

	A	B	C	D	E	F	G
1	<b>Supplementary Schedule for Allocation of Accumulated Amortization by Fixed Asset Class</b>						
2							
3	<b>Schedule Background:</b>						
4							
5	The below Schedule serves as a tool to assist utilities in allocating Accumulated Amortization by Fixed Asset Class in the absense of available or detailed information. Thus this schedule serves as an						
6	option of last resort for utilities. In support of filing information in Tab I4 utilities would apply one of the three below options, starting with the preferred option (1) working down to option 3:						
7							
8	<b>Option 1</b> - The use of detailed internal fixed asset records.						
9	<b>Option 2</b> - The use of some information from more limited records that allows for a more accurate analysis.						
10	<b>Option 3</b> - The use of this Schedule which provides for a method of consistent application of accumulated amortization. However, where the utility has better information (e.g. an actual amortization						
11	rate/amount differs from one of the estimated rates/amounts) this information should be used.						
12							
13	To ensure consistency in the application of the calculations in the Schedule, cells have been locked for editing unless otherwise noted. The Schedule was built using the data from the industry-wide 2004						
14	trial balance information.						
15							
16	All figures in blue font are pre-populated with data from other worksheets in the Model. 2004 Gross Fixed Assets in Column C are populated from Schedule I4. Accumulated Amortization to be allocated,						
17	also in Column C, is populated from Schedule I4.						
18							
19	Unless otherwise noted in the assumptions below, the Amortization Rates in Column D are per Appendix B of the 2006 EDR Handbook. The 16% amortization rate for Account 1930 - Transportation						
20	Equipment is calculated based on a weighted average of the 3 rates noted in Appendix B below. The weightings are based on the assumption that the balance in this account is more heavily weighted						
21	towards trucks (primarily those 3 tonnes and over) as they are expected to have the highest cost.						
22							
23				<b>Rate per Handbook</b>	<b>Weighting</b>	<b>WAVG</b>	
24			Trucks 3 tonnes or over	12.5%	60.0%	7.5%	
25			Trucks under 3 tonnes	20.0%	30.0%	6.0%	
26			Automobiles	25.0%	10.0%	2.5%	
27					Estimated Rate	16.0%	
28							
29	This methodology incorporates both the value of gross fixed assets and amortization rates and is applied to the accumulated amortization of tangible and intangible assets. Note: The estimated						
30	amortization expense would not agree with the actual amortization expense in 2004 as it is based on an assumption of amort. rates and does not account for the 1/2 year rule on 2004 additions.						
31							
32	All figures in red font (Columns E, F and G) are automatically calculated amounts. The figures are calculated based on the below noted formulas:						
33							
34	<b>Estimated Amortization Expense (Column E) = 2004 Gross Fixed Assets (Column C) x Amortization Rate (Column D)</b>						
35							
36	<b>Accumulated Amortization (Column F)</b>						
37							
38	<b>Strata 1 - Accounts with amortization rates of 2% to 4%. These accounts comprise 92.2% of the industry-wide depreciable gross asset base in 2004.</b>						
39							
40	<b>Accumulated Amortization (Column F) = [92.2% x Total Accumulated Amortization (C51)] x [Estimated Amortization Expense (Column E)/Total Estimated Amortization Expense (Strata 1)]</b>						
41							
42	<b>Strata 2 - Accounts with amortization rates of 6.7% - 20%. These accounts comprise the remaining 7.8% of the industry-wide depreciable gross asset base in 2004.</b>						
43							
44	<b>Accumulated Amortization (Column F) = [7.8% x Total Accumulated Amortization (C51)] x [Estimated Amortization Expense (Column E)/Total Estimated Amortization Expense (Strata 2)]</b>						
45							
46	<b>Net Fixed Assets (Column G) = Gross Fixed Assets (Column C) + Accumulated Amortization (Column F)</b>						
47							

	A	B	C	D	E	F	G
48	<b>ACCOUNT BALANCES TO BE PRO-RATED:</b>						
49	2105	Accum. Amortization of Electric Utility Plant - Property, Plant, & Equip.					
50	2120	Accumulated Amortization of Electric Utility Plant - Intangibles					
51		Total Accumulated Amortization	-				
52							
53	<b>RATE BASE AND DISTRIBUTION ASSETS</b>						
54	Account	Description	2004 Gross Fixed Assets	Amortization Rate	Estimated Amortization Expense	Accumulated Amortization	Net Fixed Assets
55	1805	Land					
56	1805-1	Land Station >50 kV		N/A	N/A	N/A	-
57	1805-2	Land Station <50 kV		N/A	N/A	N/A	-
58	1806	Land Rights					
59	1806-1	Land Rights Station >50 kV		2%	-	#DIV/0!	#DIV/0!
60	1806-2	Land Rights Station <50 kV		2%	-	#DIV/0!	#DIV/0!
61	1808	Buildings and Fixtures					
62	1808-1	Buildings and Fixtures > 50 kV		2%	-	#DIV/0!	#DIV/0!
63	1808-2	Buildings and Fixtures < 50 KV		2%	-	#DIV/0!	#DIV/0!
64	1810	Leasehold Improvements					
65	1810-1	Leasehold Improvements >50 kV		8%	-	#DIV/0!	#DIV/0!
66	1810-2	Leasehold Improvements <50 kV		8%	-	#DIV/0!	#DIV/0!
67	1815	Transformer Station Equipment - Normally Primary above 50 kV		3%	-	#DIV/0!	#DIV/0!
68	1820	Distribution Station Equipment - Normally Primary below 50 kV		3%	-	#DIV/0!	#DIV/0!
69	1825	Storage Battery Equipment					
70	1825-1	Storage Battery Equipment > 50 kV		4%	-	#DIV/0!	#DIV/0!
71	1825-2	Storage Battery Equipment <50 kV		4%	-	#DIV/0!	#DIV/0!
72	1830	Poles, Towers and Fixtures					
73	1830-3	Poles, Towers and Fixtures - Subtransmission Bulk Delivery		4%	-	#DIV/0!	#DIV/0!
74	1830-4	Poles, Towers and Fixtures - Primary		4%	-	#DIV/0!	#DIV/0!
75	1830-5	Poles, Towers and Fixtures - Secondary		4%	-	#DIV/0!	#DIV/0!
76	1835	Overhead Conductors and Devices					
77	1835-3	Overhead Conductors and Devices - Subtransmission Bulk Delivery		4%	-	#DIV/0!	#DIV/0!
78	1835-4	Overhead Conductors and Devices - Primary		4%	-	#DIV/0!	#DIV/0!
79	1835-5	Overhead Conductors and Devices - Secondary		4%	-	#DIV/0!	#DIV/0!
80	1840	Underground Conduit					
81	1840-3	Underground Conduit - Bulk Delivery		4%	-	#DIV/0!	#DIV/0!
82	1840-4	Underground Conduit - Primary		4%	-	#DIV/0!	#DIV/0!
83	1840-5	Underground Conduit - Secondary		4%	-	#DIV/0!	#DIV/0!
84	1845	Underground Conductors and Devices					
85	1845-3	Underground Conductors and Devices - Bulk Delivery		4%	-	#DIV/0!	#DIV/0!
86	1845-4	Underground Conductors and Devices - Primary		4%	-	#DIV/0!	#DIV/0!
87	1845-5	Underground Conductors and Devices - Secondary		4%	-	#DIV/0!	#DIV/0!
88	1850	Line Transformers		4%	-	#DIV/0!	#DIV/0!
89	1855	Services		4%	-	#DIV/0!	#DIV/0!
90	1860	Meters		4%	-	#DIV/0!	#DIV/0!

	A	B	C	D	E	F	G
91							
92	<b>GENERAL PLANT ASSETS</b>						
93	Account	Description	2004 Gross Fixed Assets	Amortization Rate	Estimated Amortization Expense	Accumulated Amortization	Net Fixed Assets
94	1905	Land		N/A	N/A	N/A	-
95	1906	Land Rights		2.0%	-	#DIV/0!	#DIV/0!
96	1908	Buildings and Fixtures		2.0%	-	#DIV/0!	#DIV/0!
97	1910	Leasehold Improvements		8.0%	-	#DIV/0!	#DIV/0!
98	1915	Office Furniture and Equipment		10.0%	-	#DIV/0!	#DIV/0!
99	1920	Computer Equipment - Hardware		20.0%	-	#DIV/0!	#DIV/0!
100	1925	Computer Software		20.0%	-	#DIV/0!	#DIV/0!
101	1930	Transportation Equipment		16.0%	-	#DIV/0!	#DIV/0!
102	1935	Stores Equipment		10.0%	-	#DIV/0!	#DIV/0!
103	1940	Tools, Shop and Garage Equipment		10.0%	-	#DIV/0!	#DIV/0!
104	1945	Measurement and Testing Equipment		10.0%	-	#DIV/0!	#DIV/0!
105	1950	Power Operated Equipment		12.5%	-	#DIV/0!	#DIV/0!
106	1955	Communication Equipment		10.0%	-	#DIV/0!	#DIV/0!
107	1960	Miscellaneous Equipment		10.0%	-	#DIV/0!	#DIV/0!
108	1970	Load Management Controls - Customer Premises		10.0%	-	#DIV/0!	#DIV/0!
109	1975	Load Management Controls - Utility Premises		10.0%	-	#DIV/0!	#DIV/0!
110	1980	System Supervisory Equipment		6.7%	-	#DIV/0!	#DIV/0!
111	1990	Other Tangible Property		10.0%	-	#DIV/0!	#DIV/0!
112	2005	Property Under Capital Leases		10.0%	-	#DIV/0!	#DIV/0!
113	2010	Electric Plant Purchased or Sold		N/A	N/A	N/A	-
114							
115		Control Totals:					
116		Non Depreciable Assets	-		N/A	N/A	-
117		Depreciable Assets	-		-	#DIV/0!	#DIV/0!
118		Total	-			#DIV/0!	#DIV/0!
119						#DIV/0!	#DIV/0!

	A	B	C	D	E	F	G
120	<b>Underlying Assumptions:</b>						
121							
122	1. It is assumed that the accumulated amortization relating only to utility assets is booked in accounts 2105 and 2120. Therefore, it does not include amortization on transmission or generation assets and						
123	as such no portion of the accumulated amortization has been removed for allocation purposes.						
124							
125	2. The calculation used to allocate accumulated amortization uses two information stratas. Strata 1 applies the ratio of the estimated amortization expense to the % of total gross assets in 2004 for assets						
126	with amortization rates of 2% to 4% (or having 25 to 50 years of life). It was necessary to break this information out into a separate strata due to the nature of the assets (i.e. they are core and heavily						
127	weighted assets of the business), as well due to the longer life of these assets in relation to the other assets in Strata 2. As a result of their nature and longevity of life, it is expected that a larger portion of						
128	the accumulated amortization can be attributed back to these assets.						
129							
130	3. In some instances, Appendix B of the 2006 EDR Handbook does not provide a specific amortization rate for certain fixed asset accounts. This is indicated by the grey shaded amortization rates in						
131	Column D. The assumptions used in determining an estimate for these rates is detailed below:						
132							
133	Leasehold Improvements (A/C 1810 and 1910) - conservative estimate of average 10-15 year lease terms.						
134	Storage Battery Equipment (A/C 1825) - Relatively small balance on aggregate, rate is consistent with the rates of related equipment.						
135	Computer Software (A/C 1925) - Conservative estimate, rate is consistent with related computer hardware - equipment rate.						
136	Measuring & Testing, Communication and Miscellaneous Equipment (A/C 1945, 1955 and 1960 respectively) - Consistent with the amortization rate for the majority of general plant equipment.						
137	Other Tangible Property (A/C 1990) - Consistent with the amortization rate for the majority of general plant equipment.						
138	Property under Capital Leases (A/C 2005) - Consistent with the amortization rate for the majority of general plant equipment.						
139							
140	As these rates are estimates, the Schedule allows the utilities to override the rate estimate with more accurate rate information if it is appropriate.						