



3RD Generation Incentive Regulation Revenue to Cost Ratio Adjustment Model for 2013 Filers

| | |
|------------------------|-------------------------------------|
| Utility Name | Lakefront Utilities Inc. |
| Assigned EB Number | EB-2012-0144 |
| Name and Title | Brittany Ashby - Regulatory Analyst |
| Phone Number | 9053722193 X5256 |
| Email Address | bashby@lusi.on.ca |
| Date | 8/15/2012 |
| Last COS Re-based Year | 2012 |

This Workbook Model is protected by copyright and is being made available to you solely for the purpose of filing your IRM application. You may use and copy this model for that purpose, and provide a copy of this model to any person that is advising or assisting you in that regard. Except as indicated above, any copying, reproduction, publication, sale, adaptation, translation, modification, reverse engineering or other use or dissemination of this model without the express written consent of the Ontario Energy Board is prohibited. If you provide a copy of this model to a person that is advising or assisting you in preparing the application or reviewing your draft rate order, you must ensure that the person understands and agrees to the restrictions noted above.

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.



3RD Generation Incentive Regulation Revenue to Cost Ratio Adjustment Model for 2013 Filers

1. Info
2. Table of Contents
3. Re-Based Bill Det & Rates
4. Removal of Rate Adders
5. Re-Based Rev From Rates
6. Decision Cost Revenue Adj
7. Revenue Offsets Allocation
8. Transformer Allowance
9. R C Ratio Revenue
10. Proposed R C Ratio Adj
11. Proposed Revenue
12. Proposed F V Rev Alloc
13. Proposed F V Rates
14. Adjust To Proposed Rates



3RD Generation Incentive Regulation Revenue to Cost Ratio Adjustment Model for 2013 Filers

The purpose of this sheet is to set up the rate classes, enter the re-based billing determinants from your last cost of service application and enter the current service charge and volumetric distribution rates as found on your May 1, 2012 (or subsequent) Tariff of rates and charges.

| Rate Group | Rate Class | Fixed Metric | Vol Metric | Re-based Billed Customers or Connections A | Re-based Billed kWh B | Re-based Billed kW C | Current Tariff Service Charge D | Current Tariff Distribution Volumetric Rate kWh E | Current Tariff Distribution Volumetric Rate kW F |
|------------|---|--------------|------------|--|-----------------------------|----------------------------|---------------------------------------|---|--|
| RES | Residential | Customer | kWh | 8,603 | 73,125,152 | | 9.92 | 0.0143 | |
| GSLT50 | General Service Less Than 50 kW | Customer | kWh | 1,102 | 35,160,634 | | 22.70 | 0.0082 | |
| GSGT50 | General Service 50 to 2,999 kW | Customer | kW | 127 | 120,608,902 | 303,629 | 76.85 | | 3.4067 |
| GSGT50 | General Service 3,000 to 4,999 kW - Intermediate Us | Customer | kW | 1 | 19,295,356 | 47,442 | 4,069.59 | | 1.5830 |
| USL | Unmetered Scattered Load | Customer | kWh | 77 | 716,623 | | 13.49 | 0.0352 | |
| Sen | Sentinel Lighting | Connection | kW | 54 | 78,431 | 218 | 4.70 | | 11.5631 |
| SL | Street Lighting | Connection | kW | 2,804 | 1,215,575 | 3,343 | 3.86 | | 24.4722 |
| NA | Rate Class 8 | NA | NA | | | | | | |
| NA | Rate Class 9 | NA | NA | | | | | | |
| NA | Rate Class 10 | NA | NA | | | | | | |
| NA | Rate Class 11 | NA | NA | | | | | | |
| NA | Rate Class 12 | NA | NA | | | | | | |
| NA | Rate Class 13 | NA | NA | | | | | | |
| NA | Rate Class 14 | NA | NA | | | | | | |
| NA | Rate Class 15 | NA | NA | | | | | | |
| NA | Rate Class 16 | NA | NA | | | | | | |
| NA | Rate Class 17 | NA | NA | | | | | | |
| NA | Rate Class 18 | NA | NA | | | | | | |
| NA | Rate Class 19 | NA | NA | | | | | | |
| NA | Rate Class 20 | NA | NA | | | | | | |
| NA | Rate Class 21 | NA | NA | | | | | | |
| NA | Rate Class 22 | NA | NA | | | | | | |
| NA | Rate Class 23 | NA | NA | | | | | | |
| NA | Rate Class 24 | NA | NA | | | | | | |
| NA | Rate Class 25 | NA | NA | | | | | | |



3RD Generation Incentive Regulation Revenue to Cost Ratio Adjustment Model for 2013 Filers

The purpose of this sheet is to remove any rate adders included in current rates. Most applicants will not need to make an entry on this sheet.

| Rate Class | Current Tariff Service Charge A | Current Tariff Distribution Volumetric Rate kWh B | Current Tariff Distribution Volumetric Rate kW C | Service Charge Rate Adders D | Distribution Volumetric kWh Rate Adders E | Distribution Volumetric kW Rate Adders F |
|---|--|--|---|---------------------------------------|--|---|
| Residential | 9.92 | 0.0143 | 0.0000 | 0.00 | 0.0000 | 0.0000 |
| General Service Less Than 50 kW | 22.70 | 0.0082 | 0.0000 | 0.00 | 0.0000 | 0.0000 |
| General Service 50 to 2,999 kW | 76.85 | 0.0000 | 3.4067 | 0.00 | 0.0000 | 0.0000 |
| General Service 3,000 to 4,999 kW - Intermediate Use | 4,069.59 | 0.0000 | 1.5830 | 0.00 | 0.0000 | 0.0000 |
| Unmetered Scattered Load | 13.49 | 0.0352 | 0.0000 | 0.00 | 0.0000 | 0.0000 |
| Sentinel Lighting | 4.70 | 0.0000 | 11.5631 | 0.00 | 0.0000 | 0.0000 |
| Street Lighting | 3.86 | 0.0000 | 24.4722 | 0.00 | 0.0000 | 0.0000 |



3RD Generation Incentive Regulation Revenue to Cost Ratio Adjustment Model for 2013 Filers

The purpose of this sheet is to calculate current revenue from rate classes.

| Rate Class | Re-based Billed Customers | Re-based Billed kWh | Re-based Billed kW | Current Base Service Charge | Current Base Distribution Volumetric Rate kWh | Current Base Distribution Volumetric Rate kW | Service Charge Revenue | Distribution Volumetric Rate Revenue kWh | Distribution Volumetric Rate Revenue kW | Revenue Requirement from Rates |
|---------------------------------|---------------------------|---------------------|--------------------|-----------------------------|---|--|------------------------|--|---|--------------------------------|
| | or Connections | Billed kWh | Billed kW | Charge | Rate kWh | Rate kW | $G = A * D * 12$ | $H = B * E$ | $I = C * F$ | $J = G + H + I$ |
| | A | B | C | D | E | F | | | | |
| Residential | 8,603 | 73,125,152 | 0 | 9.92 | 0.0143 | 0.0000 | 1,024,135 | 1,045,690 | 0 | 2,069,825 |
| General Service Less Than 50 kW | 1,102 | 35,160,634 | 0 | 22.70 | 0.0082 | 0.0000 | 300,166 | 288,317 | 0 | 588,483 |
| General Service 50 to 2,999 kW | 127 | 120,608,902 | 303,629 | 76.85 | 0.0000 | 3.4067 | 117,226 | 0 | 1,034,373 | 1,151,599 |
| Intermediate Use | 1 | 19,295,356 | 47,442 | 4,069.59 | 0.0000 | 1.5830 | 48,835 | 0 | 75,101 | 123,936 |
| Unmetered Scattered Load | 77 | 716,623 | 0 | 13.49 | 0.0352 | 0.0000 | 12,428 | 25,225 | 0 | 37,653 |
| Sentinel Lighting | 54 | 78,431 | 218 | 4.70 | 0.0000 | 11.5631 | 3,026 | 0 | 2,519 | 5,545 |
| Street Lighting | 2,804 | 1,215,575 | 3,343 | 3.86 | 0.0000 | 24.4722 | 129,888 | 0 | 81,819 | 211,706 |
| | | | | | | | 1,635,704 | 1,359,232 | 1,193,812 | 4,188,748 |



3RD Generation Incentive Regulation Revenue to Cost Ratio Adjustment Model for 2013 Filers

The purpose of this sheet is to allocate the Revenue Offsets (miscellaneous revenue, cell F47) found in the last COS to the various rate classes in proportion to the allocation from the Cost Allocation informational filing.

| Rate Class | Informational Filing | | Allocated Revenue |
|---|----------------------|-------------------------------|----------------------|
| | Revenue Offsets A | Percentage Split C = A / B | Offsets E = D * C |
| Residential | 212,698 | 56.20% | 212,699 |
| General Service Less Than 50 kW | 53,016 | 14.01% | 53,016 |
| General Service 50 to 2,999 kW | 75,443 | 19.93% | 75,443 |
| General Service 3,000 to 4,999 kW - Intermediate Use | 11,487 | 3.04% | 11,487 |
| Unmetered Scattered Load | 3,775 | 1.00% | 3,775 |
| Sentinel Lighting | 524 | 0.14% | 524 |
| Street Lighting | 21,518 | 5.69% | 21,518 |
| | 378,461 | 100.00% | 378,462 |
| | B | | D |



3RD Generation Incentive Regulation Revenue to Cost Ratio Adjustment Model for 2013 Filers

The purpose of this sheet is to remove the transformer allowance from volumetric rates. In Cell E47, enter your Transformer Allowance as per your 2012 IRM3 Supplemental Filing Module or your last CoS Decision. Under the column labeled "Transformer Allowance in Rates" select "Yes" if included in that rate class or "No" if not included. Once selected, apply the update button to reveal input cells in which you can enter the number of kW's and the transformer rate for each rate class.

| Rate Class | Transformer Allowance In Rate | Transformer | | Transformer Allowance Rate | Volumetric Distribution Rate | Billed kW's | Adjusted Volumetric Distribution Rate |
|--|-------------------------------|-----------------------|----------------------------|----------------------------|------------------------------|-------------|---------------------------------------|
| | | Transformer Allowance | Transformer Allowance kW's | | | | |
| | | A | C | E | F | G | $I = (F * (G - C) + (F - E) * C) / G$ |
| Residential | No | | | | | | |
| General Service Less Than 50 kW | No | | | | | | |
| General Service 50 to 2,999 kW | Yes | (120,237) | 200,395 | (0.6000) | 3.4067 | 303,629 | 3.8027 |
| General Service 3,000 to 4,999 kW - Intermediate Use | Yes | (28,465) | 47,442 | (0.6000) | 1.5830 | 47,442 | 2.1830 |
| Unmetered Scattered Load | No | | | | | | |
| Sentinel Lighting | No | | | | | | |
| Street Lighting | No | | | | | | |
| | | - 148,703 | 247,837 | | | 351,071 | |
| | | B | D | | | H | |
| | | | | | | | |



3RD Generation Incentive Regulation Revenue to Cost Ratio Adjustment Model for 2013 Filers

The purpose of this sheet is to calculate revenue by rate class that includes Revenue Offsets and excludes Transformer Allowance prior to Revenue Cost Ratio Adjustment re-allocation.

| Rate Class | Billed | | Billed kW | Billed kW | Base Service Charge | Base Distribution Volumetric Rate | Base Distribution Volumetric Rate | Distribution Volumetric Rate | Distribution Volumetric Rate | Revenue Requirement from Rates | |
|--|--------------------------|-------------|-----------|-----------|---------------------|-----------------------------------|-----------------------------------|------------------------------|------------------------------|--------------------------------|-----------|
| | Customers or Connections | Billed kWh | | | | | | | | | Charge |
| | A | B | C | D | E | F | G = A * D * 12 | H = B * E | I = C * F | J = G + H + I | |
| Residential | 8,603 | 73,125,152 | 0 | 0 | 9.92 | 0.0143 | 0.0000 | 1,024,135 | 1,045,690 | 0 | 2,069,825 |
| General Service Less Than 50 kW | 1,102 | 35,160,634 | 0 | 0 | 22.70 | 0.0082 | 0.0000 | 300,166 | 288,317 | 0 | 588,483 |
| General Service 50 to 2,999 kW | 127 | 120,608,902 | 303,629 | 0 | 76.85 | 0.0000 | 3.8027 | 117,226 | 0 | 1,154,610 | 1,271,836 |
| General Service 3,000 to 4,999 kW - Intermediate Use | 1 | 19,295,356 | 47,442 | 0 | 4,069.59 | 0.0000 | 2.1830 | 48,835 | 0 | 103,566 | 152,401 |
| Unmetered Scattered Load | 77 | 716,623 | 0 | 0 | 13.49 | 0.0352 | 0.0000 | 12,428 | 25,225 | 0 | 37,653 |
| Sentinel Lighting | 54 | 78,431 | 218 | 0 | 4.70 | 0.0000 | 11.5631 | 3,026 | 0 | 2,519 | 5,545 |
| Street Lighting | 2,804 | 1,215,575 | 3,343 | 0 | 3.86 | 0.0000 | 24.4722 | 129,888 | 0 | 81,819 | 211,706 |
| | | | | | | | | 1,635,704 | 1,359,232 | 1,342,515 | 4,337,451 |



3RD Generation Incentive Regulation Revenue to Cost Ratio Adjustment Model for 2013 Filers

Proposed Revenue Cost Ratio Adjustment

| Rate Class | Current Revenue | | | Proposed Revenue | | Final Adjusted | Dollar Change F = E - C | Percentage Change G = (E / C) - 1 |
|---------------------------------------|-----------------------|-----------------|--------------------------------|------------------|----------------------|----------------|----------------------------|--------------------------------------|
| | Adjusted Revenue A | Cost Ratio B | Re-Allocated Cost C = A / B | Cost Ratio D | Revenue E = C * D | | | |
| Residential | \$ 2,282,524 | 0.90 | \$ 2,538,958 | 0.90 | \$ 2,282,524 | -\$ 0 | 0.0% | |
| General Service Less Than 50 kW | \$ 641,500 | 1.00 | \$ 643,817 | 1.00 | \$ 641,500 | -\$ 0 | 0.0% | |
| General Service 50 to 2,999 kW | \$ 1,347,279 | 1.39 | \$ 968,360 | 1.39 | \$ 1,347,279 | \$ - | 0.0% | |
| General Service 3,000 to 4,999 kW - l | \$ 163,888 | 0.58 | \$ 285,023 | 0.58 | \$ 163,888 | \$ - | 0.0% | |
| Unmetered Scattered Load | \$ 41,428 | 0.82 | \$ 50,559 | 0.82 | \$ 41,428 | \$ 0 | 0.0% | |
| Sentinel Lighting | \$ 6,069 | 1.17 | \$ 5,177 | 1.17 | \$ 6,069 | \$ - | 0.0% | |
| Street Lighting | \$ 233,224 | 1.12 | \$ 208,739 | 1.12 | \$ 233,224 | \$ 0 | 0.0% | |
| | <u>\$ 4,715,913</u> | | <u>\$ 4,700,634</u> | | <u>\$ 4,715,913</u> | <u>-\$ 0</u> | <u>0.0%</u> | |

Out of Balance 0

Final ? Yes



3RD Generation Incentive Regulation Revenue to Cost Ratio Adjustment Model for 2013 Filers

Proposed Revenue from Revenue Cost Ratio Adjustment

| Rate Class | Adjusted | Allocated Re- | Revenue | Re-based | Revenue |
|---|---------------------|-------------------|---------------------|--------------------|---------------------|
| | Revenue By | Based Revenue | Requirement | | Transformer |
| | Ratio | Offsets | from Rates | Allowance | from Rates |
| | A | B | Before | D | E = C + D |
| | | | Transformer | | |
| | | | Allowance | | |
| | | | C = A - B | | |
| Residential | \$ 2,282,524 | \$ 212,699 | \$ 2,069,825 | \$ - | \$ 2,069,825 |
| General Service Less Than 50 kW | \$ 641,500 | \$ 53,016 | \$ 588,483 | \$ - | \$ 588,483 |
| General Service 50 to 2,999 kW | \$ 1,347,279 | \$ 75,443 | \$ 1,271,836 | -\$ 120,237 | \$ 1,151,599 |
| General Service 3,000 to 4,999 kW - Intermediate Use | \$ 163,888 | \$ 11,487 | \$ 152,401 | -\$ 28,465 | \$ 123,936 |
| Unmetered Scattered Load | \$ 41,428 | \$ 3,775 | \$ 37,653 | \$ - | \$ 37,653 |
| Sentinel Lighting | \$ 6,069 | \$ 524 | \$ 5,545 | \$ - | \$ 5,545 |
| Street Lighting | \$ 233,224 | \$ 21,518 | \$ 211,706 | \$ - | \$ 211,706 |
| | <u>\$ 4,715,913</u> | <u>\$ 378,462</u> | <u>\$ 4,337,451</u> | <u>-\$ 148,702</u> | <u>\$ 4,188,748</u> |



3RD Generation Incentive Regulation Revenue to Cost Ratio Adjustment Model for 2013 Filers

Proposed fixed and variable revenue allocation

| Rate Class | Revenue | Distribution Volumetric | | Distribution Volumetric | | Distribution Volumetric | | Distribution Volumetric | | Revenue |
|---------------------------------------|------------------------|--------------------------|--------------------|-------------------------|------------------------|-------------------------|---------------------|-------------------------|--------------------------------------|---------|
| | Requirement from Rates | Service Charge % Revenue | Rate % Revenue kWh | Rate % Revenue kW | Service Charge Revenue | Rate Revenue kWh | Rate Revenue kW | Rate Revenue kW | Requirement from Rates by Rate Class | |
| | A | B | C | D | E = A * B | F = A * C | G = A * D | H = E + F + G | | |
| Residential | \$ 2,069,825 | 49.5% | 50.5% | 0.0% | \$ 1,024,135 | \$ 1,045,690 | \$ - | \$ 2,069,825 | | |
| General Service Less Than 50 kW | \$ 588,483 | 51.0% | 49.0% | 0.0% | \$ 300,166 | \$ 288,317 | \$ - | \$ 588,483 | | |
| General Service 50 to 2,999 kW | \$ 1,151,599 | 10.2% | 0.0% | 89.8% | \$ 117,226 | \$ - | \$ 1,034,373 | \$ 1,151,599 | | |
| General Service 3,000 to 4,999 kW - I | \$ 123,936 | 39.4% | 0.0% | 60.6% | \$ 48,835 | \$ - | \$ 75,101 | \$ 123,936 | | |
| Unmetered Scattered Load | \$ 37,653 | 33.0% | 67.0% | 0.0% | \$ 12,428 | \$ 25,225 | \$ - | \$ 37,653 | | |
| Sentinel Lighting | \$ 5,545 | 54.6% | 0.0% | 45.4% | \$ 3,026 | \$ - | \$ 2,519 | \$ 5,545 | | |
| Street Lighting | \$ 211,706 | 61.4% | 0.0% | 38.6% | \$ 129,888 | \$ - | \$ 81,819 | \$ 211,706 | | |
| | <u>\$ 4,188,748</u> | | | | <u>\$ 1,635,704</u> | <u>\$ 1,359,232</u> | <u>\$ 1,193,812</u> | <u>\$ 4,188,748</u> | | |



3RD Generation Incentive Regulation Revenue to Cost Ratio Adjustment Model for 2013 Filers

Proposed fixed and variable rates

| Rate Class | Service Charge Revenue | Distribution Volumetric Rate Revenue kWh | Distribution Volumetric Rate Revenue kW | Re-based Billed Customers or Connections | Re-based Billed kWh | Re-based Billed kW | Proposed Base Service Charge | Proposed Base Distribution Volumetric Rate kWh | Proposed Base Distribution Volumetric Rate kW |
|--|------------------------|--|---|--|---------------------|--------------------|------------------------------|--|---|
| | A | B | C | D | E | F | G = A / D / 12 | H = B / E | I = C / F |
| Residential | \$ 1,024,135 | \$ 1,045,690 | \$ - | 8,603 | 73,125,152 | 0 | 9.92 | 0.0143 | - |
| General Service Less Than 50 kW | \$ 300,166 | \$ 288,317 | \$ - | 1,102 | 35,160,634 | 0 | 22.70 | 0.0082 | - |
| General Service 50 to 2,999 kW | \$ 117,226 | \$ - | \$ 1,034,373 | 127 | 120,608,902 | 303,629 | 76.85 | - | 3.4067 |
| General Service 3,000 to 4,999 kW - Intermediate Use | \$ 48,835 | \$ - | \$ 75,101 | 1 | 19,295,356 | 47,442 | 4,069.59 | - | 1.5830 |
| Unmetered Scattered Load | \$ 12,428 | \$ 25,225 | \$ - | 77 | 716,623 | 0 | 13.49 | 0.0352 | - |
| Sentinel Lighting | \$ 3,026 | \$ - | \$ 2,519 | 54 | 78,431 | 218 | 4.70 | - | 11.5631 |
| Street Lighting | \$ 129,888 | \$ - | \$ 81,819 | 2,804 | 1,215,575 | 3,343 | 3.86 | - | 24.4722 |



3RD Generation Incentive Regulation Revenue to Cost Ratio Adjustment Model for 2013 Filers

Proposed adjustments to Base Service Charge and Distribution Volumetric Rate. Enter the adjustments found in column M and N below into Sheet 9 of the 2013 IRM Rate Generator Model.

| Rate Class | Proposed Base | Proposed Base | Proposed Base | Current Base | Current Base | Current Base | Adjustment | Adjustment Required | Adjustment |
|--|----------------|----------------------------------|---------------------------------|----------------|----------------------------------|---------------------------------|------------------------------|---------------------------------------|---|
| | Service Charge | Distribution Volumetric Rate kWh | Distribution Volumetric Rate kW | Service Charge | Distribution Volumetric Rate kWh | Distribution Volumetric Rate kW | Required Base Service Charge | Base Distribution Volumetric Rate kWh | Required Base Distribution Volumetric Rate kW |
| | A | B | C | D | E | F | G = A - D | H = B - E | I = C - F |
| Residential | \$ 9.92 | \$ 0.0143 | \$ - | \$ 9.92 | \$ 0.0143 | \$ - | \$ - | \$ - | \$ - |
| General Service Less Than 50 kW | \$ 22.70 | \$ 0.0082 | \$ - | \$ 22.70 | \$ 0.0082 | \$ - | \$ - | \$ - | \$ - |
| General Service 50 to 2,999 kW | \$ 76.85 | \$ - | \$ 3.4067 | \$ 76.85 | \$ - | \$ 3.4067 | \$ - | \$ - | \$ - |
| General Service 3,000 to 4,999 kW - Intermediate Use | \$ 4,069.59 | \$ - | \$ 1.5830 | \$ 4,069.59 | \$ - | \$ 1.5830 | -\$ 0.00 | \$ - | \$ - |
| Unmetered Scattered Load | \$ 13.49 | \$ 0.0352 | \$ - | \$ 13.49 | \$ 0.0352 | \$ - | \$ - | \$ - | \$ - |
| Sentinel Lighting | \$ 4.70 | \$ - | \$ 11.5631 | \$ 4.70 | \$ - | \$ 11.5631 | \$ - | \$ - | \$ - |
| Street Lighting | \$ 3.86 | \$ - | \$ 24.4722 | \$ 3.86 | \$ - | \$ 24.4722 | \$ - | \$ - | \$ - |