

Exhibit 6

REVENUE REQUIREMENT

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Exhibit 6: Calculation of Revenue Deficiency or Sufficiency

6.1 Overview

KWHI has included the following information in this Exhibit, excluding energy costs and energy sales (i.e. cost of power and other associated costs):

- Determination of Net Utility Income
- Statement of Rate Base
- Actual Utility Return on Rate Base
- Indicated Rate of Return
- Requested Rate of Return
- Gross Deficiency in Revenue

These items are presented in [Table 6.1-1](#) Revenue Deficiency Calculation. The information supports KWHI's request in this Application for an increase in its Revenue Requirement to support the proposed operating and capital expenditures for 2020, to service debt, pay PILs, and provide the allowed Return on Equity. The proposed Revenue Requirement will allow KWHI to continue to provide safe and reliable service to its customers and to earn its permitted return.

KWHI's revenue deficiency for the 2020 Test Year is \$3,472,948. This deficiency is calculated as the difference between the 2020 Test Year Service Revenue Requirement of \$48,771,170 and the Forecast 2020 Test Year Revenue, based on the 2019 approved rates, at \$45,298,223. The 2020 Test Year Revenue Deficiency reflects an increase of \$8,248,507 or 20.4% increase relative to the 2014 Board Approved Service Revenue Requirement of \$40,522,742.

KWHI has completed the Revenue Requirement Work Form for 2019 filers version 8.00 (RRWF) as provided by the Board, as a version for 2020 filers is not available. The



RRWF has been filed in live Excel format and is also included as a pdf version in [Appendix 6-1](#) to this Exhibit.

The current rates are based on Board approved rates effective January 1, 2019 through an IRM proceeding (EB-2018-0048). Existing revenues based on existing Board approved rates, which are used in calculating utility income are comprised of distribution revenue and excludes

- (i) Recovery of Deferral and Variance Accounts; or
- (ii) Other electricity charges which include Energy Commodity, Transmission Charges, and Wholesale Market Service Charges.

These items are considered elsewhere in this Application and are treated either as recoveries/dispositions of regulatory assets/liabilities or as energy related costs recorded in the OEB's prescribed Retail Settlement Variance Accounts.

6.2 Calculation of Revenue Requirement

KWHI's Revenue Requirement consists of the following:

- Administrative and General, Billing and Collecting Expense
- Operation and Maintenance Expense
- Depreciation Expense
- Property Taxes
- PILs
- Deemed Interest and Return on Equity

KWHI's revenue requirement is primarily received through electricity distribution rates with supplemental revenue from Board-approved specific service charges, late payment charges, and other operating income.



Table 6.2-1 – Revenue Deficiency Calculation

	2020 Test Existing Rates	2020 Test Proposed Rates
Revenue Deficiency from Below		3,472,948
Distribution Revenue	42,054,322	42,054,322
Other Operating Revenue (Net)	3,243,900	3,243,900
Total Revenue	45,298,222	48,771,170
Operations Maintenance and Administration	21,990,700	21,990,700
Depreciation and Amortization	11,013,500	11,013,500
Property Taxes	436,900	436,900
Deemed Interest Expense	5,806,105	5,806,105
Total Costs and Expenses	39,247,205	39,247,205
Utility Income before Income Taxes	6,051,017	9,523,965
Income Taxes		
Corporate Income Taxes	5,544	925,875
Total Income Taxes	5,544	925,875
Utility Income	6,045,473	8,598,090
Income Tax Expense Calculation		
Accounting Income	6,051,017	9,523,965
Tax Adjustments to Accounting Income	(5,796,134)	(5,796,134)
Taxable Income	254,883	3,727,831
Income Tax expense before credits	67,544	987,875
Credits	(62,000)	(62,000)
Tax Rate	26.50%	26.50%
Income Tax Expense	5,544	925,875
Actual Return on Rate Base		
Rate Base	239,367,774	239,367,774
Interest Expense	5,806,105	5,806,105
Net Income	6,045,473	8,598,090
Actual Return on Rate Base	11,851,577	14,404,195
Actual Return on Rate Base	4.95%	6.02%
Required Return on Rate Base		
Rate Base	239,367,774	239,367,774
Short Term Debt Rate	2.82%	2.82%
Long Term Debt Rate	4.13%	4.13%
Return on Equity	8.98%	8.98%
Deemed Interest Expense	5,806,105	5,806,105
Return on Equity	8,598,090	8,598,090
Total Return	14,404,195	14,404,195
Expected Return on Rate Base	6.02%	6.02%



6.2.1 Proposed Revenue Requirement

[Table 6.2.1-1](#) shows the proposed Revenue Requirement for KWHI for 2020. This matches Tab 9 of the RRWF.

Table 6.2.1-1 – Proposed Revenue Requirement

	2014 Board Approved	2020 Test Year
OM&A	18,379,260	21,990,700
Depreciation	7,461,469	11,013,500
Property taxes	394,800	436,900
Distribution Expenses	26,235,529	33,441,100
Regulated Return on Capital	7,902,933	8,598,090
Deemed Interest Expense	5,887,380	5,806,105
Grossed Up PILS	496,900	925,875
Service Revenue Requirement	40,522,742	48,771,170
Less Revenue Offsets	2,073,350	3,243,900
Base Revenue Requirement	38,449,392	45,527,270

6.2.2 Statement of Rate Base

[Table 6.2.2-1](#) below details KWHI's Rate Base for the 2020 Test Year and compares it to the Board approved Rate Base in 2014:

Table 6.2.2-1 – Rate Base

	2014 Rate Base	2020 Rate Base
Gross Average Fixed Assets	\$ 331,762,413	\$ 410,731,924
Average Accumulated Depreciation	(147,765,121)	(186,897,067)
Average Net Fixed Assets	\$ 183,997,292	\$ 223,834,857
Allowance for Working Capital	27,083,243	15,532,917
Total Rate Base	\$ 211,080,535	\$ 239,367,774



6.2.3 Actual Utility Return on Rate Base

[Table 6.2.3-1](#) below illustrates KWHI’s return on its Rate Base in the 2020 Test Year applying the latest capital parameters provided by the Board (letter dated November 22, 2018 “Cost of Capital Parameter Updates for 2019 Applications”).

Table 6.2.3-1 – Proposed Utility Return on Rate Base

	Capitalization Ratio		Cost Rate	Return
	(%)	(\$)	(%)	(\$)
Debt				
Long-term Debt	56.00%	\$ 134,045,953	4.13%	\$ 5,536,098
Short-term Debt	4.00%	9,574,711	2.82%	270,007
Total Debt	60.00%	\$ 143,620,664	4.04%	\$ 5,806,105
Equity				
Common Equity	40.00%	\$ 95,747,110	8.98%	\$ 8,598,090
Preferred Shares	0.00%	-	0.00%	-
Total Equity	40.00%	\$ 95,747,110	8.98%	\$ 8,598,090
Total	100.00%	\$ 239,367,774	6.02%	\$ 14,404,195

6.2.4 Requested and Indicated Rate of Return

The requested rate of return is 6.02% as per the Cost of Capital calculation in [Table 6.2.3-1](#).

6.2.5 Utility Income at Proposed Revenue Requirement

[Table 6.2.5-1](#) below calculates KWHI’s income at 2020 proposed rates.



Table 6.2.5-1 – Utility Income at Proposed Revenue Requirement

	2020 Test Year
Operating Revenue:	
Distribution Revenue (at Proposed Rates)	\$ 45,527,270
Other Revenue	3,243,900
	<u>48,771,170</u>
Operating Expenses:	
OM&A Expenses	21,990,700
Depreciation/Amortization	11,013,500
Property taxes	436,900
	<u>33,441,100</u>
Deemed Interest Expense	5,806,105
Total Expenses	<u>39,247,205</u>
Utility income before income taxes	9,523,965
Income taxes (grossed-up)	925,875
Utility Net Income	<u>\$ 8,598,090</u>

6.3 Revenue Deficiency or Sufficiency

[Table 6.3-1](#) below summarizes the contributors to the revenue deficiency by revenue requirement component. Column A lists the 2014 Board Approved amounts. Column B lists the 2020 revenue at existing rates shown in Table 6.3-1 allocated to revenue requirement components based on the proportions in Column A. It is KWHI’s view that Column B estimates the revenue requirement components for revenue at existing rates based on the components assumed in existing rates. Column C lists KWHI’s proposed components. Finally, Column D represents the difference between Column C and Column B which provides an estimate of the revenue requirement components for the revenue deficiency of \$3,472,948.



Table 6.3-1 – Cause of Revenue Deficiency

Service Revenue Requirement	2014 Board Approved	2020 Revenue at Existing Rates	2020 Proposed	Revenue Deficiency
	(A)	(B)	(C)	(D)
OM&A, including LEAP	18,379,260	20,545,199	21,990,700	1,445,501
Depreciation	7,461,469	8,340,780	11,013,500	2,672,720
Property Tax	394,800	441,326	436,900	(4,426)
Return on Rate Base	7,902,855	8,834,182	8,598,090	(236,092)
PILs	496,900	555,458	925,875	370,417
Deemed Interest	5,887,458	6,581,277	5,806,105	(775,172)
Total	40,522,742	45,298,222	48,771,170	3,472,948
				Difference
				(D) = (C) - (A)
Rate Base	211,080,535		239,367,774	28,287,239

The revenue deficiency of \$3,472,948 for the 2020 Test Year is principally as a result of increases in the following components:

- (i) increase in OM&A;
- (ii) increased depreciation;
- (iii) return on rate base due to increased rate base; and
- (iv) and increase in PILs; partially offset by lower deemed interest expense.

These factors are further explained below:

- Depreciation has increased as a result of the increase in net fixed assets in service. The 2014 Board Approved average net fixed assets was \$183,997,292 compared to \$223,834,857 in the 2020 Test Year (Exhibit 2). Details with respect to the increases in the net fixed assets is provided in evidence in Exhibit 2.
- PILs has increased as a result of higher utility income before taxes (Exhibit 4).
- The return on rate base has increased as a result of an increase in total Rate Base of \$28,287,239 (Exhibit 2)
- The increase in average net fixed assets was \$39,837,565 and is offset by a reduction in the working capital allowance of \$11,550,326. The Working Capital Allowance has decreased as result of a reduction in the working capital allowance percentage from 13% to 7.5% based on the Board Approved working



capital allowance. Included in the working capital is the Cost of Power, which was also lower due to the implementation of the Fair Hydro Plan, which has reduced commodity prices (Exhibit 2).

- 2020 Test Year OM&A expenses, including LEAP donation, have increased from 2014 Board approved and are discuss thoroughly in Exhibit 4.

6.4 Changes in Methodologies

In KWHI's last Cost of Service Application (EB-2013-0147), KWHI received approval from the Board for the change in accounting policy for an update in KWHI's useful lives. No further changes have been made to KWHI's capitalization policy due to the conversion to IFRS that would result in a change in revenue deficiency or sufficiency.

The conversion to IFRS occurred at year end 2015. At that time, the fiscal year 2014 was restated using IFRS for comparability purposes. The effect on net income for the year 2014 restated was a decrease of \$263,791. The adjustments to income were predominantly from adjustments made to post-retirement benefits (PBO) and non-vested sick leave. The difference between CGAAP and IFRS net income is presented in [Table 6.4-1](#) below, did not impact the rate base and revenue requirement but changes to the valuations in later years did and will continue to do so.

Table 6.4-1 – Net Income CGAAP and IFRS

	CGAAP 2014	IFRS 2014
Net Income for the Year	10,664,148	10,400,357

The transition to IFRS required that KWHI revalue its PBO using IFRS assumptions as well as record a liability for the non-vested sick leave benefits.



Prior to the conversion to IFRS, PBO was valued using CGAAP assumptions, which are different than the ones used for IFRS. As shown in [Table 6.4-2](#) below, the value of the liability changed effective January 1, 2014 reducing the liability by \$1,465,117.

Differences were written to retained earnings having no effect on revenue requirement.

Table 6.4-2 – Employee Future Benefit Liability

Account Description	CGAAP January 1, 2014	IFRS January 1, 2014
Employee Future Benefits	5,288,895	4,306,365
Unamort Actuarial Gains/Losses	482,587	-
Total PBO	5,771,482	4,306,365

In addition to the revaluation of PBO, a liability for sick leave adjustments was also recorded effective January 1, 2014, shown in [Table 6.4-3](#). Again, adjustments were written to retained earnings with no effect on net income.

Table 6.4-3 – Non-Vested Sick Leave Liability

Account Description	CGAAP January 1, 2014	IFRS January 1, 2014
Non-Vested Sick Leave Liability	-	665,500

At year-end 2014, adjustments were made to the financial statements for 2014 to restate to IFRS.

KWHI burdens its PBO expense and the split between capital and OM&A is typically 40% capital and 60% OM&A. For the purposes of the restatement, adjustments were recorded to the income statement only as the amounts were immaterial.

2014 CGAAP PBO expense was low due to the amortization of an actuarial gain of \$61,288. IFRS does not allow amortization of actuarial gains or losses, requiring corporations to recognize them in the year that they are valued. For the 2014



restatement, this amount was removed from PBO expense. In addition, an actuarial loss of \$333,842 was recognized as “Other Comprehensive Income” (OCI). The value of the PBO liability was adjusted to recognize these changes as seen in the [Table 6.4-4](#) below:

Table 6.4-4 – Post Retirement Benefit Liability

Account Description	CGAAP 2014	IFRS 2014
Employee Future Benefits	4,645,811	4,763,797
Unamort Actuarial Gains/Losses	1,187,704	-
	5,833,515	4,763,797

In addition, an expense shown in [Table 6.4-5](#) of the non-vested sick leave liability of \$36,500 was recognized in the restatement as seen in the Table below:

Table 6.4-5 – Non-Vested Sick Leave Liability

Account Description	IFRS 2013	IFRS 2014
Non-Vested Sick Leave Liability	665,500	629,000

KWHI had an actuarial valuation completed of its non-vested sick leave liability with an effective date of January 1, 2011. The estimated liability of \$775,000 was not recorded due to subsequent deferrals of the mandatory transition to IFRS. Upon transitioning to IFRS, KWHI had another actuarial valuation completed which estimated KWHI’s non-vested sick leave liability to be \$629,000 as of December 31, 2014. Assuming the difference would be expensed equally over four years, a credit of \$36,500 was recorded in the 2014 restated income statement.

Deferred income taxes were also adjusted to recognize the actuarial loss of \$333,842, netted out in OCI.



The total of the adjustments equals the \$263,791 decrease to net income but did not affect the revenue requirement in any way.

As shown in [Table 6.4-6](#), following the restatement from CGAAP to IFRS, annual PBO expense was reduced from historical amounts although the difference is immaterial. As previously noted, this amount is burdened and will not impact the revenue requirement.

Table 6.4-6 – Post Retirement Benefit Expense

Account Description	CGAAP 2014	IFRS 2014	IFRS 2015	IFRS 2016	IFRS 2017	IFRS 2018
PBO Expense	317,168	317,437	333,565	344,782	360,084	360,898

Non-vested sick leave is also recorded when the actuarial valuation is completed each three-year cycle. In 2017, the non-vested sick leave liability valuation reduced the liability by \$87,000. This reduction was recorded through the burden accounts as seen in the comparison [Table 6.4-7](#) below:

Table 6.4-7 – Non-Vested Sick Leave Credit

Account Description	IFRS 2014	IFRS 2017
Non-Vested Sick Leave Credit	(36,500)	(87,000)

The liability was adjusted for the same amounts as seen in [Table 6.4-8](#) below:

Table 6.4-8 – Non-Vested Sick Leave Liability

Account Description	IFRS 2014	IFRS 2017
Non-Vested Sick Leave Liability	629,000	542,000

KWHI has not estimated a sick leave liability or expense adjustment for this Cost of Service Application as the amounts are unknown. Without this estimate, there is no effect on the revenue requirement; however, the adjustments made to date (outside of



the opening balance adjustments) and subsequent actuarial reports have or will impact the revenue requirement in an immaterial manner using the estimated 40% capital and 60% OM&A burden split.



File Number: EB-2019-0049

Exhibit: 6

Filed: April 30, 2019

Appendix 6-1: Revenue Requirement Workform

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Revenue Requirement Workform (RRWF) for 2019 Filers



Version 8.00

Utility Name	Kitchener-Wilmot Hydro Inc.
Service Territory	
Assigned EB Number	EB-2019-0049
Name and Title	Margaret Nanninga, CFO and VP Finance
Phone Number	519 749 6177
Email Address	mnanninga@kwhydro.ca
Test Year	2020
Bridge Year	2019
Last Rebasing Year	2014

The RRWF has been enhanced commencing with 2017 rate applications to provide estimated base distribution rates. The enhanced RRWF is not intended to replace a utility's formal rate generator model which should continue to be the source of the proposed rates as well as the final ones at the conclusion of the proceeding. The load forecasting addition made to this model is intended to be demonstrative only and does not replace the information filed in the utility's application. In an effort to minimize the incremental work required from utilities, the cost allocation and rate design additions to this model do in fact replace former appendices that were required to be filed as part of the cost of service (Chapter 2) filing requirements.

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While this model has been provided in Excel format and is required to be filed with the applications, the onus remains on the applicant to ensure the accuracy of the data and the results.



Revenue Requirement Workform (RRWF) for 2019 Filers

[1. Info](#)

[2. Table of Contents](#)

[3. Data Input Sheet](#)

[4. Rate Base](#)

[5. Utility Income](#)

[6. Taxes PILs](#)

[7. Cost of Capital](#)

[8. Rev Def Suff](#)

[9. Rev Req](#)

[10. Load Forecast](#)

[11. Cost Allocation](#)

[12. Residential Rate Design](#)

[13. Rate Design and Revenue Reconciliation](#)

[14. Tracking Sheet](#)

Notes:

- (1) Pale green cells represent inputs
- (2) Pale green boxes at the bottom of each page are for additional notes
- (3) Pale yellow cells represent drop-down lists
- (4) ***Please note that this model uses MACROS. Before starting, please ensure that macros have been enabled.***
- (5) ***Completed versions of the Revenue Requirement Work Form are required to be filed in working Microsoft Excel format.***



Revenue Requirement Workform (RRWF) for 2019 Filers

Data Input ⁽¹⁾

	Initial Application ⁽²⁾		⁽⁶⁾	Per Board Decision
1 Rate Base				
Gross Fixed Assets (average)	\$410,731,924		\$ 410,731,924	\$410,731,924
Accumulated Depreciation (average)	(\$186,897,067) ⁽⁵⁾		(\$186,897,067)	(\$186,897,067)
Allowance for Working Capital:				
Controllable Expenses	\$22,427,600		\$ 22,427,600	\$22,427,600
Cost of Power	\$184,677,958		\$ 184,677,958	\$184,677,958
Working Capital Rate (%)	7.50% ⁽⁹⁾		⁽⁹⁾	⁽⁹⁾
2 Utility Income				
Operating Revenues:				
Distribution Revenue at Current Rates	\$42,054,323			
Distribution Revenue at Proposed Rates	\$45,527,270			
Other Revenue:				
Specific Service Charges	\$407,000			
Late Payment Charges	\$207,100			
Other Distribution Revenue	\$1,295,300			
Other Income and Deductions	\$1,334,500			
Total Revenue Offsets	\$3,243,900 ⁽⁷⁾			
Operating Expenses:				
OM+A Expenses	\$21,990,700		\$ 21,990,700	\$21,990,700
Depreciation/Amortization	\$11,013,500		\$ 11,013,500	\$11,013,500
Property taxes	\$436,900		\$ 436,900	\$436,900
Other expenses				
3 Taxes/PILs				
Taxable Income:				
Adjustments required to arrive at taxable income	(\$5,796,134) ⁽³⁾			
Utility Income Taxes and Rates:				
Income taxes (not grossed up)	\$680,518			
Income taxes (grossed up)	\$925,875			
Federal tax (%)	11.50%			
Provincial tax (%)	15.00%			
Income Tax Credits	(\$62,000)			
4 Capitalization/Cost of Capital				
Capital Structure:				
Long-term debt Capitalization Ratio (%)	56.0%			
Short-term debt Capitalization Ratio (%)	4.0% ⁽⁸⁾		⁽⁸⁾	⁽⁸⁾
Common Equity Capitalization Ratio (%)	40.0%			
Preferred Shares Capitalization Ratio (%)	0.0%			
	100.0%			
Cost of Capital				
Long-term debt Cost Rate (%)	4.13%			
Short-term debt Cost Rate (%)	2.82%			
Common Equity Cost Rate (%)	8.98%			
Preferred Shares Cost Rate (%)	0.00%			

Notes:

General Data inputs are required on Sheets 3. Data from Sheet 3 will automatically complete calculations on sheets 4 through 9 (Rate Base through Revenue Requirement). Sheets 4 through 9 do not require any inputs except for notes that the Applicant may wish to enter to support the results. Pale green cells are available on sheets 4 through 9 to enter both footnotes beside key cells and the related text for the notes at the bottom of each sheet.

- (1) All inputs are in dollars (\$) except where inputs are individually identified as percentages (%)
- (2) Data in column E is for Application as originally filed. For updated revenue requirement as a result of interrogatory responses, technical or settlement conferences, etc., use column M and Adjustments in column I
- (3) Net of addbacks and deductions to arrive at taxable income.
- (4) Average of Gross Fixed Assets at beginning and end of the Test Year
- (5) Average of Accumulated Depreciation at the beginning and end of the Test Year. Enter as a negative amount.
- (6) Select option from drop-down list by clicking on cell M10. This column allows for the application update reflecting the end of discovery or Argument-in-Chief. Also, the outcome of any Settlement Process can be reflected.
- (7) Input total revenue offsets for deriving the base revenue requirement from the service revenue requirement
- (8) 4.0% unless an Applicant has proposed or been approved for another amount.
- (9) The default Working Capital Allowance factor is 7.5% (of Cost of Power plus controllable expenses), per the letter issued by the Board on June 3, 2015. Alternatively, a WCA factor based on lead-lag study, with supporting rationale could be provided.

Revenue Requirement Workform (RRWF) for 2019 Filers

Rate Base and Working Capital

Line No.	Rate Base Particulars	Initial Application	Initial Application	Initial Application	Initial Application	Per Board Decision
1	Gross Fixed Assets (average) ⁽²⁾	\$410,731,924	\$ -	\$410,731,924	\$ -	\$410,731,924
2	Accumulated Depreciation (average) ⁽²⁾	(\$186,897,067)	\$ -	(\$186,897,067)	\$ -	(\$186,897,067)
3	Net Fixed Assets (average) ⁽²⁾	\$223,834,857	\$ -	\$223,834,857	\$ -	\$223,834,857
4	Allowance for Working Capital ⁽¹⁾	\$15,532,917	(\$15,532,917)	\$ -	\$ -	\$ -
5	Total Rate Base	\$239,367,774	(\$15,532,917)	\$223,834,857	\$ -	\$223,834,857

(1) Allowance for Working Capital - Derivation

6	Controllable Expenses	\$22,427,600	\$ -	\$22,427,600	\$ -	\$22,427,600
7	Cost of Power	\$184,677,958	\$ -	\$184,677,958	\$ -	\$184,677,958
8	Working Capital Base	\$207,105,558	\$ -	\$207,105,558	\$ -	\$207,105,558
9	Working Capital Rate % ⁽¹⁾	7.50%	-7.50%	0.00%	0.00%	0.00%
10	Working Capital Allowance	\$15,532,917	(\$15,532,917)	\$ -	\$ -	\$ -

Notes

(1) Some Applicants may have a unique rate as a result of a lead-lag study. The default rate for 2018 cost of service applications is 7.5%, per the letter issued by the Board on June 3, 2015.

(2) Average of opening and closing balances for the year.



Revenue Requirement Workform (RRWF) for 2019 Filers

Utility Income

Line No.	Particulars	Initial Application					Per Board Decision
Operating Revenues:							
1	Distribution Revenue (at Proposed Rates)	\$45,527,270	(\$45,527,270)	\$ -	\$ -	\$ -	\$ -
2	Other Revenue ⁽¹⁾	\$3,243,900	(\$3,243,900)	\$ -	\$ -	\$ -	\$ -
3	Total Operating Revenues	\$48,771,170	(\$48,771,170)	\$ -	\$ -	\$ -	\$ -
Operating Expenses:							
4	OM+A Expenses	\$21,990,700	\$ -	\$21,990,700	\$ -	\$ -	\$21,990,700
5	Depreciation/Amortization	\$11,013,500	\$ -	\$11,013,500	\$ -	\$ -	\$11,013,500
6	Property taxes	\$436,900	\$ -	\$436,900	\$ -	\$ -	\$436,900
7	Capital taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8	Other expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9	Subtotal (lines 4 to 8)	\$33,441,100	\$ -	\$33,441,100	\$ -	\$ -	\$33,441,100
10	Deemed Interest Expense	\$5,806,105	(\$5,806,105)	\$ -	\$ -	\$ -	\$ -
11	Total Expenses (lines 9 to 10)	\$39,247,205	(\$5,806,105)	\$33,441,100	\$ -	\$ -	\$33,441,100
12	Utility income before income taxes	\$9,523,965	(\$42,965,065)	(\$33,441,100)	\$ -	\$ -	(\$33,441,100)
13	Income taxes (grossed-up)	\$925,875	\$ -	\$925,875	\$ -	\$ -	\$925,875
14	Utility net income	\$8,598,090	(\$42,965,065)	(\$34,366,975)	\$ -	\$ -	(\$34,366,975)

Notes

Other Revenues / Revenue Offsets

(1)	Specific Service Charges	\$407,000	\$ -	\$ -	\$ -	\$ -
	Late Payment Charges	\$207,100	\$ -	\$ -	\$ -	\$ -
	Other Distribution Revenue	\$1,295,300	\$ -	\$ -	\$ -	\$ -
	Other Income and Deductions	\$1,334,500	\$ -	\$ -	\$ -	\$ -
	Total Revenue Offsets	\$3,243,900	\$ -	\$ -	\$ -	\$ -



Revenue Requirement Workform (RRWF) for 2019 Filers

Taxes/PILs

Line No.	Particulars	Application		Per Board Decision
<u>Determination of Taxable Income</u>				
1	Utility net income before taxes	\$8,598,090	\$ -	\$ -
2	Adjustments required to arrive at taxable utility income	(\$5,796,134)	\$ -	\$ -
3	Taxable income	<u>\$2,801,956</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Calculation of Utility income Taxes</u>				
4	Income taxes	<u>\$680,518</u>	<u>\$680,518</u>	<u>\$680,518</u>
6	Total taxes	<u>\$680,518</u>	<u>\$680,518</u>	<u>\$680,518</u>
7	Gross-up of Income Taxes	<u>\$245,357</u>	<u>\$245,357</u>	<u>\$245,357</u>
8	Grossed-up Income Taxes	<u>\$925,875</u>	<u>\$925,875</u>	<u>\$925,875</u>
9	PILs / tax Allowance (Grossed-up Income taxes + Capital taxes)	<u>\$925,875</u>	<u>\$925,875</u>	<u>\$925,875</u>
10	Other tax Credits	(\$62,000)	(\$62,000)	(\$62,000)
<u>Tax Rates</u>				
11	Federal tax (%)	11.50%	11.50%	11.50%
12	Provincial tax (%)	15.00%	15.00%	15.00%
13	Total tax rate (%)	<u>26.50%</u>	<u>26.50%</u>	<u>26.50%</u>

Notes



Revenue Requirement Workform (RRWF) for 2019 Filers

Capitalization/Cost of Capital

Line No.	Particulars	Capitalization Ratio		Cost Rate	Return
		(%)	(\$)	(%)	(\$)
Initial Application					
	Debt				
1	Long-term Debt	56.00%	\$134,045,953	4.13%	\$5,536,098
2	Short-term Debt	4.00%	\$9,574,711	2.82%	\$270,007
3	Total Debt	60.00%	\$143,620,664	4.04%	\$5,806,105
	Equity				
4	Common Equity	40.00%	\$95,747,110	8.98%	\$8,598,090
5	Preferred Shares	0.00%	\$ -	0.00%	\$ -
6	Total Equity	40.00%	\$95,747,110	8.98%	\$8,598,090
7	Total	100.00%	\$239,367,774	6.02%	\$14,404,195
Per Board Decision					
	Debt				
1	Long-term Debt	0.00%	\$ -	0.00%	\$ -
2	Short-term Debt	0.00%	\$ -	0.00%	\$ -
3	Total Debt	0.00%	\$ -	0.00%	\$ -
	Equity				
4	Common Equity	0.00%	\$ -	0.00%	\$ -
5	Preferred Shares	0.00%	\$ -	0.00%	\$ -
6	Total Equity	0.00%	\$ -	0.00%	\$ -
7	Total	0.00%	\$223,834,857	0.00%	\$ -
	Debt				
8	Long-term Debt	0.00%	\$ -	4.13%	\$ -
9	Short-term Debt	0.00%	\$ -	2.82%	\$ -
10	Total Debt	0.00%	\$ -	0.00%	\$ -
	Equity				
11	Common Equity	0.00%	\$ -	8.98%	\$ -
12	Preferred Shares	0.00%	\$ -	0.00%	\$ -
13	Total Equity	0.00%	\$ -	0.00%	\$ -
14	Total	0.00%	\$223,834,857	0.00%	\$ -

Notes



Revenue Requirement Workform (RRWF) for 2019 Filers

Revenue Deficiency/Sufficiency

Line No.	Particulars	Initial Application		Per Board Decision		Per Board Decision	
		At Current Approved Rates	At Proposed Rates	At Current Approved Rates	At Proposed Rates	At Current Approved Rates	At Proposed Rates
1	Revenue Deficiency from Below		\$3,472,948		(\$10,787,339)		\$45,498,095
2	Distribution Revenue	\$42,054,323	\$42,054,322	\$42,054,323	\$56,314,609	\$ -	(\$45,498,095)
3	Other Operating Revenue Offsets - net	\$3,243,900	\$3,243,900	\$ -	\$ -	\$ -	\$ -
4	Total Revenue	<u>\$45,298,223</u>	<u>\$48,771,170</u>	<u>\$42,054,323</u>	<u>\$45,527,270</u>	<u>\$ -</u>	<u>\$ -</u>
5	Operating Expenses	\$33,441,100	\$33,441,100	\$33,441,100	\$33,441,100	\$33,441,100	\$33,441,100
6	Deemed Interest Expense	\$5,806,105	\$5,806,105	\$ -	\$ -	\$ -	\$ -
8	Total Cost and Expenses	<u>\$39,247,205</u>	<u>\$39,247,205</u>	<u>\$33,441,100</u>	<u>\$33,441,100</u>	<u>\$33,441,100</u>	<u>\$33,441,100</u>
9	Utility Income Before Income Taxes	\$6,051,018	\$9,523,965	\$8,613,223	\$12,086,170	(\$33,441,100)	(\$33,441,100)
10	Tax Adjustments to Accounting Income per 2013 PILs model	(\$5,796,134)	(\$5,796,134)	(\$5,796,134)	(\$5,796,134)	\$ -	\$ -
11	Taxable Income	<u>\$254,884</u>	<u>\$3,727,831</u>	<u>\$2,817,089</u>	<u>\$6,290,036</u>	<u>(\$33,441,100)</u>	<u>(\$33,441,100)</u>
12	Income Tax Rate	26.50%	26.50%	26.50%	26.50%	26.50%	26.50%
13		\$67,544	\$987,875	\$746,529	\$1,666,860	\$ -	\$ -
	Income Tax on Taxable Income						
14	Income Tax Credits	(\$62,000)	(\$62,000)	(\$62,000)	(\$62,000)	\$ -	\$ -
15	Utility Net Income	<u>\$6,045,474</u>	<u>\$8,598,090</u>	<u>\$7,928,694</u>	<u>(\$34,366,975)</u>	<u>(\$33,441,100)</u>	<u>(\$34,366,975)</u>
16	Utility Rate Base	\$239,367,774	\$239,367,774	\$223,834,857	\$223,834,857	\$223,834,857	\$223,834,857
17	Deemed Equity Portion of Rate Base	\$95,747,110	\$95,747,110	\$ -	\$ -	\$ -	\$ -
18	Income/(Equity Portion of Rate Base)	6.31%	8.98%	0.00%	0.00%	0.00%	0.00%
19	Target Return - Equity on Rate Base	8.98%	8.98%	0.00%	0.00%	0.00%	0.00%
20	Deficiency/Sufficiency in Return on Equity	-2.67%	0.00%	0.00%	0.00%	0.00%	0.00%
21	Indicated Rate of Return	4.95%	6.02%	3.54%	0.00%	-14.94%	0.00%
22	Requested Rate of Return on Rate Base	6.02%	6.02%	0.00%	0.00%	0.00%	0.00%
23	Deficiency/Sufficiency in Rate of Return	-1.07%	0.00%	3.54%	0.00%	-14.94%	0.00%
24	Target Return on Equity	\$8,598,090	\$8,598,090	\$ -	\$ -	\$ -	\$ -
25	Revenue Deficiency/(Sufficiency)	\$2,552,616	\$0	(\$7,928,694)	\$ -	\$33,441,100	\$ -
26	Gross Revenue Deficiency/(Sufficiency)	<u>\$3,472,948</u> ⁽¹⁾		<u>(\$10,787,339)</u> ⁽¹⁾		<u>\$45,498,095</u> ⁽¹⁾	

Notes:

⁽¹⁾ Revenue Deficiency/Sufficiency divided by (1 - Tax Rate)



Revenue Requirement Workform (RRWF) for 2019 Filers

Revenue Requirement

Line No.	Particulars	Application		Per Board Decision	
1	OM&A Expenses	\$21,990,700		\$21,990,700	
2	Amortization/Depreciation	\$11,013,500		\$11,013,500	
3	Property Taxes	\$436,900		\$436,900	
5	Income Taxes (Grossed up)	\$925,875		\$925,875	
6	Other Expenses	\$ -		\$ -	
7	Return				
	Deemed Interest Expense	\$5,806,105		\$ -	
	Return on Deemed Equity	\$8,598,090		\$ -	
8	Service Revenue Requirement (before Revenues)	<u>\$48,771,170</u>		<u>\$34,366,975</u>	
9	Revenue Offsets	\$3,243,900		\$ -	
10	Base Revenue Requirement (excluding Transformer Ownership Allowance credit adjustment)	<u>\$45,527,270</u>		<u>\$34,366,975</u>	
11	Distribution revenue	\$45,527,270		\$ -	
12	Other revenue	\$3,243,900		\$ -	
13	Total revenue	<u>\$48,771,170</u>		<u>\$ -</u>	
14	Difference (Total Revenue Less Distribution Revenue Requirement before Revenues)	<u>\$0</u>	⁽¹⁾	<u>(\$34,366,975)</u>	⁽¹⁾

Summary Table of Revenue Requirement and Revenue Deficiency/Sufficiency

	Application		Δ% ⁽²⁾	Per Board Decision	Δ% ⁽²⁾
Service Revenue Requirement	\$48,771,170	\$34,366,975	(\$0)	\$34,366,975	(\$1)
Grossed-Up Revenue					
Deficiency/(Sufficiency)	\$3,472,948	(\$10,787,339)	(\$4)	\$45,498,095	(\$1)
Base Revenue Requirement (to be recovered from Distribution Rates)	\$45,527,270	\$34,366,975	(\$0)	\$34,366,975	(\$1)
Revenue Deficiency/(Sufficiency) Associated with Base Revenue Requirement	\$3,472,947	\$ -	(\$1)	\$ -	(\$1)

Notes

- ⁽¹⁾ Line 11 - Line 8
- ⁽²⁾ Percentage Change Relative to Initial Application

Revenue Requirement Workform (RRWF) for 2019 Filers

Load Forecast Summary

This spreadsheet provides a summary of the customer and load forecast on which the test year revenue requirement is derived. The amounts serve as the denominators for deriving the rates to recover the test year revenue requirement for purposes of this RRWF.

The information to be input is inclusive of any adjustments to kWh and kW to reflect the impacts of CDM programs up to and including CDM programs planned to be executed in the test year. i.e., the load forecast adjustments determined in **Appendix 2-I** should be incorporated into the entries. The inputs should correspond with the summary of the Load Forecast for the Test Year in **Appendix 2-IB** and in Exhibit 3 of the application.

Appendix 2-IB is still required to be filled out, as it also provides a year-over-year variance analysis of demand growth and trends from historical actuals to the Bridge and Test Year forecasts.

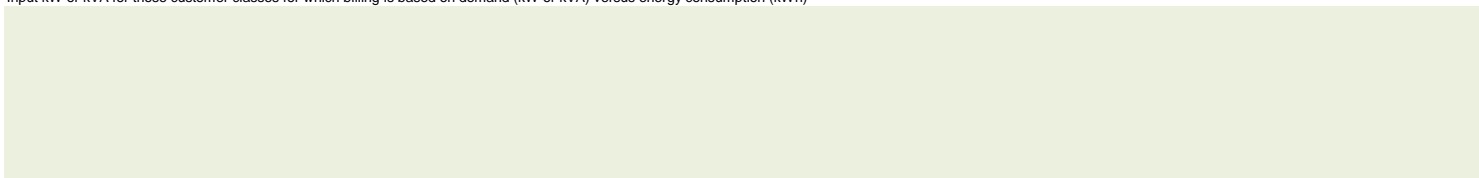
Stage in Process:

Initial Application

Customer Class		Initial Application			Per Board Decision		
Input the name of each customer class.		Customer / Connections	kWh	kW/kVA ⁽¹⁾	Customer / Connections	kWh	kW/kVA ⁽¹⁾
		Test Year average or mid-year	Annual	Annual	Test Year average or mid-year	Annual	Annual
1	Residential	89,860	671,446,586				
2	GS<50	8,136	230,635,457				
3	GS>50	938		2,008,643			
4	Large User	1		70,127			
5	Streetlighting	25,440		20,391			
6	Unmetered Scattered Load	955	4,173,587				
7	Embedded Distributor	1		43,316			
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							
Total			906,255,630	2,142,477			

Notes:

⁽¹⁾ Input kW or kVA for those customer classes for which billing is based on demand (kW or kVA) versus energy consumption (kWh)



Revenue Requirement Workform (RRWF) for 2019 Filers

Cost Allocation and Rate Design

This spreadsheet replaces **Appendix 2-P** and provides a summary of the results from the Cost Allocation spreadsheet, and is used in the determination of the class revenue requirement and, hence, ultimately, the determination of rates from customers in all classes to recover the revenue requirement.

Stage in Application Process: *Initial Application*

A) Allocated Costs

Name of Customer Class ⁽³⁾	Costs Allocated from Previous Study ⁽¹⁾	%	Allocated Class Revenue Requirement ⁽¹⁾	%
From Sheet 10. Load Forecast				
			(7A)	
1 Residential	\$ 23,916,301	59.02%	\$ 29,247,175	59.97%
2 GS<50	\$ 5,246,277	12.95%	\$ 5,453,842	11.18%
3 GS>50	\$ 10,531,673	25.99%	\$ 13,118,788	26.90%
4 Large User	\$ 265,721	0.66%	\$ 315,720	0.65%
5 Streetlighting	\$ 360,291	0.89%	\$ 294,518	0.60%
6 Unmetered Scattered Load	\$ 104,301	0.26%	\$ 147,225	0.30%
7 Embedded Distributor	\$ 98,174	0.24%	\$ 193,902	0.40%
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
Total	\$ 40,522,738	100.00%	\$ 48,771,170	100.00%
		Service Revenue Requirement (from Sheet 9)	\$ 48,771,169.99	

- (1) Class Allocated Revenue Requirement, from Sheet O-1, Revenue to Cost || RR, row 40, from the Cost Allocation Study in this application. This excludes costs in deferral and variance accounts. For Embedded Distributors, Account 4750 - Low Voltage (LV) Costs are also excluded.
- (2) Host Distributors - Provide information on any embedded distributor(s) as a separate class, if applicable. If embedded distributors are billed in a General Service class, include the allocated costs and revenues of the embedded distributor(s) in the applicable class, and also complete Appendix 2-Q.
- (3) Customer Classes - If these differ from those in place in the previous cost allocation study, modify the customer classes to match the proposal in the current application as closely as possible.

Revenue Requirement Workform (RRWF) for 2019 Filers

Cost Allocation and Rate Design

This spreadsheet replaces **Appendix 2-P** and provides a summary of the results from the Cost Allocation spreadsheet, and is used in the determination of the class revenue requirement and, hence, ultimately, the determination of rates from customers in all classes to recover the revenue requirement.

B) Calculated Class Revenues

Name of Customer Class	Load Forecast (LF) X current approved rates <i>(7B)</i>	LF X current approved rates X (1+d) <i>(7C)</i>	LF X Proposed Rates <i>(7D)</i>	Miscellaneous Revenues <i>(7E)</i>
1 Residential	\$ 24,434,731	\$ 26,452,610	\$ 26,312,908	\$ 2,202,216
2 GS<50	\$ 5,777,716	\$ 6,254,854	\$ 6,195,147	\$ 349,463
3 GS>50	\$ 10,988,302	\$ 11,895,742	\$ 12,087,641	\$ 637,584
4 Large User	\$ 274,541	\$ 297,213	\$ 297,667	\$ 18,053
5 Streetlighting	\$ 331,184	\$ 358,532	\$ 334,895	\$ 18,526
6 Unmetered Scattered Load	\$ 145,247	\$ 157,242	\$ 151,850	\$ 10,097
7 Embedded Distributor	\$ 102,603	\$ 111,076	\$ 147,161	\$ 7,961
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
Total	\$ 42,054,324	\$ 45,527,269	\$ 45,527,269	\$ 3,243,900

- (4) In columns 7B to 7D, LF means Load Forecast of Annual Billing Quantities (i.e., customers or connections, as applicable X 12 months, and kWh, kW or kVA as applicable. Revenue quantities should be net of the Transformer Ownership Allowance for applicable customer classes. Exclude revenues from rate adders and rate riders.
- (5) Columns 7C and 7D - Column Total should equal the Base Revenue Requirement for each.
- (6) Column 7C - The OEB-issued cost allocation model calculates "1+d" on worksheet O-1, cell C22. "d" is defined as Revenue Deficiency/Revenue at Current Rates.
- (7) Column 7E - If using the OEB-issued cost allocation model, enter Miscellaneous Revenues as it appears on worksheet O-1, row 19,

Revenue Requirement Workform (RRWF) for 2019 Filers

Cost Allocation and Rate Design

This spreadsheet replaces **Appendix 2-P** and provides a summary of the results from the Cost Allocation spreadsheet, and is used in the determination of the class revenue requirement and, hence, ultimately, the determination of rates from customers in all classes to recover the revenue requirement.

C) Rebalancing Revenue-to-Cost Ratios

Name of Customer Class	Previously Approved Ratios	Status Quo Ratios	Proposed Ratios	Policy Range
	Most Recent Year: 2014 %	(7C + 7E) / (7A) %	(7D + 7E) / (7A) %	
1 Residential	93.90%	97.97%	97.50%	85 - 115
2 GS<50	107.80%	121.09%	120.00%	80 - 120
3 GS>50	109.10%	95.54%	97.00%	80 - 120
4 Large User	93.90%	99.86%	100.00%	80 - 120
5 Streetlighting	120.00%	128.03%	120.00%	80 - 120
6 Unmetered Scattered Load	120.00%	113.66%	110.00%	80 - 120
7 Embedded Distributor	100.00%	61.39%	80.00%	80 - 120
8				
9				
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11				
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13				
14				
15				
16				
17				
18				
19				
20				

(8) Previously Approved Revenue-to-Cost (R/C) Ratios - For most applicants, the most recent year would be the third year (at the latest) of the Price Cap IR period. For example, if the applicant, rebased in 2012 with further adjustments to move within the range over two years, the Most Recent Year would be 2015. However, the ratios in 2015 would be equal to those after the adjustment in 2014.

(9) Status Quo Ratios - The OEB-issued cost allocation model provides the Status Quo Ratios on Worksheet O-1. The Status Quo means "Before Rebalancing".

(10) Ratios shown in red are outside of the allowed range. Applies to both Tables C and D.

Revenue Requirement Workform (RRWF) for 2019 Filers

Cost Allocation and Rate Design

This spreadsheet replaces **Appendix 2-P** and provides a summary of the results from the Cost Allocation spreadsheet, and is used in the determination of the class revenue requirement and, hence, ultimately, the determination of rates from customers in all classes to recover the revenue requirement.

(D) Proposed Revenue-to-Cost Ratios ⁽¹¹⁾

Name of Customer Class	Proposed Revenue-to-Cost Ratio			Policy Range
	Test Year 2020	2021	Price Cap IR Period 2022	
1 Residential	97.50%	97.50%	97.50%	85 - 115
2 GS<50	120.00%	120.00%	120.00%	80 - 120
3 GS>50	97.00%	97.00%	97.00%	80 - 120
4 Large User	100.00%	100.00%	100.00%	80 - 120
5 Streetlighting	120.00%	120.00%	120.00%	80 - 120
6 Unmetered Scattered Load	110.00%	110.00%	110.00%	80 - 120
7 Embedded Distributor	80.00%	80.00%	80.00%	80 - 120
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				

(11) The applicant should complete Table D if it is applying for approval of a revenue-to-cost ratio in 2019 that is outside of the OEB's policy range for any customer class. Table D will show that the distributor is likely to enter into the 2020 and 2021 Price Cap IR models, as necessary. For 2020 and 2021, enter the planned revenue-to-cost ratios that will be "Change" or "No Change" in 2018 (in the current Revenue/Cost Ratio Adjustment Workform, Worksheet C1.1 'Decision - Cost Revenue Adjustment, column d), and enter TBD for class(es) that will be entered as 'Rebalance'.

Revenue Requirement Workform (RRWF) for 2019 Filers

New Rate Design Policy For Residential Customers

Please complete the following tables.

A Data Inputs (from Sheet 10. Load Forecast)

Test Year Billing Determinants for Residential Class	
Customers	89,860
kWh	671,446,586

Proposed Residential Class Specific Revenue Requirement ¹	\$ 26,312,908.00
--	------------------

Residential Base Rates on Current Tariff	
Monthly Fixed Charge (\$)	\$ 22.66
Distribution Volumetric Rate (\$/kWh)	\$ -

B Current Fixed/Variable Split

	Base Rates	Billing Determinants	Revenue	% of Total Revenue
Fixed	22.66	89,860	\$ 24,434,731.20	100.00%
Variable	0	671,446,586	\$ -	0.00%
TOTAL	-	-	\$ 24,434,731.20	-

C Calculating Test Year Base Rates

Number of Remaining Rate Design Policy Transition Years ²	0
--	---

	Test Year Revenue @ Current F/V Split	Test Year Base Rates @ Current F/V Split	Reconciliation - Test Year Base Rates @ Current F/V Split
Fixed	\$ 26,312,908.00	24.4	\$ 26,311,008.00
Variable	\$ -	0	\$ -
TOTAL	\$ 26,312,908.00	-	\$ 26,311,008.00

	New F/V Split	Revenue @ new F/V Split	Final Adjusted Base Rates	Revenue Reconciliation @ Adjusted Rates
Fixed				
Variable				
TOTAL	-	\$ -	-	

Checks ³	
Change in Fixed Rate	
Difference Between Revenues @ Proposed Rates and Class Specific Revenue Requirement	

Notes:

- ¹ The final residential class specific revenue requirement, excluding allocated Miscellaneous Revenues, as shown on Sheet 11. Cost Allocation, should be used (i.e. the revenue requirement after any proposed adjustments to R/C ratios).
- ² The distributor should enter the number of years remaining before the transition to fully fixed rates is completed. A distributor transitioning to fully fixed rates over a four year period and began the transition in 2016 would input the number "3" into cell D40. A distributor transitioning over a five-year period would input the number "4". Where the change in the residential rate design will result in the fixed charge increasing by more than \$4/year, a distributor may propose an additional transition year.
- ³ Change in fixed rate due to rate design policy should be less than \$4. The difference between the proposed class revenue requirement and the revenue at calculated base rates should be minimal (i.e. should be reasonably considered as a rounding error)

Revenue Requirement Workform (RRWF) for 2019 Filers

Rate Design and Revenue Reconciliation

This sheet replaces Appendix 2-V, and provides a simplified model for calculating the standard monthly and volumetric rates based on the allocated class revenues and fixed/variable split resulting from the cost allocation study and rate design and as proposed by the applicant. However, the RRWF does not replace the rate generator model that an applicant distributor may use in support of its application. The RRWF provides a demonstrative check on the derivation of the revenue requirement and on the proposed base distribution rates to recover the revenue requirement, based on summary information from a more detailed rate generator model and other models that applicants use for cost allocation, load forecasting, taxes/PLTs, etc.

Stage in Process:		Initial Application		Class Allocated Revenues			Fixed / Variable Splits ²		Transformer Ownership Allowance ¹ (\$)		Distribution Rates				Revenue Reconciliation		
Customer and Load Forecast				From Sheet 11, Cost Allocation and Sheet 12, Residential Rate Design			Percentage to be entered as a fraction between 0 and 1				Monthly Service Charge		Volumetric Rate				
Customer Class	Volumetric Charge Determinant	Customers / Connections	kWh	kW or kVA	Total Class Revenue Requirement	Monthly Service Charge	Volumetric	Fixed	Variable	Rate	No. of decimals	Rate	No. of decimals	MSC Revenues	Volumetric revenues	Revenues less Transformer Ownership Allowance	
From sheet 10, Load Forecast																	
1 Residential	kWh	89,860	671,446,586	-	\$ 26,312,908	\$ 26,312,908	\$ -	100.00%	0.00%	\$24.40	2	\$0.0000 /kWh	4	\$26,311,008.00	\$ -	\$26,311,008.00	
2 GS-50	kWh	8,136	230,635,457	-	\$ 6,195,147	\$ 2,905,524	\$ 3,289,623	46.90%	53.10%	\$29.76		\$0.0143 /kWh		\$ 2,905,528.32	\$ 3,298,087,0351	\$ 6,203,615.36	
3 GS-50	kW	938	-	2,008,643	\$ 12,087,641	\$ 2,139,512	\$ 9,948,129	17.70%	82.30%	\$190.08		\$4.9527 /kW		\$ 2,139,540.48	\$ 9,948,206.1861	\$12,087,746.07	
4 Large User	kW	1	-	70,127	\$ 297,667	\$ 193,781	\$ 103,886	65.10%	34.90%	\$16,148.43		\$1.4814 /kW		\$ 193,781.16	\$ 103,886.1378	\$ 297,666.70	
5 Streetlighting	kW	25,440	-	20,391	\$ 334,895	\$ 231,747	\$ 103,148	69.20%	30.80%	\$0.76		\$5.0585 /kW		\$ 232,012.80	\$ 103,147.8735	\$ 335,160.67	
6 Unmetered Scattered Load	kWh	955	4,173,587	-	\$ 151,850	\$ 88,984	\$ 62,866	58.60%	41.40%	\$7.76		\$0.0151 /kWh		\$ 88,929.60	\$ 63,021.1637	\$ 151,950.76	
7 Embedded Distributor	kW	1	-	43,316	\$ 147,161	\$ -	\$ 147,161	0.00%	100.00%	\$0.00		\$3.3974 /kW		\$ -	\$ 147,161.7784	\$ 147,161.78	
8	-	-	-	-	-	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	
9	-	-	-	-	-	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	
10	-	-	-	-	-	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	
11	-	-	-	-	-	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	
12	-	-	-	-	-	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	
13	-	-	-	-	-	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	
14	-	-	-	-	-	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	
15	-	-	-	-	-	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	
16	-	-	-	-	-	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	
17	-	-	-	-	-	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	
18	-	-	-	-	-	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	
19	-	-	-	-	-	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	
20	-	-	-	-	-	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	
Total Transformer Ownership Allowance										\$	1						
										Rates recover revenue requirement							
														Total Distribution Revenues			\$45,534,309.34
														Base Revenue Requirement			\$45,527,269.99
														Difference			\$ 7,039.35
														% Difference			0.015%

Notes:

¹ Transformer Ownership Allowance is entered as a positive amount, and only for those classes to which it applies.

² The Fixed/Variable split, for each customer class, drives the "rate generator" portion of this sheet of the RRWF. Only the "fixed" fraction is entered, as the sum of the "fixed" and "variable" portions must sum to 100%. For a distributor that may set the Monthly Service Charge, the "fixed" ratio is calculated as: [MSC x (average number of customers or connections) x 12 months] / (Class Allocated Revenue Requirement).



Revenue Requirement Workform (RRWF) for 2019 Filers

Tracking Form

The first row shown, labelled "Original Application", summarizes key statistics based on the data inputs into the RRWF. After the original application filing, the applicant provides key changes in capital and operating expenses, load forecasts, cost of capital, etc., as revised through the processing of the application. This could be due to revisions or responses to interrogatories. The last row shown is the most current estimate of the cost of service data reflecting the original application and any updates provided by the applicant distributor (for updated evidence, responses to interrogatories, undertakings, etc.)

Please ensure a Reference (Column B) and/or Item Description (Column C) is entered. Please note that unused rows will automatically be hidden and the PRINT AREA set when the PRINT BUTTON on Sheet 1 is activated.

⁽¹⁾ Short reference to evidence material (interrogatory response, undertaking, exhibit number, Board Decision, Code, Guideline, Report of the Board, etc.)

⁽²⁾ Short description of change, issue, etc.

Summary of Proposed Changes

Reference ⁽¹⁾	Item / Description ⁽²⁾	Cost of Capital		Rate Base and Capital Expenditures			Operating Expenses			Revenue Requirement			
		Regulated Return on Capital	Regulated Rate of Return	Rate Base	Working Capital	Working Capital Allowance (\$)	Amortization / Depreciation	Taxes/PILs	OM&A	Service Revenue Requirement	Other Revenues	Base Revenue Requirement	Grossed up Revenue Deficiency / Sufficiency
	Original Application	\$ 14,404,195	6.02%	\$ 239,367,774	\$ 207,105,558	\$ 15,532,917	\$ 11,013,500	\$ 925,875	\$ 21,990,700	\$ 48,771,170	\$ 3,243,900	\$ 45,527,270	\$ 3,472,948