Appendix A

Energy Probe 30B

Revenue Requirement Workform

CGAAP-Extended Lives/Overheads – 2012/3

Welland Hydro EB-2012-0173

Revised Revenue Deficiency Deter	mation - Lifely	1.000000		Revised	Revised 2013 Test -
	2013 Test	2013 Test - Required		2013 Test	Required
Description	Existing Rates	Revenue	Ad	Existing Rates	Revenue
Revenue	LAISTING ITATOS	Koveniuo	Auj	LAISUNG NAWS	HOTOHOO
Revenue Deficiency		187,802			209,407
Distribution Revenue	8,970,789	8,970,789		8,970,789	8,970,789
Other Operating Revenue (Net)	501,089	501,089	18965	520,054	520,054
Total Revenue	9,471,878	9,659,680		9,490,843	9,700,250
Costs and Expenses					
Administrative & General, Billing & Collecting	3,372,191	3,372,191	35415	3,407,606	3,407,606
Operation & Maintenance	3,264,776	3,264,776		3,264,776	3,264,776
Depreciation & Amortization	1,081,618	1,081,618		1,081,618	1,081,618
PPE Return on Rate Base	-35,324	-35,324	35324	0	0
Deemed Interest	754,766	754,766	-8343	746,423	746,423
Total Costs and Expenses	8,438,027	8,438,027		8,500,423	8,500,423
Utility Income Before Income Taxes	1,033,851	1,221,653	5	990,420	1,199,827
ncome Taxes:					
Corporate Income Taxes	25,034	58,513		19,581	60,415
Total Income Taxes	25,034	58,513		19,581	60,415
Jtility Net Income	1,008,817	1,163,140		970,839	1,139,412
ncome Tax Expense Calculation:		4 400 440			4 400 444
Deemed Income	4 000 054	1,163,140		000 400	1,139,411
Accounting Income Tax Adjustments to Accounting Income	1,033,851	-807.525		990,420	-792.056
Taxable Income	226,326	355,615	5	198,364	347,355
ncome Tax Expense	25,034	300,010		19,581	347,300
Grossed Up PILS	20,000	58,513		10,001	60,415
Tax Rate Refecting Tax Credits	11.06%	16.45%		9.87%	17.39%
Actual Return on Rate Base:					
Rate Base	31,884,331	31,884,331		31,898,400	31,898,400
Interest Expense	754,766	754,766		746,423	746,423
Net Income	1,008,817	1,163,140		970,839	1,139,412
Total Actual Return on Rate Base	1,763,583	1,917,906	4	1,717,262	1,885,835
Actual Return on Rate Base	5,53%	6.02%		5.38%	5.91%
Partition of Parties and Parties		1			
Required Return on Rate Base: Rate Base	31,884,331	31,884,331		31,898,400	31,898,400
Return Rates:					
Return on Debt (Weighted)	3.95%	3.95%		3,95%	3.95%
Return on Equity	9.12%	9.12%		9.12%	9.12%
Deemed Interest Expense	754,766	754,766		746.423	746,423
Return On Equity	1,163,140	1,163,140		1,139,411	1,139,411
otal Return	1,917,906	1,917,906		1,885,834	1,885,834
Expected Return on Rate Base	6,02%	6.02%		5_91%	5.91%
Revenue Deficiency After Tax	154,323	0		168,572	-1
Revenue Deficiency Before Tax	187,801	0		209,406	-1
axable Income	226,326	355,615		198,364	347,3
ax Rate	19.50%			19.50%	19.50
ax @ 19.5%	44,134			38,681	67,7
ess Apprentice Tax Credit	19,100			19,100	19,1
ax Payable	25,034	50,245		19,581	48,6
ax Payable %		14.13%		,	14.00
Gross Up PILS - PILS(1-Tax Payable %)		58,512			
Gross Up PILS - PILS(1- Incremental Tax Payable %)					60,4



Taxable Income - Test Year

	Test Year Taxable Income
Net Income Before Taxes	1,139,411

	T2 S1 line #	
dditions:		
Interest and penalties on taxes	103	
Amortization of tangible assets	104	1,228,313
2-4 ADJUSTED ACCOUNTING DATA P489		,,,
Amortization of intangible assets 2-4 ADJUSTED ACCOUNTING DATA P490	106	
Recapture of capital cost allowance from		
Schedule 8	107	
Gain on sale of eligible capital property from	108	
Schedule 10	106	
Income or loss for tax purposes- joint ventures or	109	
partnerships		
Loss in equity of subsidiaries and affiliates	110	
Loss on disposal of assets	111	
Charitable donations	112	23,60
Taxable Capital Gains	113	
Political Donations	114	
Deferred and prepaid expenses	116	
Scientific research expenditures deducted on	118	
financial statements	110	
Capitalized interest	119	
Non-deductible club dues and fees	120	
Non-deductible meals and entertainment	121	
expense		
Non-deductible automobile expenses	122	
Non-deductible life insurance premiums	123	
Non-deductible company pension plans	124	
Tax reserves beginning of year	125	109,91
Reserves from financial statements- balance at end of year	126	1,715,19
Soft costs on construction and renovation of buildings	127	
Book loss on joint ventures or partnerships	205	
Capital items expensed	206	
Debt issue expense	208	
Development expenses claimed in current year	212	
Financing fees deducted in books	216	
Gain on settlement of debt	220	
Non-deductible advertising	226	
Non-deductible interest	227	
Non-deductible legal and accounting fees	228	
Recapture of SR&ED expenditures		
	231	
Share issue expense	235	
Write down of capital property	236	

Amounts received in respect of qualifying	_	r
environment trust per paragraphs 12(1)(z.1) and 12(1)(z.2)	237	y)
Other Additions: (please explain in detail the nature of the item)		
Interest Expensed on Capital Leases	290	
Realized Income from Deferred Credit Accounts	291	
Pensions Pensions	292	
Non-deductible penalties	293	b
14011-deductible perfaities		
	294	
Aprentice Tax Credits	295	19,100
	296	
	297	
ARO Accretion expense		
Capital Contributions Received (ITA 12(1)(x))		
Lease Inducements Received (ITA 12(1)(x))		
Deferred Revenue (ITA 12(1)(a))		
Prior Year Investment Tax Credits received		
Total Additions		3,096,123
Deductions:		
Gain on disposal of assets per financial	401	
statements Dividends not taxable under section 83	402	
Capital cost allowance from Schedule 8	403	1 072 769
	1000	1,973,768
Terminal loss from Schedule 8 Cumulative eligible capital deduction from	404	
Schedule 10 CEC	405	85,516
Allowable business investment loss	406	
Deferred and prepaid expenses	409	
Scientific research expenses claimed in year	411	
Tax reserves end of year	413	113,217
Reserves from financial statements - balance at beginning of year	414	1,692,077
Contributions to deferred income plans	416	
Book income of joint venture or partnership	305	
Equity in income from subsidiary or affiliates	306	
Other deductions: (Please explain in detail the	300	
nature of the item) Interest capitalized for accounting deducted for	390	
tax Conite Laces Bayments	4-10-M-E	
Capital Lease Payments	391	

Non-taxable imputed interest income on deferral and variance accounts	392	
and variance accounts	393	
	394	
	395	
	396	
	397	
ARO Payments - Deductible for Tax when Paid		
ITA 13(7.4) Election - Capital Contributions Received		
ITA 13(7.4) Election - Apply Lease Inducement to cost of Leaseholds		
Deferred Revenue - ITA 20(1)(m) reserve		
Principal portion of lease payments		
Lease Inducement Book Amortization credit to income		
Financing fees for tax ITA 20(1)(e) and (e.1)		
Total Deductions		3,864,578
NET INCOME FOR TAX PURPOSES		370,955
Charitable depations	044	22 600
Charitable donations Taxable dividends received under section 112 or	311	23,600
113	320	
Non-capital losses of preceding taxation years from Schedule 7-1	331	
Net-capital losses of preceding taxation years (Please show calculation)	332	
Limited partnership losses of preceding taxation years from Schedule 4	335	
REGULATORY TAXABLE INCOME		347,355



Schedule 8 CCA - Bridge Year

Class	Class Description		CC Regulated Historic Year		Additions	Disposals (Negative)		Before 1/2 Yr Adjustment	1/2 Year Rule {1/ Additions Less Disposals}		Reduced UCC	Rate %	Bridge Year CCA	ucc	End of Bridge Year
1	Distribution System - post 1987	\$	16,988,704				S	16,988,704		- 3	16,988,704	4%	\$ 679,548	\$	16,309,156
1 Enhance	Non-residential Buildings Reg. 1100(1)(a.1) election	\$	340,981	\$	275,000	7	\$	615,981	\$ 137,50	0 5	478,481	6%	\$ 28,709	\$	587,272
2	Distribution System - pre 1988		-				\$	- 14	\$ -	- 1	1	6%	\$	\$	12
8	General Office/Stores Equip	\$	402,344	\$	30,500		\$	432,844	\$ 15,25	0 3	417,594	20%	\$ 83,519	\$	349,325
10	Computer Hardware/ Vehicles	\$	176,499				\$	176,499	\$ -	7	176,499	30%	\$ 52,950	S	123,549
10.1	Certain Automobiles					W LC	\$		\$ -		-	30%	\$	S	
12	Computer Software	\$	128,367	S	90,000		\$	218,367	\$ 45,00	0 5	173,367	100%	\$ 173,367	S	45,000
13 1	Lease # 1						\$		S -	1	3 -		\$ -	\$	
13 2	Lease #2						S	-	\$ -	- 1	3 -		S -	S	790
13 3	Lease # 3						S		S -	- 1	3 -		\$	S	
13 4	Lease # 4						\$		\$ -	- 1	3		\$ -	\$	
14	Franchise		=				\$		s -	- 3			\$ -	\$	-
17	New Electrical Generating Equipment Acq'd after Feb 27/00 Other Than Bldgs	S	15,427				S	15,427	\$ -	1	15,427	8%	\$ 1,234	S	14,193
42	Fibre Optic Cable						\$		S -	1	3 -	12%	\$ -	\$	-60
43.1	Certain Energy-Efficient Electrical Generating Equipment	\$					\$	-	\$.	- 3	\$.	30%	\$ -	\$	
43.2	Certain Clean Energy Generation Equipment						\$	- 5	\$ -	- 1	3	50%	\$ -	\$	- 1
45	Computers & Systems Software acq'd post Mar 22/04	S	2,007				\$	2,007	\$ -	- 3	5 2,007	45%	\$ 903	\$	1,104
46	Data Network Infrastructure Equipment (acq'd post Mar 22/04)						\$	(2)	\$ -	- 1	3	30%	\$	\$	3.65
47	Distribution System - post February 2005	\$	11,526,181	\$	1,402,500		\$	12,928,681	\$ 701,25	0 :	12,227,431	8%	\$ 978,194	\$	11,950,487
50	Data Network Infrastructure Equipment - post Mar 2007	\$	25,214	\$	35,000		\$	60.214	\$ 17,50	0 3	42,714	55%	\$ 23,493	\$	36,721
52	Computer Hardware and system software						\$		\$ -	1	5	100%	\$	\$	
95	CWIP						\$	540	\$ -		5		S -	\$	190
							\$		\$ -	13	5		\$	\$	· ·
							\$		\$ -		3		\$ -	\$	
				T			\$	127	\$ -				\$ -	\$	
							\$		\$ -	1	3 -		\$.	\$	F.
							\$	2.00	S -		3		S -	\$	
				1			\$		S -		3 - 1		\$ -	\$	
							\$		\$.	. 3	5		\$ -	\$	120_
							\$		\$ -	13	3		\$ -	\$	-
							\$	4	\$ -		5		\$ -	\$	- F
							\$	335	\$		5		\$	\$	
	TOTAL	\$	29,605,724	15	1,833,000	\$ -	\$	31,438,724	\$ 916,50	0 :	30,522,224		\$ 2,021,917	\$	29,416,807



Schedule 8 CCA - Test Year

Class	Class Description	1,000,000,000	Test Year ing Balance	Additions	Disposals (Negative)		C Before 1/2 Yr Adjustment	1/2 Year Rule {1/2 Additions Less Disposals}	Reduced UCC	Rate %	Tes	st Year CCA	ucc	C End of Test Year
1	Distribution System - post 1987	\$	16,309,156			\$	16,309,156		\$ 16,309,156	4%	S	652,366	S	15,656,790
1 Enhanced	Non-residential Buildings Reg. 1100(1)(a.1) election	\$	587,272	20,000		\$	607,272	\$ 10,000	\$ 597,272	6%	S	35,836	\$	571,436
2	Distribution System - pre 1988	\$	-			\$		\$ -	\$ -	6%	S		\$	
8	General Office/Stores Equip	\$	349,325	5,000		\$	354,325	\$ 2,500	\$ 351,825	20%	S	70,365	\$	283,960
10	Computer Hardware/ Vehicles	\$	123,549	350,000		\$	473,549	\$ 175,000	\$ 298,549	30%	S	89,565	\$	383,985
10.1	Certain Automobiles	\$				\$		\$	\$ -	30%	\$		\$	16-1
12	Computer Software	\$	45,000	58,500		\$	103,500	\$ 29,250	\$ 74,250	100%	S	74,250	\$	29,250
13 1	Lease # 1	\$	-1			\$		\$ -	\$ -		\$		\$	-
13 2	Lease #2	\$	-			\$	74	\$ -	\$ -		\$		S	
13 3	Lease # 3	\$	-			\$	F.	\$ -	\$ -		\$		\$	4-
13 4	Lease # 4	\$	- 4			\$	- 4	\$ -	\$ -		S		\$	Ē-
14	Franchise	\$	2 (\$	6	\$ -	\$ -		\$		\$	91
17	New Electrical Generating Equipment Acq'd after Feb 27/00 Other Than B	\$	14,193			\$	14,193	\$ -	\$ 14,193	8%	\$	1,135	\$	13,057
42	Fibre Optic Cable	\$				\$	4	\$ -	\$ -	12%	\$		\$	
43.1	Certain Energy-Efficient Electrical Generating Equipment	\$	-			\$	14	\$ -	S -	30%	\$		\$	
43.2	Certain Clean Energy Generation Equipment	\$				\$	92	\$ -	S -	50%	\$		\$	-
45	Computers & Systems Software acq'd post Mar 22/04	5	1,104			5	1,104	\$ -	\$ 1,104	45%	\$	497	\$	607
46	Data Network Infrastructure Equipment (acq'd post Mar 22/04)	\$				\$		\$ -	\$ -	30%	\$		\$	-
47	Distribution System - post February 2005	\$	11,950,487	1,521,700		\$	13,472,187	\$ 760,850	\$ 12,711,337	8%	\$	1,016,907	\$	12,455,280
50	Data Network Infrastructure Equipment - post Mar 2007	\$	36,721	46,000		\$	82,721	\$ 23,000	\$ 59,721	55%	\$	32,847	\$	49,875
52	Computer Hardware and system software	\$	-			\$		\$ -	\$	100%	\$		\$	₩:
95	CWIP	\$	-			\$		\$ -	S -	0%	\$		\$	÷
						\$	1.0	\$ -	\$ -	0%	\$	- 1	\$	-
						\$	1.	\$ +	\$	0%	\$		\$	*:
						\$		\$ +	\$	0%	\$		5	*
						\$	141	\$ -	\$	0%	\$		\$	*
						\$	18	\$ -	\$	0%	\$		S	
						\$		\$.	\$ +	0%	5	12	\$	
						\$	E # 1	\$ -	\$ -	0%	\$		S	
						\$:बंग	S -	\$ -	0%	\$	žŤ	\$	
						\$	H4 1	\$ -	\$ -	0%	\$	1#	\$	*
						\$		\$ -	\$ -	0%	\$		\$	*:
	TOTAL	\$	29,416,807 \$	2,001,200 \$	+	\$	31,418,007	\$ 1,000,600	\$ 30,417,407		\$	1,973,768	S	29,444,239



Schedule 10 CEC - Test Year

Cumulative Eligible Capital					1,221,660			
Additions Cost of Eligible Capital Property Acquired during Test Year		0						
Other Adjustments		0						
	Subtotal	0	x 3/4 =	0				
Non-taxable portion of a non-arm's length transferor's gain realized on the transfer of an ECP to the Corporation after Friday, December 20, 2002	ne	0	x 1/2 = - =	0	0			
Amount transferred on amalgamation or wind-up of subsidiary		0			0			
	Subtotal			_	1,221,660			
<u>Deductions</u>								
Proceeds of sale (less outlays and expenses not otherwise deductible) from the disposition of all ECP during Test Year		0						
Other Adjustments		0						
	Subtotal	0	x 3/4 =	-	0			
Cumulative Eligible Capital Balance					1,221,660			
Current Year Deduction (Carry Forward to Tab "Test Year Taxable Income") 1,221,660 x 7% =								
Cumulative Eligible Capital - Closing Balance					1,136,144			



Schedule 13 Tax Reserves - Test Year

Continuity of Reserves

- Commence				Test Year Adi	ustments			
Description	Bridge Year	Eliminate Amounts Not Relevant for Bridge Year	Adjusted Utility Balance	Additions	Disposals	Balance for Test Year	Change During the Year	Disallowed Expenses
Capital Gains Reserves ss.40(1)	0		٥١					
Tax Reserves Not Deducted for accounting purposes			U			U	0	
Reserves not beducted for accounting purposes Reserve for doubtful accounts ss. 20(1)(I)	109,919		109,919	113,217	109,919	113,217	0.000	
Reserve for goods and services not delivered ss. 20(1)(m)	109,919		109,919	113,217	109,919	113,217	3,298	
Reserve for unpaid amounts ss. 20(1)(n)	0		0			0	0	
	0		0			-	0	
Debt & Share Issue Expenses ss. 20(1)(e)	0		0			0	0	
Other tax reserves	0		0				0	
	0		0			0	0	
	0		0			0	0	
Total	109,919	0	109,919	113,217	109,919	113,217	3,298	0
Financial Statement Reserves (not deductible for Tax Purposes)								
General Reserve for Inventory Obsolescence (non-specific)	0		0			0	0	
General reserve for bad debts	109,919		109,919	113,217	109,919	113,217	3,298	
Accrued Employee Future Benefits:	0		0	111111111111111111111111111111111111111		0	0	
- Medical and Life Insurance	0		0			0	0	
-Short & Long-term Disability	0		0			0	0	
-Accmulated Sick Leave	0		0			0	0	
- Termination Cost	0		0			0	0	
- Other Post-Employment Benefits	1,582,158		1,582,158	1,601,974	1,582,158	1,601,974	19,816	
Provision for Environmental Costs	0		0			0	0	
Restructuring Costs	0		0			0	0	
Accrued Contingent Litigation Costs	0		0			0	0	
Accrued Self-Insurance Costs	0		0			0	0	
Other Contingent Liabilities	0		0			0	0	
Bonuses Accrued and Not Paid Within 180 Days of Year-End ss. 78(4)	0		0			0	0	
Unpaid Amounts to Related Person and Not Paid Within 3 Taxation Years ss. 78(1)	0		0			0	0	
Other	0		0			0	0	
	0		0			0	0	
	0		0			0	0	1
Total	1,692,077	0	1,692,077	1,715,191	1,692,077	1,715,191	23,114	0



Version 3.00

Utility Name	Welland Hydro-Electric System Corp.
Service Territory	City of Welland
Assigned EB Number	EB-2012-0173
Name and Title	Wayne Armstrong - Director of Finance
Phone Number	905-732-1381 Ext 234
Email Address	warmstrong@wellandhydro.com

This Workbook Model is protected by copyright and is being made available to you solely for the purpose of filing your 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

1. Info

6. Taxes PILs

2. Table of Contents

7. Cost of Capital

3. Data Input Sheet

8. Rev Def Suff

4. Rate Base

9. Rev Regt

5. Utility Income

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

Data Input (1)

		Initial Application	(2)	Adjustments		terrogatory Responses	(6)	Adjustments	Per Board Decision	
1	Rate Base									
	Gross Fixed Assets (average) Accumulated Depreciation (average) Allowance for Working Capital:	\$53,874,400 (\$28,460,717)	(5)	(\$33,245) \$42,710	\$	53,841,155 (\$28,418,007)			\$53,841,155 (\$28,418,007)	
	Controllable Expenses Cost of Power Working Capital Rate (%)	\$6,636,967 \$43,137,252 13.00%	(9)	\$35,415	\$	6,672,382 43,137,252 13.00%	(9)		\$6,672,382 \$43,137,252 13.00%	(9)
2	Utility Income Operating Revenues:									
	Distribution Revenue at Current Rates Distribution Revenue at Proposed Rates Other Revenue:	\$6,970,789 \$9,158,591		\$0 \$21,605		\$8,970,789 \$9,180,196		\$0 \$0	\$8,970,789 \$9,180,196	
	Specific Service Charges Late Payment Charges Other Distribution Revenue	\$150,385 \$70,849 \$236,908		\$0 \$0 \$33		\$150,385 \$70,849 \$236,941		\$0 \$0 \$0	\$150,385 \$70,849 \$236,941	
	Other Income and Deductions	\$42,947		\$18,932		\$61,879		\$0	\$61,879	
	Total Revenue Offsets	\$501,089	(7)	\$18,965		\$520,054		\$0	\$520,054	
	Operating Expenses: OM+A Expenses Depreciation/Amortization Properly taxes Other expenses	\$6,636,967 \$1,081,619	(10)	\$35,415	\$	6,672,382 1,081,619			\$6,672,382 \$1,081,619	
3	Taxes/PILs									
	Taxable Income: Adjustments required to arrive at taxable income	(\$807,525)	(3)			(\$792,056)			(\$792,056)	
	Utility Income Taxes and Rates: Income taxes (not grossed up) Income taxes (grossed up) Federal tax (%)	\$50,245 \$62,416 15,00%				\$48,634 \$60,415 15.00%			\$48,634 \$60,415 15.00%	
	Provincial tax (%) Income Tax Credits	4,50% (\$19,100)				4.50% (\$19,100)			4.50% (\$19,100)	
4	Capitalization/Cost of Capital Capital Structure:									
	Long-term debt Capitalization Ratio (%) Short-term debt Capitalization Ratio (%) Common Equity Capitalization Ratio (%) Prefered Shares Capitalization Ratio (%)	56.0% 4.0% 40.0%	(8)			56.0% 4.0% 40.0%	(8)		56.0% 4.0% 40.0%	(8)
	Prefered Shares Capitalization Ratio (%)	100.0%			-	100.0%			100.0%	E-
	Coal of Capital									
	Cost of Capital Long-term debt Cost Rate (%) Short-term debt Cost Rate (%) Common Equity Cost Rate (%) Prefered Shares Cost Rate (%)	4.08% 2.06% 9.12%				4.03% 2.08% 6.93%			4.03% 2.08% 8.93%	
	Adjustment to Return on Rate Base associated with Deferred PP&E balance as a result of transition from CGAAP to MIFRS (\$)	(\$35,324)	(11)	\$35,324		\$ -	(11)	\$0	\$ -	(11)

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. All inputs are in dollars (\$) except where inputs are individually identified as percentages (%)

- (1)
- 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 colimn M and Adjustments in column I

- (2) (3) (4) (5) (6)
- use collinn M and Aglustments in column I
 Net of addbacks and deductions to arrive at texable income.
 Average of Gross Fixed Assets at beginning and end of the Test Year.
 Average of Accumulated Depreciation at the beginning and end of the Test Year. Enter as a negative amount.
 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) (8) Input total revenue offsets for deriving the base revenue requirement from the service revenue requirement 4.0% unless an Applicant has proposed or been approved for another amount.
- Starting with 2013, default Working Capital Allowance factor is 13% (of Cost of Power plus controllable expenses). Alternatively, WCA factor based on lead-lag study or approved WCA factor for another distributor, with supporting rationale,
- (10)Depreciation Expense should include the adjustment resulting from the amortization of the deferred PP&E balance as shown on Appendix 2-EA or Appendix 2-EB of the Chapter 2 Appendices to the Filing Requirements.
- Adjustment should include the adjustment to the return on rate base associated with deferred PP&E balance as shown on Appendix 2-EA or Appendix 2-EB of the (11)Chapter 2 Appendices to the Filing Requirements

Rate Base and Working Capital

Rate Base

	Nate Dase						
No.	Particulars	-	Initial Application	Adjustments	Interrogatory Responses	Adjustments	Per Board Decision
1	Gross Fixed Assets (average)	(3)	\$53,874,400	(\$33,245)	\$53,841,155	\$ -	\$53,841,155
2	Accumulated Depreciation (average)	(3)	(\$28,460,717)	\$42,710	(\$28,418,007)	\$ -	(\$28.418.007)
3	Net Fixed Assets (average)	(3)	\$25,413,683	\$9,465	\$25,423,148	\$ -	\$25,423,148
4	Allowance for Working Capital	_(1)	\$6,470,648	\$4,604	\$6,475,252	<u> </u>	\$6,475,252
5	Total Rate Base	_	\$31,884,331	\$14,069	\$31,898,400	<u> </u>	\$31,898,400

Allowance for Working Capital - Derivation

(1)

Controllable Expenses		\$6,636,967	\$35,415	\$6,672,382	\$ -	\$6,672,382
Cost of Power		\$43,137,252	\$ -	\$43,137,252	\$ -	\$43,137,252
Working Capital Base		\$49,774,219	\$35,415	\$49,809,634	\$ -	\$49,809,634
Working Capital Rate %	(2)	13.00%	0.00%	13.00%	0.00%	13.00%
Working Capital Allowance	1	\$6,470,648	\$4,604	\$6,475,252	\$-	\$6,475,252

Notes

Some Applicants may have a unique rate as a result of a lead-lag study. Default rate for 2013 cost of service applications is 13%.

(2) Some Applicants may have a unique rate as a result of(3) Average of opening and closing balances for the year.

Utility Income

Line No.	Particulars	Initial Application	Adjustments	Interrogatory Responses	Adjustments	Per Board Decision
1	Operating Revenues: Distribution Revenue (at Proposed Rates)	\$9,158,591	\$21,605	\$9,180,196	\$ -	\$9,180,196
2	Other Revenue	(1)\$501,089_	\$18,965	\$520,054	\$ -	\$520,054
3	Total Operating Revenues	\$9,659,680	\$40,570	\$9,700,250	\$-	\$9,700,250
	Operating Expenses:					
4	OM+A Expenses	\$6,636,967	\$35,415	\$6,672,382	\$ -	\$6,672,382
5	Depreciation/Amortization	\$1,081,619	\$ -	\$1,081,619	S -	\$1,081,619
6	Property taxes	\$ -	\$ -	, , , , , , , , , , , , , , , , , , , ,	\$ -	
7	Capital taxes	\$-	\$ -	\$ -	\$-	\$-
8	Other expense	\$-	<u> </u>		s-	
9	Subtotal (lines 4 to 8)	\$7,718,586	\$35,415	\$7,754,001	S -	\$7,754,001
10	Deemed Interest Expense	\$754,766	(\$8,343)	\$746,423	<u> </u>	\$746,423
11	Total Expenses (lines 9 to 10)	\$8,473,352	\$27,072	\$8,500,424	<u> </u>	\$8,500,424
12	Adjustment to Return on Rate Base associated with Deferred PP&E balance as a result of transition from CGAAP to MIFRS	(\$35,324)	\$35,324	\$ -	\$ -	\$
13	Utility income before income taxes	\$4.004.6E0	town a modern's	64 400 906	g.	\$1,199,826
	laxes	\$1,221,652	(\$21,828)	\$1,199,826	<u> </u>	21,199,020
14	Income taxes (grossed-up)	\$62,416	(\$2,001)	\$60,415	\$-	\$60,415
15	Utility net income	\$1,159,236	(\$19,824)	\$1,139,412	\$-	\$1,139,412
Notes	Other Revenues / Reve	enue Offsets				
(1)	Specific Service Charges	\$150,385	\$ -	\$150,385	\$ -	\$150,385
	Late Payment Charges	\$70,849	\$ -	\$70,849	\$ -	\$70,849
	Other Distribution Revenue	\$236,908	\$33	\$236,941	\$ -	\$236,941
	Other Income and Deductions		\$18,932	\$61,879	\$ -	\$61,879
	Total Revenue Offsets	\$501,089	\$18,965	\$520,054	\$-	\$520,054

Taxes/PILs

Line No.	Particulars	Application	Interrogatory Responses	Per Board Decision
	Determination of Taxable Income			
1	Utility net income before taxes	\$1,163,140	\$1,139,411	\$1,139,411
2	Adjustments required to arrive at taxable utility income	(\$807,525)	(\$792,056)	(\$792,056)
3	Taxable income	\$355,615	\$347,355	\$347,355
	Calculation of Utility income Taxes			
4	Income taxes	\$50,245	\$48,634	\$48,634
6	Total taxes	\$50,245	\$48,634	\$48,634
7	Gross-up of Income Taxes	\$12,171	\$11,781	\$11,781
8	Grossed-up Income Taxes	\$62,416	\$60,415	\$60,415
9	PILs / tax Allowance (Grossed-up Income taxes + Capital taxes)	\$62,416	\$60,415	\$60,415
10	Other tax Credits	(\$19,100)	(\$19,100)	(\$19,100)
	Tax Rates			
11 12 13	Federal tax (%) Provincial tax (%) Total tax rate (%)	15.00% 4.50% 19.50%	15.00% 4.50% 19.50%	15.00% 4.50% 19.50%

Notes

Capitalization/Cost of Capital

Line No.	Particulars	Capitaliza	tion Ratio	Cost Rate	Return
		Initial Ap	plication		
		(%)	(\$)	(%)	(\$)
141	Debt	MONOY PARADIGON			
1	Long-term Debt	56.00%	\$17,855,226	4.08%	\$728,493
2	Short-term Debt	4.00%	\$1,275,373	2.06%	\$26,273
3	Total Debt	60.00%	\$19,130,599	3.95%	\$754,766
	Equity				
4	Common Equity	40.00%	\$12,753,733	9.12%	\$1,163,140
5	Preferred Shares	0.00%	\$ -	0.00%	\$ -
6	Total Equity	40,00%	\$12,753,733	9.12%	\$1,163,140
7	Total	100.00%	\$31,884,331	6.02%	\$1,917,906
		Interrogator	y Responses		
		(%)	(\$)	(%)	(\$)
	Debt	(/	3.7	(/	(*/
1	Long-term Debt	56.00%	\$17,863,104	4.03%	\$719,883
2	Short-term Debt	4.00%	\$1,275,936	2.08%	\$26,539
3	Total Debt	60.00%	\$19,139,040	3.90%	\$746,423
	Equity				
4	Common Equity	40.00%	\$12,759,360	8.93%	\$1,139,411
5	Preferred Shares	0.00%	\$ -	0.00%	\$ -
6	Total Equity	40.00%	\$12,759,360	8.93%	\$1,139,411
7	Total	100.00%	\$31,898,400	5.91%	\$1,885,833
		Per Board	1 Decision		
		(%)	(\$)	(%)	(\$)
8	Debt Long-term Debt	56.00%	\$17,863,104	4.03%	¢710.000
9	Short-term Debt	4.00%		2.08%	\$719,883
10	Total Debt	60.00%	\$1,275,936 \$19,139,040	3.90%	\$26,539
10	TOTAL DEDI	00,00%	φ19,139,040	3.90%	\$746,423
	Equity		1		
11	Common Equity	40.00%	\$12,759,360	8.93%	\$1,139,411
12	Preferred Shares	0.00%	\$-	0.00%	\$-
13	Total Equity	40.00%	\$12,759,360	8.93%	\$1,139,411
14	Total	100.00%	\$31,898,400	5.91%	\$1,885,833

Notes (1)

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 colimn M and Adjustments in column I

Revenue Deficiency/Sufficiency

		Initial Application		Interrogatory F	Responses	Per Board Decision		
Line No.	Particulars	At Current Approved Rates	At Proposed Rates	At Current Approved Rates	At Proposed Rates	At Current Approved Rates	At Proposed Rates	
1 2 3	Revenue Deficiency from Below Distribution Revenue Other Operating Revenue Offsets - net	\$8,970,789 \$501,089	\$191,706 \$8,966,885 \$501,089	\$8,970,789 \$520,054	\$209,407 \$8,970,789 \$520,054	\$8,970,789 \$520,054	\$209,407 \$8,970,789 \$520,054	
4	Total Revenue	\$9,471,878	\$9,659,680	\$9,490,843	\$9,700,250	\$9,490,843	\$9,700,250	
5 6 7	Operating Expenses Deemed Interest Expense Adjustment to Return on Rate Base associated with Deferred PP&E balance as a result of transition from CGAAP to MIFRS	\$7,718,586 \$754,766 (\$35,324) (2)	\$7,718,586 \$754,766 (\$35,324)	\$7,754,001 \$746,423 \$ - (2)	\$7,754,001 \$746,423 \$ -	\$7,754,001 \$746,423 \$- (2)	\$7,754,001 \$746,423 \$ -	
8	Total Cost and Expenses	\$8,438,028	\$8,438,028	\$8,500,424	\$8,500,424	\$8,500,424	\$8,500,424	
9	Utility Income Before Income Taxes	\$1,033,850	\$1,221,652	\$990,419	\$1,199,826	\$990,419	\$1,199,826	
10	Tax Adjustments to Accounting Income per 2013 PILs model	(\$807,525)	(\$807,525)	(\$792,056)	(\$792,056)	(\$792,056)	(\$792,056)	
11	Taxable Income	\$226,325	\$414,127	\$198,363	\$407,770	\$198,363	\$407,770	
12 13	Income Tax Rate Income Tax on Taxable Income	19.50% \$44 ,133	19.50% \$80,755	19.50% \$38,681	19.50% \$79,515	19.50% \$38,681	19.50% \$79,5 1 5	
14 15	Income Tax Credits Utility Net Income	\$1,008,817	(\$19,100) \$1,159,236	(\$19,100) \$970,839	(\$19,100) \$1,139,412	(\$19,100) \$970,839	(\$19,100) \$1,139,412	
16	Utility Rate Base	\$31,884,331	\$31,884,331	\$31,898,400	\$31,898,400	\$31,898,400	\$31,898,400	
17	Deemed Equity Portion of Rate Base	\$12,753,733	\$12,753,733	\$12,759,360	\$12,759,360	\$12,759,360	\$12,759,360	
18	Income/(Equity Portion of Rate Base)	7.91%	9.09%	7.61%	8.93%	7,61%	8.93%	
19	Target Return - Equity on Rate Base	9.12%	9.12%	8.93%	8.93%	8.93%	8.93%	
20	Deficiency/Sufficiency in Return on Equity	-1.21%	-0.03%	-1.32%	0.00%	-1.32%	0.00%	
21 22	Indicated Rate of Return Requested Rate of Return on Rate Base	5.53% 6.02%	6.00% 6.02%	5.38% 5.91%	5.91% 5.91%	5.38% 5.91%	5.91% 5.91%	
23	Deficiency/Sufficiency in Rate of Return	-0.48%	-0.01%	-0.53%	0.00%	-0.53%	0.00%	
24 25 26	Target Return on Equity Revenue Deficiency/(Sufficiency) Gross Revenue Deficiency/(Sufficiency)	\$1,163,140 \$154,324 \$191,706 (1)	\$1,163,140 (\$3,904)	\$1,139,411 \$168,572 \$209,407 (1)	\$1,139, 4 11 \$1	\$1,139,411 \$168,572 \$209,407 (1)	\$1,139,411 \$1	

Notes: (1) (2) Revenue Deficiency/Sufficiency divided by (1 - Tax Rate)
Treated as an adjustment pre-tax to avoid an impact on taxes/PILs and hence on revenue sufficiency deficiency

Revenue Requirement

)	Particulars	Application		Interrogatory Responses	F	er Board Decision
	OM&A Expenses	\$6,636,967		\$6,672,382		\$6,672,382
!	Amortization/Depreciation	\$1,081,619		\$1,081,619		\$1,081,619
	Property Taxes	\$1,001,019		ψ1,001,019		Ψ1,001,019
	Income Taxes (Grossed up)	\$62,416		\$60,415		\$60,415
	Other Expenses	\$ -		\$00,410		φου, 410
E E	Return	φ -				
	Deemed Interest Expense	\$754,766		\$746,423		\$746,423
	Return on Deemed Equity Adjustment to Return on Rate	\$1,163,140		\$1,139, 4 11		\$1,139,411
	Base associated with Deferred					
	PP&E balance as a result of					
	transition from CGAAP to MIFRS	(\$35,324)		<u> </u>	- 10-	\$ -
e.	Service Revenue Requirement					
	(before Revenues)	\$9,663,584		\$9,700,249	-	\$9,700,249
	Revenue Offsets	\$501,089		\$520,054	200	\$520,054
0	Base Revenue Requirement	\$9,162,495		\$9,180,195		\$9,180,195
	(excluding Tranformer Owership Allowance credit adjustment)					
1	Distribution revenue	\$9,158,591		\$9,180,196		\$9,180,196
2	Other revenue	\$501,089		\$520,054		\$520,054
3	Total revenue	\$9,659,680		\$9,700,250		\$9,700,250
4	Difference (Total Revenue Less					
	Distribution Revenue Requirement					
	before Revenues)	(\$3,904)	(1)	\$1	(1) =	\$1(1
es						
	Line 11 - Line 8					