%
8	2,000			45.49	-0.95	44.54	48.79	-2.02	46.77	2.23	5.0%
9	GS<50 kW										
10	2,000			60.94	-0.16	60.78	67.93	-1.82	66.11	5.33	8.8%
11	5,000			120.19	-1.36	118.83	135.79	-5.57	130.22	11.39	9.6%
12	10,000			218.94	-3.36	215.58	248.89	-11.82	237.07	21.49	10.0%
13	20,000			416.44	-7.36	409.08	475.09	-24.32	450.77	41.69	10.2%
14	GS 50-999 kW										
15	30,000	100	100	547.78	-4.02	543.76	578.65	-44.92	533.73	-10.03	-1.8%
16	40,000	100	100	547.78	-4.02	543.76	578.65	-39.62	539.03	-4.73	-0.9%
17	150,000	500	556	2,894.30	-24.52	2,869.78	3,057.10	-261.49	2,795.61	-74.17	-2.6%
18	200,000	500	556	2,894.30	-24.52	2,869.78	3,057.10	-234.99	2,822.11	-47.67	-1.7%
19	270,000	900	1,000	5,183.59	-44.52	5,139.07	5,475.10	-471.22	5,003.88	-135.19	-2.6%
20	360,000	900	1,000	5,183.59	-44.52	5,139.07	5,475.10	-423.52	5,051.58	-87.49	-1.7%
21	450,000	900	1,000	5,183.59	-44.52	5,139.07	5,475.10	-375.82	5,099.28	-39.79	-0.8%
22	GS 1000-4999 kW										
23	300,000	1,000	1,111	5,508.68	-106.88	5,401.81	5,072.80	-607.32	4,465.48	-936.33	-17.3%
24	400,000	1,000	1,111	5,508.68	-106.88	5,401.81	5,072.80	-552.32	4,520.48	-881.33	-16.3%
25	500,000	1,000	1,111	5,508.68	-106.88	5,401.81	5,072.80	-497.32	4,575.48	-826.33	-15.3%
26	600,000	2,000	2,222	10,312.02	-214.43	10,097.59	9,399.13	-1,215.32	8,183.81	-1,913.78	-19.0%
27	800,000	2,000	2,222	10,312.02	-214.43	10,097.59	9,399.13	-1,105.32	8,293.81	-1,803.78	-17.9%
28	1,000,000	2,000	2,222	10,312.02	-214.43	10,097.59	9,399.13	-995.32	8,403.81	-1,693.78	-16.8%
29	Large Use										
30	1,500,000	5,000	5,556	24,499.04	-548.76	23,950.28	26,067.31	-3,379.88	22,687.43	-1,262.84	-5.3%
31	2,000,000	5,000	5,556	24,499.04	-548.76	23,950.28	26,067.31	-3,114.88	22,952.43	-997.84	-4.2%
32	2,500,000	5,000	5,556	24,499.04	-548.76	23,950.28	26,067.31	-2,849.88	23,217.43	-732.84	-3.1%
33	3,000,000	10,000	11,111	46,359.04	-1,098.21	45,260.83	49,341.75	-6,760.43	42,581.32	-2,679.51	-5.9%
34	4,000,000	10,000	11,111	46,359.04	-1,098.21	45,260.83	49,341.75	-6,230.43	43,111.32	-2,149.51	-4.7%
35	5,000,000	10,000	11,111	46,359.04	-1,098.21	45,260.83	49,341.75	-5,700.43	43,641.32	-1,619.51	-3.6%
36	Street Lighting										
37	9,182,014	Connections 159,861	Mthly kVA 26,461	665,085.50	-1,749.04	663,336.46	967,968.49	-14,974.41	952,994.08	289,657.63	43.7%
38	365	1	1	20.65	-0.07	20.58	31.83	-0.56	31.28	10.69	52.0%
39	Unmetered										
40	Scattered Loads										
41	4,829,242	Customers 1,466	Connections 17,721	212,788.64	-8,161.42	204,627.22	304,618.49	-9,561.90	295,056.59	90,429.37	44.2%
42	365	1	1	19.01	-0.62	18.39	26.12	-0.72	25.39	7.01	38.1%

2010 Total Bill Impact (as per ADR) - RPP Customers

Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8	Col. 9	Col. 10	Col. 11	Col. 12	Col. 13	Col. 14
				2009				2010				2010 Change	
				Non-Distribution				Non-Distribution					
				Rate Rider				Rate Rider					
	kWh	kW	kVA	Distribution (\$)	Rate Rider (\$)	Distribution (\$)	Total (\$)	Distribution (\$)	Rate Rider (\$)	Distribution (\$)	Total (\$)	\$	%
Residential													
	100			18.28	0.57	8.63	27.48	19.38	0.49	8.66	28.53	1.05	3.8%
	250			20.43	0.45	21.20	42.08	21.70	0.21	21.27	43.18	1.10	2.6%
	500			24.01	0.25	42.14	66.40	25.57	-0.27	42.29	67.59	1.19	1.8%
	800			28.31	0.01	67.55	95.86	30.22	-0.84	67.79	97.16	1.30	1.4%
	1,000			31.17	-0.15	86.17	117.19	33.31	-1.22	86.47	118.56	1.37	1.2%
	1,500			38.33	-0.55	132.73	170.51	41.05	-2.17	133.18	172.06	1.55	0.9%
	2,000			45.49	-0.95	179.29	223.83	48.79	-3.12	179.89	225.57	1.73	0.8%
GS<50 kW													
	2,000			60.94	-0.16	178.70	239.48	67.93	-2.92	180.55	245.56	6.08	2.5%
	5,000			120.19	-1.36	456.51	575.34	135.79	-8.32	461.13	588.60	13.26	2.3%
	10,000			218.94	-3.36	919.52	1,135.10	248.89	-17.32	928.75	1,160.32	25.22	2.2%
	20,000			416.44	-7.36	1,845.54	2,254.62	475.09	-35.32	1,864.01	2,303.78	49.16	2.2%
GS 50-999 kW													
	30,000	100	100	547.78	-4.02	2,815.28	3,359.04	578.65	-60.82	2,785.83	3,303.66	-55.38	-1.6%
	40,000	100	100	547.78	-4.02	3,637.54	4,181.30	578.65	-60.82	3,608.09	4,125.92	-55.38	-1.3%
	150,000	500	556	2,894.30	-24.52	14,102.40	16,972.18	3,057.10	-340.99	13,955.15	16,671.26	-300.92	-1.8%
	200,000	500	556	2,894.30	-24.52	18,213.70	21,083.48	3,057.10	-340.99	18,066.45	20,782.56	-300.92	-1.4%
	270,000	900	1,000	5,183.59	-44.52	25,389.52	30,528.59	5,475.10	-614.32	25,124.47	29,985.25	-543.34	-1.8%
	360,000	900	1,000	5,183.59	-44.52	32,789.86	37,928.93	5,475.10	-614.32	32,524.81	37,385.59	-543.34	-1.4%
	450,000	900	1,000	5,183.59	-44.52	40,190.20	45,329.27	5,475.10	-614.32	39,925.15	44,785.93	-543.34	-1.2%
GS 1000-4999 kW													
	300,000	1,000	1,111	5,508.68	-106.88	28,581.30	33,983.11	5,072.80	-772.32	28,536.60	32,837.08	-1,146.03	-3.4%
	400,000	1,000	1,111	5,508.68	-106.88	36,803.90	42,205.71	5,072.80	-772.32	36,759.20	41,059.68	-1,146.03	-2.7%
	500,000	1,000	1,111	5,508.68	-106.88	45,026.50	50,428.31	5,072.80	-772.32	44,981.80	49,282.28	-1,146.03	-2.3%
	600,000	2,000	2,222	10,312.02	-214.43	57,169.10	67,266.69	9,399.13	-1,545.32	57,079.70	64,933.51	-2,333.18	-3.5%
	800,000	2,000	2,222	10,312.02	-214.43	73,614.30	83,711.89	9,399.13	-1,545.32	73,524.90	81,378.71	-2,333.18	-2.8%
	1,000,000	2,000	2,222	10,312.02	-214.43	90,059.50	100,157.09	9,399.13	-1,545.32	89,970.10	97,823.91	-2,333.18	-2.3%
Large Use													
	1,500,000	5,000	5,556	24,499.04	-548.76	141,277.13	165,227.40	26,067.31	-4,174.88	141,881.63	163,774.06	-1,453.34	-0.9%
	2,000,000	5,000	5,556	24,499.04	-548.76	181,705.00	205,655.28	26,067.31	-4,174.88	182,309.50	204,201.93	-1,453.34	-0.7%
	2,500,000	5,000	5,556	24,499.04	-548.76	222,132.88	246,083.15	26,067.31	-4,174.88	222,737.38	244,629.81	-1,453.34	-0.6%
	3,000,000	10,000	11,111	46,359.04	-1,098.21	282,560.75	327,821.58	49,341.75	-8,350.43	283,769.75	324,761.07	-3,060.51	-0.9%
	4,000,000	10,000	11,111	46,359.04	-1,098.21	363,416.50	408,677.33	49,341.75	-8,350.43	364,625.50	405,616.82	-3,060.51	-0.7%
	5,000,000	10,000	11,111	46,359.04	-1,098.21	444,272.25	489,533.08	49,341.75	-8,350.43	445,481.25	486,472.57	-3,060.51	-0.6%
Street Lighting		Connections	Mthly kVA										
	9,182,014	159,861	26,461	665,085.50	-1,749.04	876,712.06	1,540,048.52	967,968.49	-19,932.69	862,799.13	1,810,834.93	270,786.41	17.6%
	365	1	1	20.65	-0.07	31.45	52.04	31.83	-0.75	30.93	62.01	9.97	19.2%
Unmetered													
Scattered Loads		Customers	Connections										
	4,829,242	1,466	17,721	212,788.64	-8,161.42	431,657.44	636,284.67	304,618.49	-9,561.90	433,812.10	728,868.69	92,584.03	14.6%
	365	1	1	19.01	-0.62	29.47	47.86	26.12	-0.72	29.63	55.02	7.17	15.0%

2010 Total Bill Impact (as per ADR) - Non RPP Customers

Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8	Col. 9	Col. 10	Col. 11	Col. 12	Col. 13	Col. 14
			2009				2010				2010 Change		
	kWh	kW	kVA	Distribution (\$)	Rate Rider (\$)	Non-Distribution (\$)	Total (\$)	Distribution (\$)	Rate Rider (\$)	Non-Distribution (\$)	Total (\$)	\$	%
Residential													
	100			18.28	0.57	8.63	27.48	19.38	0.55	8.66	28.58	1.10	4.0%
	250			20.43	0.45	21.20	42.08	21.70	0.34	21.27	43.32	1.24	2.9%
	500			24.01	0.25	42.14	66.40	25.57	0.01	42.29	67.87	1.47	2.2%
	800			28.31	0.01	67.55	95.86	30.22	-0.40	67.79	97.60	1.74	1.8%
	1,000			31.17	-0.15	86.17	117.19	33.31	-0.67	86.47	119.11	1.92	1.6%
	1,500			38.33	-0.55	132.73	170.51	41.05	-1.35	133.18	172.89	2.38	1.4%
	2,000			45.49	-0.95	179.29	223.83	48.79	-2.02	179.89	226.67	2.83	1.3%
GS<50 kW													
	2,000			60.94	-0.16	178.70	239.48	67.93	-1.82	180.55	246.66	7.18	3.0%
	5,000			120.19	-1.36	456.51	575.34	135.79	-5.57	461.13	591.35	16.01	2.8%
	10,000			218.94	-3.36	919.52	1,135.10	248.89	-11.82	928.75	1,165.82	30.72	2.7%
	20,000			416.44	-7.36	1,845.54	2,254.62	475.09	-24.32	1,864.01	2,314.78	60.16	2.7%
GS 50-999 kW													
	30,000	100	100	547.78	-4.02	2,815.28	3,359.04	578.65	-44.92	2,785.83	3,319.56	-39.48	-1.2%
	40,000	100	100	547.78	-4.02	3,637.54	4,181.30	578.65	-39.62	3,608.09	4,147.12	-34.18	-0.8%
	150,000	500	556	2,894.30	-24.52	14,102.40	16,972.18	3,057.10	-261.49	13,955.15	16,750.76	-221.42	-1.3%
	200,000	500	556	2,894.30	-24.52	18,213.70	21,083.48	3,057.10	-234.99	18,066.45	20,888.56	-194.92	-0.9%
	270,000	900	1,000	5,183.59	-44.52	25,389.52	30,528.59	5,475.10	-471.22	25,124.47	30,128.35	-400.24	-1.3%
	360,000	900	1,000	5,183.59	-44.52	32,789.86	37,928.93	5,475.10	-423.52	32,524.81	37,576.39	-352.54	-0.9%
	450,000	900	1,000	5,183.59	-44.52	40,190.20	45,329.27	5,475.10	-375.82	39,925.15	45,024.43	-304.84	-0.7%
GS 1000-4999 kW													
	300,000	1,000	1,111	5,508.68	-106.88	28,581.30	33,983.11	5,072.80	-607.32	28,536.60	33,002.08	-981.03	-2.9%
	400,000	1,000	1,111	5,508.68	-106.88	36,803.90	42,205.71	5,072.80	-552.32	36,759.20	41,279.68	-926.03	-2.2%
	500,000	1,000	1,111	5,508.68	-106.88	45,026.50	50,428.31	5,072.80	-497.32	44,981.80	49,557.28	-871.03	-1.7%
	600,000	2,000	2,222	10,312.02	-214.43	57,169.10	67,266.69	9,399.13	-1,215.32	57,079.70	65,263.51	-2,003.18	-3.0%
	800,000	2,000	2,222	10,312.02	-214.43	73,614.30	83,711.89	9,399.13	-1,105.32	73,524.90	81,818.71	-1,893.18	-2.3%
	1,000,000	2,000	2,222	10,312.02	-214.43	90,059.50	100,157.09	9,399.13	-995.32	89,970.10	98,373.91	-1,783.18	-1.8%
Large Use													
	1,500,000	5,000	5,556	24,499.04	-548.76	141,277.13	165,227.40	26,067.31	-3,379.88	141,881.63	164,569.06	-658.34	-0.4%
	2,000,000	5,000	5,556	24,499.04	-548.76	181,705.00	205,655.28	26,067.31	-3,114.88	182,309.50	205,261.93	-393.34	-0.2%
	2,500,000	5,000	5,556	24,499.04	-548.76	222,132.88	246,083.15	26,067.31	-2,849.88	222,737.38	245,954.81	-128.34	-0.1%
	3,000,000	10,000	11,111	46,359.04	-1,098.21	282,560.75	327,821.58	49,341.75	-6,760.43	283,769.75	326,351.07	-1,470.51	-0.4%
	4,000,000	10,000	11,111	46,359.04	-1,098.21	363,416.50	408,677.33	49,341.75	-6,230.43	364,625.50	407,736.82	-940.51	-0.2%
	5,000,000	10,000	11,111	46,359.04	-1,098.21	444,272.25	489,533.08	49,341.75	-5,700.43	445,481.25	489,122.57	-410.51	-0.1%
Street Lighting	Connections	Mthly kVA											
	9,182,014	159,861	26,461	665,085.50	-1,749.04	876,712.06	1,540,048.52	967,968.49	-14,974.41	862,799.13	1,815,793.21	275,744.70	17.9%
	365	1	1	20.65	-0.07	31.45	52.04	31.83	-0.56	30.93	62.21	10.17	19.5%
Unmetered													
Scattered Loads	Customers	Connections											
	4,829,242	1,466	17,721	212,788.64	-8,161.42	431,657.44	636,284.67	304,618.49	-9,561.90	433,812.10	728,868.69	92,584.03	14.6%
	365	1	1	19.01	-0.62	29.47	47.86	26.12	-0.72	29.63	55.02	7.17	15.0%

2010 Distribution Bill Impact (ADR plus Cost of Capital Estimate)

	Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8	Col. 9	Col. 10	Col. 11	Col. 12	Col. 13
	2009 Rates							2010 Rates				2010 Change	
	kWh	kW	kVA	Customer (\$/cust)	Volumetric (\$/kWh or KVa)	Connection (\$/conn)	Dist Bill (\$)	Customer (\$/cust)	Volumetric (\$/kWh or KVa)	Connection (\$/conn)	Dist Bill (\$)	\$	%
Residential													
	100			16.85	0.01432		18.28	18.63	0.01619		20.25	1.97	10.8%
	250			16.85	0.01432		20.43	18.63	0.01619		22.68	2.25	11.0%
	500			16.85	0.01432		24.01	18.63	0.01619		26.72	2.71	11.3%
	800			16.85	0.01432		28.31	18.63	0.01619		31.58	3.28	11.6%
	1,000			16.85	0.01432		31.17	18.63	0.01619		34.82	3.65	11.7%
	1,500			16.85	0.01432		38.33	18.63	0.01619		42.91	4.58	12.0%
	2,000			16.85	0.01432		45.49	18.63	0.01619		51.01	5.52	12.1%
GS<50 kW													
	2,000			21.44	0.01975		60.94	23.70	0.02357		70.84	9.90	16.3%
	5,000			21.44	0.01975		120.19	23.70	0.02357		141.55	21.36	17.8%
	10,000			21.44	0.01975		218.94	23.70	0.02357		259.40	40.46	18.5%
	20,000			21.44	0.01975		416.44	23.70	0.02357		495.10	78.66	18.9%
GS 50-999 kW													
	30,000	100	100	32.69	5.15090		547.78	36.14	5.6930		605.44	57.66	10.5%
	40,000	100	100	32.69	5.15090		547.78	36.14	5.6930		605.44	57.66	10.5%
	150,000	500	556	32.69	5.15090		2,894.30	36.14	5.6930		3,198.92	304.62	10.5%
	200,000	500	556	32.69	5.15090		2,894.30	36.14	5.6930		3,198.92	304.62	10.5%
	270,000	900	1,000	32.69	5.15090		5,183.59	36.14	5.6930		5,729.14	545.55	10.5%
	360,000	900	1,000	32.69	5.15090		5,183.59	36.14	5.6930		5,729.14	545.55	10.5%
	450,000	900	1,000	32.69	5.15090		5,183.59	36.14	5.6930		5,729.14	545.55	10.5%
GS 1000-4999 kW													
	300,000	1,000	1,111	705.35	4.32300		5,508.68	779.85	4.0519		5,281.96	-226.73	-4.1%
	400,000	1,000	1,111	705.35	4.32300		5,508.68	779.85	4.0519		5,281.96	-226.73	-4.1%
	500,000	1,000	1,111	705.35	4.32300		5,508.68	779.85	4.0519		5,281.96	-226.73	-4.1%
	600,000	2,000	2,222	705.35	4.32300		10,312.02	779.85	4.0519		9,784.07	-527.95	-5.1%
	800,000	2,000	2,222	705.35	4.32300		10,312.02	779.85	4.0519		9,784.07	-527.95	-5.1%
	1,000,000	2,000	2,222	705.35	4.32300		10,312.02	779.85	4.0519		9,784.07	-527.95	-5.1%
Large Use													
	1,500,000	5,000	5,556	2639.04	3.93480		24,499.04	2917.76	4.3512		27,091.10	2,592.06	10.6%
	2,000,000	5,000	5,556	2639.04	3.93480		24,499.04	2917.76	4.3512		27,091.10	2,592.06	10.6%
	2,500,000	5,000	5,556	2639.04	3.93480		24,499.04	2917.76	4.3512		27,091.10	2,592.06	10.6%
	3,000,000	10,000	11,111	2639.04	3.93480		46,359.04	2917.76	4.3512		51,264.43	4,905.39	10.6%
	4,000,000	10,000	11,111	2639.04	3.93480		46,359.04	2917.76	4.3512		51,264.43	4,905.39	10.6%
	5,000,000	10,000	11,111	2639.04	3.93480		46,359.04	2917.76	4.3512		51,264.43	4,905.39	10.6%
Street Lighting	Connections		Mthly kVA										
	9,182,014	159,861	26,461	0.89	19.75810		665,085.50	0.98	32.5338		1,018,163.52	353,078.03	53.1%
	365	1	1	0.89	19.75810		20.65	0.98	32.5338		33.52	12.87	62.3%
Unmetered Scattered Loads	Customers	Connections											
	4,829,242	1,466	17,721	3.42	0.0417	0.35	212,788.64	3.78	0.06373	0.39	320,168.27	107,379.63	50.5%
	365	1	1	3.42	0.0417	0.35	19.01	3.78	0.06373	0.39	27.43	8.42	44.3%

2010 Distribution + Rate Rider Bill Impact (ADR plus Cost of Capital Estimate) - RPP Customers

Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 8	Col. 9	Col. 10	Col. 12	Col. 13	Col. 14
			2009			2010 Rate Rider			2010 Change		
	kWh	kW	kVA	Distribution (\$)	Rate Rider (\$)	Total (\$)	Distribution (\$)	(\$)	Total (\$)	\$	%
1	Residential										
2	100			18.28	0.57	18.85	20.25	0.49	20.74	1.89	10.0%
3	250			20.43	0.45	20.88	22.68	0.21	22.88	2.00	9.6%
4	500			24.01	0.25	24.26	26.72	-0.27	26.45	2.19	9.0%
5	800			28.31	0.01	28.32	31.58	-0.84	30.74	2.43	8.6%
6	1,000			31.17	-0.15	31.02	34.82	-1.22	33.60	2.58	8.3%
7	1,500			38.33	-0.55	37.78	42.91	-2.17	40.74	2.96	7.8%
8	2,000			45.49	-0.95	44.54	51.01	-3.12	47.89	3.35	7.5%
9	GS<50 kW										
10	2,000			60.94	-0.16	60.78	70.84	-2.92	67.92	7.14	11.8%
11	5,000			120.19	-1.36	118.83	141.55	-8.32	133.23	14.40	12.1%
12	10,000			218.94	-3.36	215.58	259.40	-17.32	242.08	26.50	12.3%
13	20,000			416.44	-7.36	409.08	495.10	-35.32	459.78	50.70	12.4%
14	GS 50-999 kW										
23	30,000	100	100	547.78	-4.02	543.76	605.44	-60.82	544.62	0.86	0.2%
24	40,000	100	100	547.78	-4.02	543.76	605.44	-60.82	544.62	0.86	0.2%
25	150,000	500	556	2,894.30	-24.52	2,869.78	3,198.92	-340.99	2,857.93	-11.85	-0.4%
26	200,000	500	556	2,894.30	-24.52	2,869.78	3,198.92	-340.99	2,857.93	-11.85	-0.4%
27	270,000	900	1,000	5,183.59	-44.52	5,139.07	5,729.14	-614.32	5,114.82	-24.25	-0.5%
28	360,000	900	1,000	5,183.59	-44.52	5,139.07	5,729.14	-614.32	5,114.82	-24.25	-0.5%
29	450,000	900	1,000	5,183.59	-44.52	5,139.07	5,729.14	-614.32	5,114.82	-24.25	-0.5%
30	GS 1000-4999 kW										
31	300,000	1,000	1,111	5,508.68	-106.88	5,401.81	5,281.96	-772.32	4,509.64	-892.17	-16.5%
32	400,000	1,000	1,111	5,508.68	-106.88	5,401.81	5,281.96	-772.32	4,509.64	-892.17	-16.5%
33	500,000	1,000	1,111	5,508.68	-106.88	5,401.81	5,281.96	-772.32	4,509.64	-892.17	-16.5%
34	600,000	2,000	2,222	10,312.02	-214.43	10,097.59	9,784.07	-1,545.32	8,238.75	-1,858.84	-18.4%
35	800,000	2,000	2,222	10,312.02	-214.43	10,097.59	9,784.07	-1,545.32	8,238.75	-1,858.84	-18.4%
36	1,000,000	2,000	2,222	10,312.02	-214.43	10,097.59	9,784.07	-1,545.32	8,238.75	-1,858.84	-18.4%
37	Large Use										
38	1,500,000	5,000	5,556	24,499.04	-548.76	23,950.28	27,091.10	-4,174.88	22,916.22	-1,034.05	-4.3%
39	2,000,000	5,000	5,556	24,499.04	-548.76	23,950.28	27,091.10	-4,174.88	22,916.22	-1,034.05	-4.3%
40	2,500,000	5,000	5,556	24,499.04	-548.76	23,950.28	27,091.10	-4,174.88	22,916.22	-1,034.05	-4.3%
41	3,000,000	10,000	11,111	46,359.04	-1,098.21	45,260.83	51,264.43	-8,350.43	42,914.00	-2,346.83	-5.2%
42	4,000,000	10,000	11,111	46,359.04	-1,098.21	45,260.83	51,264.43	-8,350.43	42,914.00	-2,346.83	-5.2%
43	5,000,000	10,000	11,111	46,359.04	-1,098.21	45,260.83	51,264.43	-8,350.43	42,914.00	-2,346.83	-5.2%
44	Street Lighting										
45	9,182,014	Connections	Mthly kVA	665,085.50	-1,749.04	663,336.46	1,018,163.52	-19,932.69	998,230.83	334,894.37	50.5%
46	365	1	1	20.65	-0.07	20.58	33.52	-0.75	32.76	12.18	59.2%
47	Unmetered										
48	Scattered Loads										
49	4,829,242	Customers	Connections	212,788.64	-8,161.42	204,627.22	320,168.27	-9,561.90	310,606.37	105,979.15	51.8%
50	365	1	1	19.01	-0.62	18.39	27.43	-0.72	26.71	8.32	45.2%

2010 Distribution + Rate Rider Bill Impact (ADR plus Cost of Capital Estimate) - Non RPP Customers

Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 8	Col. 9	Col. 10	Col. 12	Col. 13	Col. 14
			2009			2010 Rate Rider			2010 Change		
	kWh	kW	kVA	Distribution (\$)	Rate Rider (\$)	Total (\$)	Distribution (\$)	(\$)	Total (\$)	\$	%
1	Residential										
2	100			18.28	0.57	18.85	20.25	0.55	20.79	1.94	10.3%
3	250			20.43	0.45	20.88	22.68	0.34	23.02	2.14	10.2%
4	500			24.01	0.25	24.26	26.72	0.01	26.73	2.47	10.2%
5	800			28.31	0.01	28.32	31.58	-0.40	31.18	2.87	10.1%
6	1,000			31.17	-0.15	31.02	34.82	-0.67	34.15	3.13	10.1%
7	1,500			38.33	-0.55	37.78	42.91	-1.35	41.57	3.79	10.0%
8	2,000			45.49	-0.95	44.54	51.01	-2.02	48.99	4.45	10.0%
9	GS<50 kW										
10	2,000			60.94	-0.16	60.78	70.84	-1.82	69.02	8.24	13.6%
11	5,000			120.19	-1.36	118.83	141.55	-5.57	135.98	17.15	14.4%
12	10,000			218.94	-3.36	215.58	259.40	-11.82	247.58	32.00	14.8%
13	20,000			416.44	-7.36	409.08	495.10	-24.32	470.78	61.70	15.1%
14	GS 50-999 kW										
23	30,000	100	100	547.78	-4.02	543.76	605.44	-44.92	560.52	16.76	3.1%
24	40,000	100	100	547.78	-4.02	543.76	605.44	-39.62	565.82	22.06	4.1%
25	150,000	500	556	2,894.30	-24.52	2,869.78	3,198.92	-261.49	2,937.43	67.65	2.4%
26	200,000	500	556	2,894.30	-24.52	2,869.78	3,198.92	-234.99	2,963.93	94.15	3.3%
27	270,000	900	1,000	5,183.59	-44.52	5,139.07	5,729.14	-471.22	5,257.92	118.85	2.3%
28	360,000	900	1,000	5,183.59	-44.52	5,139.07	5,729.14	-423.52	5,305.62	166.55	3.2%
29	450,000	900	1,000	5,183.59	-44.52	5,139.07	5,729.14	-375.82	5,353.32	214.25	4.2%
30	GS 1000-4999 kW										
31	300,000	1,000	1,111	5,508.68	-106.88	5,401.81	5,281.96	-607.32	4,674.64	-727.17	-13.5%
32	400,000	1,000	1,111	5,508.68	-106.88	5,401.81	5,281.96	-552.32	4,729.64	-672.17	-12.4%
33	500,000	1,000	1,111	5,508.68	-106.88	5,401.81	5,281.96	-497.32	4,784.64	-617.17	-11.4%
34	600,000	2,000	2,222	10,312.02	-214.43	10,097.59	9,784.07	-1,215.32	8,568.75	-1,528.84	-15.1%
35	800,000	2,000	2,222	10,312.02	-214.43	10,097.59	9,784.07	-1,105.32	8,678.75	-1,418.84	-14.1%
36	1,000,000	2,000	2,222	10,312.02	-214.43	10,097.59	9,784.07	-995.32	8,788.75	-1,308.84	-13.0%
37	Large Use										
38	1,500,000	5,000	5,556	24,499.04	-548.76	23,950.28	27,091.10	-3,379.88	23,711.22	-239.05	-1.0%
39	2,000,000	5,000	5,556	24,499.04	-548.76	23,950.28	27,091.10	-3,114.88	23,976.22	25.95	0.1%
40	2,500,000	5,000	5,556	24,499.04	-548.76	23,950.28	27,091.10	-2,849.88	24,241.22	290.95	1.2%
41	3,000,000	10,000	11,111	46,359.04	-1,098.21	45,260.83	51,264.43	-6,760.43	44,504.00	-756.83	-1.7%
42	4,000,000	10,000	11,111	46,359.04	-1,098.21	45,260.83	51,264.43	-6,230.43	45,034.00	-226.83	-0.5%
43	5,000,000	10,000	11,111	46,359.04	-1,098.21	45,260.83	51,264.43	-5,700.43	45,564.00	303.17	0.7%
44	Street Lighting										
45	Connections	Mthly kVA									
46	9,182,014	159,861	26,461	665,085.50	-1,749.04	663,336.46	1,018,163.52	-14,974.41	1,003,189.12	339,852.66	51.2%
47	365	1	1	20.65	-0.07	20.58	33.52	-0.56	32.96	12.38	60.1%
48	Unmetered										
49	Scattered Loads										
49	Customers	Connections									
50	4,829,242	1,466	17,721	212,788.64	-8,161.42	204,627.22	320,168.27	-9,561.90	310,606.37	105,979.15	51.8%
50	365	1	1	19.01	-0.62	18.39	27.43	-0.72	26.71	8.32	45.2%

2010 Total Bill Impact (ADR plus Cost of Capital Estimate) - RPP Customers

Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8	Col. 9	Col. 10	Col. 11	Col. 12	Col. 13	Col. 14
				2009				2010				2010 Change	
				Rate Rider		Non-Distribution	Total (\$)	Rate Rider		Non-Distribution	Total (\$)	\$	%
kWh	kW	kVA	Distribution (\$)	(\$)	(\$)		Distribution (\$)	(\$)	(\$)				
Residential													
100			18.28	0.57	8.63	27.48	20.25	0.49	8.66	29.40		1.92	7.0%
250			20.43	0.45	21.20	42.08	22.68	0.21	21.27	44.15		2.08	4.9%
500			24.01	0.25	42.14	66.40	26.72	-0.27	42.29	68.75		2.35	3.5%
800			28.31	0.01	67.55	95.86	31.58	-0.84	67.79	98.53		2.67	2.8%
1,000			31.17	-0.15	86.17	117.19	34.82	-1.22	86.47	120.07		2.88	2.5%
1,500			38.33	-0.55	132.73	170.51	42.91	-2.17	133.18	173.93		3.42	2.0%
2,000			45.49	-0.95	179.29	223.83	51.01	-3.12	179.89	227.78		3.95	1.8%
GS<50 kW													
2,000			60.94	-0.16	178.70	239.48	70.84	-2.92	180.55	248.48		8.99	3.8%
5,000			120.19	-1.36	456.51	575.34	141.55	-8.32	461.13	594.36		19.02	3.3%
10,000			218.94	-3.36	919.52	1,135.10	259.40	-17.32	928.75	1,170.84		35.74	3.1%
20,000			416.44	-7.36	1,845.54	2,254.62	495.10	-35.32	1,864.01	2,323.79		69.17	3.1%
GS 50-999 kW													
30,000	100	100	547.78	-4.02	2,815.28	3,359.04	605.44	-60.82	2,785.83	3,330.45		-28.59	-0.9%
40,000	100	100	547.78	-4.02	3,637.54	4,181.30	605.44	-60.82	3,608.09	4,152.71		-28.59	-0.7%
150,000	500	556	2,894.30	-24.52	14,102.40	16,972.18	3,198.92	-340.99	13,955.15	16,813.08		-159.10	-0.9%
200,000	500	556	2,894.30	-24.52	18,213.70	21,083.48	3,198.92	-340.99	18,066.45	20,924.38		-159.10	-0.8%
270,000	900	1,000	5,183.59	-44.52	25,389.52	30,528.59	5,729.14	-614.32	25,124.47	30,239.29		-289.30	-0.9%
360,000	900	1,000	5,183.59	-44.52	32,789.86	37,928.93	5,729.14	-614.32	32,524.81	37,639.63		-289.30	-0.8%
450,000	900	1,000	5,183.59	-44.52	40,190.20	45,329.27	5,729.14	-614.32	39,925.15	45,039.97		-289.30	-0.6%
GS 1000-4999 kW													
300,000	1,000	1,111	5,508.68	-106.88	28,581.30	33,983.11	5,281.96	-772.32	28,536.60	33,046.24		-936.87	-2.8%
400,000	1,000	1,111	5,508.68	-106.88	36,803.90	42,205.71	5,281.96	-772.32	36,759.20	41,268.84		-936.87	-2.2%
500,000	1,000	1,111	5,508.68	-106.88	45,026.50	50,428.31	5,281.96	-772.32	44,981.80	49,491.44		-936.87	-1.9%
600,000	2,000	2,222	10,312.02	-214.43	57,169.10	67,266.69	9,784.07	-1,545.32	57,079.70	65,318.45		-1,948.24	-2.9%
800,000	2,000	2,222	10,312.02	-214.43	73,614.30	83,711.89	9,784.07	-1,545.32	73,524.90	81,763.65		-1,948.24	-2.3%
1,000,000	2,000	2,222	10,312.02	-214.43	90,059.50	100,157.09	9,784.07	-1,545.32	89,970.10	98,208.85		-1,948.24	-1.9%
Large Use													
1,500,000	5,000	5,556	24,499.04	-548.76	141,277.13	165,227.40	27,091.10	-4,174.88	141,881.63	164,797.85		-429.55	-0.3%
2,000,000	5,000	5,556	24,499.04	-548.76	181,705.00	205,655.28	27,091.10	-4,174.88	182,309.50	205,225.72		-429.55	-0.2%
2,500,000	5,000	5,556	24,499.04	-548.76	222,132.88	246,083.15	27,091.10	-4,174.88	222,737.38	245,653.60		-429.55	-0.2%
3,000,000	10,000	11,111	46,359.04	-1,098.21	282,560.75	327,821.58	51,264.43	-8,350.43	283,769.75	326,683.75		-1,137.83	-0.3%
4,000,000	10,000	11,111	46,359.04	-1,098.21	363,416.50	408,677.33	51,264.43	-8,350.43	364,625.50	407,539.50		-1,137.83	-0.3%
5,000,000	10,000	11,111	46,359.04	-1,098.21	444,272.25	489,533.08	51,264.43	-8,350.43	445,481.25	488,395.25		-1,137.83	-0.2%
Street Lighting													
9,182,014	Connections	Mthly kVA	665,085.50	-1,749.04	876,712.06	1,540,048.52	1,018,163.52	-19,932.69	862,799.13	1,861,029.96		320,981.44	20.8%
365	1	1	20.65	-0.07	31.45	52.04	33.52	-0.75	30.93	63.69		11.66	22.4%
Unmetered													
Scattered Loads													
4,829,242	Customers	Connections	212,788.64	-8,161.42	431,657.44	636,284.67	320,168.27	-9,561.90	433,812.10	744,418.47		108,133.80	17.0%
365	1	1	19.01	-0.62	29.47	47.86	27.43	-0.72	29.63	56.34		8.48	17.7%

2010 Total Bill Impact (ADR plus Cost of Capital Estimate) - Non RPP Customers

Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8	Col. 9	Col. 10	Col. 11	Col. 12	Col. 13	Col. 14	
				2009				2010				2010 Change		
				Non-				Non-						
				Rate Rider	Distribution		Total (\$)	Distribution (\$)	Rate Rider	Distribution		Total (\$)	\$	%
kWh	kW	kVA	Distribution (\$)	(\$)	(\$)		Total (\$)	Distribution (\$)	(\$)	(\$)		Total (\$)	\$	%
Residential														
100			18.28	0.57	8.63		27.48	20.25	0.55	8.66		29.45	1.97	7.2%
250			20.43	0.45	21.20		42.08	22.68	0.34	21.27		44.29	2.21	5.3%
500			24.01	0.25	42.14		66.40	26.72	0.01	42.29		69.02	2.62	3.9%
800			28.31	0.01	67.55		95.86	31.58	-0.40	67.79		98.97	3.11	3.2%
1,000			31.17	-0.15	86.17		117.19	34.82	-0.67	86.47		120.62	3.43	2.9%
1,500			38.33	-0.55	132.73		170.51	42.91	-1.35	133.18		174.75	4.24	2.5%
2,000			45.49	-0.95	179.29		223.83	51.01	-2.02	179.89		228.88	5.05	2.3%
GS<50 kW														
2,000			60.94	-0.16	178.70		239.48	70.84	-1.82	180.55		249.58	10.09	4.2%
5,000			120.19	-1.36	456.51		575.34	141.55	-5.57	461.13		597.11	21.77	3.8%
10,000			218.94	-3.36	919.52		1,135.10	259.40	-11.82	928.75		1,176.34	41.24	3.6%
20,000			416.44	-7.36	1,845.54		2,254.62	495.10	-24.32	1,864.01		2,334.79	80.17	3.6%
GS 50-999 kW														
30,000	100	100	547.78	-4.02	2,815.28		3,359.04	605.44	-44.92	2,785.83		3,346.35	-12.69	-0.4%
40,000	100	100	547.78	-4.02	3,637.54		4,181.30	605.44	-39.62	3,608.09		4,173.91	-7.39	-0.2%
150,000	500	556	2,894.30	-24.52	14,102.40		16,972.18	3,198.92	-261.49	13,955.15		16,892.58	-79.60	-0.5%
200,000	500	556	2,894.30	-24.52	18,213.70		21,083.48	3,198.92	-234.99	18,066.45		21,030.38	-53.10	-0.3%
270,000	900	1,000	5,183.59	-44.52	25,389.52		30,528.59	5,729.14	-471.22	25,124.47		30,382.39	-146.20	-0.5%
360,000	900	1,000	5,183.59	-44.52	32,789.86		37,928.93	5,729.14	-423.52	32,524.81		37,830.43	-98.50	-0.3%
450,000	900	1,000	5,183.59	-44.52	40,190.20		45,329.27	5,729.14	-375.82	39,925.15		45,278.47	-50.80	-0.1%
GS 1000-4999 kW														
300,000	1,000	1,111	5,508.68	-106.88	28,581.30		33,983.11	5,281.96	-607.32	28,536.60		33,211.24	-771.87	-2.3%
400,000	1,000	1,111	5,508.68	-106.88	36,803.90		42,205.71	5,281.96	-552.32	36,759.20		41,488.84	-716.87	-1.7%
500,000	1,000	1,111	5,508.68	-106.88	45,026.50		50,428.31	5,281.96	-497.32	44,981.80		49,766.44	-661.87	-1.3%
600,000	2,000	2,222	10,312.02	-214.43	57,169.10		67,266.69	9,784.07	-1,215.32	57,079.70		65,648.45	-1,618.24	-2.4%
800,000	2,000	2,222	10,312.02	-214.43	73,614.30		83,711.89	9,784.07	-1,105.32	73,524.90		82,203.65	-1,508.24	-1.8%
1,000,000	2,000	2,222	10,312.02	-214.43	90,059.50		100,157.09	9,784.07	-995.32	89,970.10		98,758.85	-1,398.24	-1.4%
Large Use														
1,500,000	5,000	5,556	24,499.04	-548.76	141,277.13		165,227.40	27,091.10	-3,379.88	141,881.63		165,592.85	365.45	0.2%
2,000,000	5,000	5,556	24,499.04	-548.76	181,705.00		205,655.28	27,091.10	-3,114.88	182,309.50		206,285.72	630.45	0.3%
2,500,000	5,000	5,556	24,499.04	-548.76	222,132.88		246,083.15	27,091.10	-2,849.88	222,737.38		246,978.60	895.45	0.4%
3,000,000	10,000	11,111	46,359.04	-1,098.21	282,560.75		327,821.58	51,264.43	-6,760.43	283,769.75		328,273.75	452.17	0.1%
4,000,000	10,000	11,111	46,359.04	-1,098.21	363,416.50		408,677.33	51,264.43	-6,230.43	364,625.50		409,659.50	982.17	0.2%
5,000,000	10,000	11,111	46,359.04	-1,098.21	444,272.25		489,533.08	51,264.43	-5,700.43	445,481.25		491,045.25	1,512.17	0.3%
Street Lighting														
9,182,014	Connections	Mthly kVA	665,085.50	-1,749.04	876,712.06		1,540,048.52	1,018,163.52	-14,974.41	862,799.13		1,865,988.25	325,939.73	21.2%
365	1	1	20.65	-0.07	31.45		52.04	33.52	-0.56	30.93		63.89	11.85	22.8%
Unmetered														
Scattered Loads														
4,829,242	Customers	Connections	212,788.64	-8,161.42	431,657.44		636,284.67	320,168.27	-9,561.90	433,812.10		744,418.47	108,133.80	17.0%
365	1	1	19.01	-0.62	29.47		47.86	27.43	-0.72	29.63		56.34	8.48	17.7%