



## **COST ALLOCATION**

After updating Hydro Ottawa's revenue requirement to incorporate the Board's Decision, the following adjustment was made in order to bring the revenue-to-cost ratios in line with those agreed to in the Settlement Proposal:

-revenue was transferred from the Large Use and Unmetered Scattered Load (UMSL) classes to the Residential and Street Lighting classes.

**Table 1: Revenue-to-Cost Ratios**

<b>Class</b>	<b>Initial Revenue to Cost %</b>	<b>Revised Revenue to Cost %</b>	<b>Cost Allocation Report</b>
Residential	93%	94%	85%-115%
GS < 50 kW	112%	112%	80%-120%
GS > 50 < 1500 kW	100%	100%	80%-180%
GS > 1500 kW	151%	151%	80%-180%
Large Use	125%	114%	80%-115%
Street Lighting	56%	71%	70%-120%
Sentinel Lighting	34%	34%	70%-120%
UMSL	132%	119%	80%-120%
Standby	100%	100%	80%-115%

In addition, in accordance with the Settlement Proposal, Hydro Ottawa's fixed service charges for the General Service > 50 < 1500 kW, General Service > 1500 < 5000 kW and Large Use classes have been kept at their current base level with the current Smart Meter adder (\$1.74) removed and the revised Smart Meter adder (\$1.14) included. For the General Service < 50 kW class, the fixed service charge (including the Smart Meter adder) was set to the mid-point of the range determined in Hydro Ottawa's cost allocation model. The above two adjustments result in fixed service charges as shown in Table 2 below.



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**Table 2: Fixed Service Charges<sup>1</sup>**

<b>Class</b>	<b>Initial Fixed Service Charge</b>	<b>Revised Fixed Service Charge</b>
Residential	\$9.50	\$9.54
GS < 50 kW	\$10.68	\$15.67
GS > 50 < 1500 kW	\$276.98	\$248.53
GS > 1500 kW	\$4,436.56	\$3,979.03
Large Use	\$16,109.44	\$14,447.82
Street Lighting	\$0.36	\$0.48
Sentinel Lighting	\$1.87	\$1.87
UMSL	\$4.77	\$3.97
Standby	\$106.38	\$106.38

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1. Includes Smart Meter rate adder of \$1.14 for metered customers.