

**ADDENDUM TO**

**MANAGER'S SUMMARY**

**Chapleau Public Utilities Corporation**

**Application Number EB-2012-0114**

**Licence Number ED-2002-0528**

**1. Introduction**

- 1.1 Chapleau Public Utilities Corporation (CPUC) is a licensed electricity distribution business operating in the Town of Chapleau under Licence # ED-2002-0528 with special conditions in 14.3 to 14.5 in its' licence.
  
- 1.2 The CPUC submits this Addendum to its Application to include the 2013 Tax Sharing Model, the 2013 RTSR Model and the 2013 IRM Revenue to Cost Ratio Adjustment Work-form including the required documentation/schedules for the calculation of just and reasonable distribution rates effective May 1, 2013 in accordance with the Filing Guidelines issued by the Ontario Energy Board ("Board") letter and dated June 28, 2012.
  
- 1.3 The CPUC will prorate customer consumptions with pre-May 1, 2013 consumptions at the old rates and post-May 1, 2013 consumption at the new rates.

## 2. 2013 IRM Tax Sharing Model

The following summarizes the inputs and outputs of the 2013 IRM Tax Sharing Model.

- 2.1 Sheet 1      **LDC Information Sheet**
- General information related to the application has been entered.
- 2.2 Sheet 3      **Re-Based Bill Determinants & Rates**
- CPUC's 2012 Base Monthly Fixed Charge and Distribution Volumetric Charge have been entered in this sheet together with the Re-Based Customers, Connections and the Re-Based Billed kWh and kW for each customer class .
- 2.3 Sheet 4      **Re-Based Revenue From Rates**
- This sheet has calculated the Re-Based Revenue from Rates.
- 2.4 Sheet 5      **Z Factor Tax Changes**
- All required inputs from CPUCs 2012 Cost of Service Application have been entered resulting in no incremental costs/savings.
- 2.5 Sheet 6      **Calculation of Tax Change Rate Rider Variance**
- As there were no incremental costs/savings there is no Rate Rider for Tax Change.

### 3. **2013 RTSR Model Work-Form**

The following summarizes the inputs and outputs of the 2013 RTSR Model Work-Form.

3.1 Sheet 1      **LDC Information Sheet**

General information related to the application has been entered

3.2 Sheet 3      **Rate Classes**

The appropriate customer rate classes and the RTS Network and Connection rates as they appear in the most recent Board-Approved (2012) Tariff of Rates and Charges have been entered.

3.3 Sheet 4      **RRR Data**

The most recent 2011 reported RRR non-loss adjusted billing determinants have been entered

3.4 Sheet 5      **UTRs and Sub-Transmission**

The Uniform Transmission Rates effective January 1, 2013 have been entered. There are no changes to the Hydro One Sub-Transmission Rates from 2012.

3.5 Sheet 6      **Historical Wholesale**

Billing detail for wholesale transmission for the same reporting period as the billing determinants on Sheet 4 have been entered.  
CPUC does not have Transformation Connection rates.

- 3.5 Sheet 7      **Current Wholesale**
- This sheet calculates the expected billing when current 2012 Uniform Transmission Rates are applied against historical 2011 transmission units.
- 3.5 Sheet 8      **Forecast Wholesale**
- This sheet calculates the expected billing when forecasted 2013 Uniform Transmission Rates are applied against historical 2011 transmission units.
- 3.5 Sheet 9      **Adjusted Network to Current Wholesale**
- This sheet re-aligns the current RTS Network Rates to recover current wholesale network costs.
- 3.5 Sheet 10      **Adjusted Connection to Current Wholesale**
- This sheet re-aligns the current RTS Connection Rates to recover current wholesale network costs.
- 3.5 Sheet 11      **Adjusted Network to Forecast Wholesale**
- This sheet updates the re-align RTS Network Rates to recover forecast wholesale network costs.
- 3.5 Sheet 12      **Adjusted Connection to Forecast Wholesale**
- This sheet updates the re-align RTS Connection Rates to recover forecast wholesale network costs.

3.5 Sheet 13 **Final 2013 RTS Rates**

CPUC has entered the rates generated by the 2013 RTSR Model Work-Form into the 2013 IRM Rate Generator, Sheet 11 "Proposed Rates", column I.

**4. 2013 IRM Revenue to Cost Ratio Adjustment Work-Form**

All required entries have been made to the 2013 IRM Revenue to Cost Ratio Adjustment Work-Form however this model does not recognize mitigation changes to both fixed and variable rates that were necessary to reduce increases to less than 10.00% per year to various customer classes.

During CPUCs 2012 Cost of Service Application changes were required to Revenue to Cost Ratios for the GS >50 kW, Sentinel Lights and the Street Lights classes coupled with the revenue deficiency adjustments to all customer classes necessitated mitigation to all of CPUCs customer classes submitting as evidence the following tables to the Board.

This table shows CPUCs customer classes that required revenue to cost ratio adjustments during the IRM application years 2013 to 2015.

		Proposed Revenue Realignment				Total Class Adjustment
		2012	2013	2014	2015	
<b>General Service &gt;50 kW</b> Revenue Requirement CA Model Line 40 from Sheet 01	78,675.00					
Annual Adjustments to Revenue-to-Cost Ratios	-	(1,105.08)	(1,105.08)	(1,105.08)	(294.75)	(3,610.00)
Proposed Revenue	98,020.00	96,914.92	95,809.83	94,704.75	94,410.00	
<b>Revenue-to-Cost Ratios</b>	<b>124.59%</b>	<b>123.18%</b>	<b>121.78%</b>	<b>120.37%</b>	<b>120.00%</b>	
<b>Sentinel Lights</b> Revenue Requirement CA Model Line 40 from Sheet 01	4,363.00					
Annual Adjustments to Revenue-to-Cost Ratios	-	294.75	294.75	294.75	294.75	1,179.00
Proposed Revenue	2,378.00	2,672.75	2,967.50	3,262.25	3,557.00	
<b>Revenue-to-Cost Ratios</b>	<b>54.50%</b>	<b>61.26%</b>	<b>68.02%</b>	<b>74.77%</b>	<b>81.53%</b>	
<b>Street Lights</b> Revenue Requirement CA Model Line 40 from Sheet 01	43,055.00					
Annual Adjustments to Revenue-to-Cost Ratios	-	810.33	810.33	810.33	0	2,431.00
Proposed Revenue	32,667.00	33,477.33	34,287.67	35,098.00		
<b>Revenue-to-Cost Ratios</b>	<b>75.87%</b>	<b>77.75%</b>	<b>79.64%</b>	<b>81.52%</b>		
<b>Total Adjustment</b>						-

These tables show the proposed rates, rate mitigation and loss of revenues to all customer classes using average customer consumptions.

General Service >50 kW		Current Rates 2011	Proposed Rates				Total
			2012	2013	2014	2015	
Average Consumption (115.0 kW 45,192 kWh)							
Number of Customers - 14							
<b>Proposed Rates</b>	Fixed	188.72	<b>188.72</b>	<b>188.72</b>	<b>188.72</b>	<b>188.72</b>	
<b>Proposed Rates</b>	Variable	2.6064	<b>3.6405</b>	<b>3.5834</b>	<b>3.5263</b>	<b>3.5111</b>	
Total Bill (Before Taxes & Foregone Rev RR) From Appendix A		<b>5,438.54</b>	4,848.32	4,841.75	4,835.19	4,833.44	
Rate Rider - Foregone Revenue From Appendix A		-	53.95	53.95	-	-	
Total Bill (Before Taxes) From Appendix A		<b>5,438.54</b>	4,902.27	4,895.70	4,835.19	4,833.44	
<b>Annual Increase (Decrease)</b>			<b>-9.86%</b>	<b>-0.13%</b>	<b>-1.24%</b>	<b>-0.04%</b>	
<b>Revenue Change due to Revenue Realignment</b>	Fixed		-	-	-	-	
	Variable		(1,105.46)	(1,105.46)	(1,105.46)	(294.27)	(3,610.64)

Sentinel Lights		Current Rates 2011	Proposed Rates				Total
			2012	2013	2014	2015	
Average Consumption (0.2391 kW 93.18 kWh)							
Number of Customers/Connections - 23							
Total kW - 66							
<b>Proposed Rates</b>	Fixed	4.41	<b>4.41</b>	<b>5.41</b>	<b>7.70</b>	<b>8.80</b>	
<b>Proposed Rates</b>	Variable	6.7270	<b>8.6067</b>	<b>10.1067</b>	<b>13.4067</b>	<b>13.4067</b>	
Total Bill (Before Taxes & Foregone Rev RR) From Appendix A		14.69	14.81	16.17	18.76	20.36	
Rate Rider - Foregone Revenue From Appendix A		-	1.11	1.11	-	-	
Total Bill (Before Taxes) From Appendix A		14.69	15.92	17.28	18.76	20.36	
<b>Annual Increase (Decrease)</b>			<b>8.37%</b>	<b>8.54%</b>	<b>8.56%</b>	<b>8.53%</b>	
<b>Gain (Loss) of Revenue</b>	Fixed		(504.85)	(935.64)	(303.60)	-	
	Variable		(132.00)	(217.80)	-	-	
Loss of Revenue			(636.85)	(1,153.44)	(303.60)	-	
<b>Gain (Loss) of Revenue due to Revenue Realignment</b>			294.75	294.75	294.75	294.75	
<b>Net Loss of Revenue</b>			<b>(342.10)</b>	<b>(858.69)</b>	<b>(8.85)</b>	<b>294.75</b>	<b>(914.89)</b>

Street Lights		Current Rate 2011	Proposed Rates				Total
			2012	2013	2014	2015	
Average Consumption (0.1889 kW 71.37 kWh)							
Number of Customers/Connections - 341							
<b>Proposed Rates</b>	Fixed	3.10	<b>3.50</b>	<b>3.90</b>	<b>4.31</b>		
<b>Proposed Rates</b>	Variable	14.4120	<b>14.4120</b>	<b>18.2233</b>	<b>20.0394</b>		
Total Bill (Before Taxes & Foregone Rev RR) From Appendix A		12.55	12.85	13.97	14.73		
Rate Rider - Foregone Revenue From Appendix A		-	0.74	0.74	-		
Total Bill (Before Taxes) From Appendix A		12.55	13.59	14.71	14.73		
<b>Annual Increase (Decrease)</b>			<b>8.29%</b>	<b>8.24%</b>	<b>0.14%</b>		
<b>Gain (Loss) of Revenue</b>	Fixed		(1,381.05)	(1,677.72)	-		
	Variable		(1,812.49)	(1,403.85)	-		
Loss of Revenue			(3,193.54)	(3,081.57)	-		
<b>Gain (Loss) of Revenue due to Revenue Realignment</b>			810.33	810.33	810.33		
<b>Net Loss of Revenue</b>			<b>(2,383.21)</b>	<b>(2,271.23)</b>	<b>810.33</b>		<b>(3,844.11)</b>

Residential		Current Rate 2011	Proposed Rates				Total
			2012	2013	2014	2015	
Average Consumption 1063 kWh							
Number of Customers - 1133							
<b>Proposed Rates</b>	Fixed	18.46	<b>20.15</b>	<b>23.37</b>			
<b>Proposed Rates</b>	Variable	0.0102	<b>0.0135</b>	<b>0.0135</b>			
Total Bill (Before Taxes & Foregone Rev RR) From Appendix A		130.94	136.88	140.10			
Rate Rider - Foregone Revenue From Appendix A		-	3.40	3.40			
Total Bill (Before Taxes) From Appendix A		130.94	140.28	143.50			
<b>Annual Increase (Decrease)</b>			<b>7.13%</b>	<b>2.30%</b>			
<b>Gain (Loss) of Revenue</b>	Fixed		(18,241.30)				
	Variable		-				
Loss of Revenue			(18,241.30)				



General Service <50 kW		Current Rate 2011	Proposed Rates				Total
			2012	2013	2014	2015	
Average Consumption 2696 kWh							
Number of Customers - 161							
<b>Proposed Rates</b>	Fixed	30.00	<b>31.79</b>	<b>34.19</b>			
<b>Proposed Rates</b>	Variable	0.0122	<b>0.0174</b>	<b>0.0174</b>			
Total Bill (Before Taxes & Foregone Rev RR) From Appendix A		314.72	332.17	334.57			
Rate Rider - Foregone Revenue From Appendix A		-	7.28	7.28			
Total Bill (Before Taxes) From Appendix A		314.72	339.45	341.85			
<b>Annual Increase (Decrease)</b>			<b>7.86%</b>	<b>0.71%</b>			
<b>Gain (Loss) of Revenue</b>	Fixed		(1,932.00)				
	Variable		-				
Loss of Revenue			(1,932.00)				

Unmetered Scattered Load		Current Rate 2011	Proposed Rates				Total
			2012	2013	2014	2015	
Average Consumption 100.125 kWh							
Number of Customers - 6							
<b>Proposed Rates</b>	Fixed	20.13	<b>20.15</b>	<b>23.38</b>	<b>24.28</b>		
<b>Proposed Rates</b>	Variable	0.0125	<b>0.0326</b>	<b>0.0326</b>	<b>0.0326</b>		
Total Bill (Before Taxes & Foregone Rev RR) From Appendix A		30.89	31.42	34.65	38.06		
Rate Rider - Foregone Revenue From Appendix A		-	2.51	2.51	-		
Total Bill (Before Taxes) From Appendix A		30.89	33.93	37.16	38.06		
<b>Annual Increase (Decrease)</b>			<b>9.84%</b>	<b>9.52%</b>	<b>2.42%</b>		
<b>Gain (Loss) of Revenue</b>	Fixed		(123.90)	(64.80)	-		
	Variable		-	-	-		
Loss of Revenue			(123.90)	(64.80)	-		

This table summarizes CPUCs customer classes that require adjustments to their fixed and variable rates to mitigate rate increases to 10.00% or less during the IRM application years.

Rate Class	Proposed Rates	2012	2013	2014	2015
Residential	Fixed	20.15	23.37		
	Variable	0.0135	0.0135		
GS <50 kW	Fixed	31.79	34.19		
	Variable	0.0174	0.0174		
GS >50 kW	Fixed	188.72	188.72	188.72	188.72
	Variable	3.6405	3.5834	3.5263	3.5111
Unmetered Scattered Load	Fixed	20.15	23.38	24.28	
	Variable	0.0326	0.0326	0.0326	
Sentinel Lights	Fixed	4.41	5.41	7.70	8.80
	Variable	8.6067	10.1067	13.4067	13.4067
Street Lights	Fixed	3.50	3.90	4.31	
	Variable	14.4120	18.2233	20.0394	

## 5. Summary

The only change required to be made to the 3<sup>rd</sup> Generation Incentive Regulation Mechanism (IRM3) for 2013 are the rates generated by the 2013 RTSR Model Work-Form. These new rates have been entered into the 2013 IRM Rate Generator, Sheet 11 "Proposed Rates", column I.

Due to this change the following table shows bill impacts and the comparison of bill impacts between 1 and 2 years for the rate rider recovery period.

If the Board does not agree with CPUCs decision to the 2 year rate rider recovery period CPUC will agree to the Board's decision.

The basis for comparison is Time-Of-Use before taxes.

Customer Class/kWh Consumptions	Impact 1 Year		Impact 2 Years	
	Amount \$	%	Amount \$	%
Residential				
100	4.09	11.47	3.73	10.41
250	5.07	9.35	4.17	7.69
500	6.71	7.90	4.91	5.78
800	8.67	7.12	5.79	4.75
1000	9.98	6.82	6.38	4.36
1063 Average Consumption	10.40	6.75	6.57	4.26
1500	13.26	6.38	7.86	3.78
2000	16.53	6.14	9.33	3.47
GS <50 kW				
1000	9.47	5.84	5.87	3.62
2000	16.22	5.65	9.02	3.14
2696 Average Consumption	20.92	5.59	11.21	3.00
5000	36.50	5.51	18.50	2.79
10000	70.31	5.46	34.31	2.66
15000	104.12	5.44	50.12	2.62
GS >50kW				
60 kW - 30000 kWh	55.81	1.43	20.77	.53
100 kW - 60000 kWh	91.89	1.44	33.49	.53
115 kW - 45192 Average Consumption	105.41	1.45	38.25	.52
150 kW - 75000 kWh	137.00	1.45	49.40	.52
200 kW - 110000 kWh	182.12	1.45	65.32	.52
Unmetered Scattered Load				
50	3.79	13.64	3.61	12.99
100 Average Consumption	4.12	11.71	3.76	10.68
150	4.48	10.52	3.94	9.25
Sentinel Lights				
.15 kW - 65 kWh	1.69	11.36	1.48	9.95
.23 kW - 94 kWh Average Consumption	2.03	9.98	1.70	8.36
1.00 kW 250 kWh	5.29	7.26	3.87	5.31
Street Lights				
.19 kW - 72 kWh Average Consumption	1.65	9.24	1.40	7.84
65 kW - 24550 kWh Total Consumption	422.94	8.76	334.86	6.94