Exhibit 7 – Cost Allocation

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EXHIBIT 7 – COST ALLOCATION

The evidence presented in this exhibit provides information supporting the various elements of CHE's proposed cost allocation. The evidence herein is organized according to the following topics;

1) Cost Allocation

Tab 1 – Cost Allocation

E7.T1.S1 OVERVIEW OF COST ALLOCATION

CHEI has prepared and is filling a cost allocation information filing consistent with the utility's understanding of the Directions, the Guidelines, the Model and the Instructions issued by the Board back in November of 2006 and all subsequent updates.

The main objectives of the original information filing back in 2006, was to provide information on any apparent cross-subsidization among a distributor's rate classifications and to eventually be used in future rate applications. As part of its 2010 Cost of Service Rate Application, CHEI updated the cost allocation revenue to cost ratios with 2010 base revenue requirement information. The revenue to cost ratios from the 2010 application are presented below.

Table 1: Previously Approved Ratios

	%
Residential	103.00
GS < 50 kW	0.91
GS > 50	121.00
Street Lighting	120.00
Unmetered Scattered Load (USL)	120.00

CHEI has prepared a Cost Allocation Study for 2014 based on an allocation of the 2014 test year costs (i.e., the 2014 forecast revenue requirement) to the various customer classes using allocators that are based on the forecast class loads (kW and kWh) by class, customer counts, etc.

CHEI has used the updated Board-approved Cost Allocation Model and followed the instructions and guidelines issued by the Board to enter the 2014 data into this model.

CHEI populated the information on Sheet I3, Trial Balance Data with the 2014 forecasted data, Target Net Income, PILs, Deemed interest on long term debt, and the targeted Revenue Requirement and Rate Base.

On Sheet I4, Break-out of Assets, CHEI updated the allocation of the accounts based on 2014 values.

In Sheet I5.1, Miscellaneous data, CHEI updated the deemed equity component of rate base, km of roads where distribution lines exist, working capital allowance, the proportion of pole rent revenue from secondary poles, and the monthly service charges.

In Sheet I5.2, Weighting Factors, CHEI has used LDC specific factors versus the use of default factors as instructed by the Board. The utility has applied service and billing &collecting weightings for each customer classification. These weightings are based upon costs incurred servicing these particular customer class:

- Residential: weighted for services and for billing and collecting as "1" per Cost Allocation instruction sheet

- General Service less than 50 kW: weighted "1" for billing & collecting. CHEI feels that no more time, attention and costs are spent on these customers as the residential class. The weighting factor for services

requires slightly more planning and monitoring for general service class than the residential class.

- The Weighted factor for the General Service greater than 50 kW also resulted in 1 for billing and collecting: These customer are billed from a file and require no more time, effort and cost than any other class. Weighting for services is "2" as the time and cost of the installations require additional planning and preparation time due to the complexity of the metering equipment. Additional time is also required to ensure the demand data is programmed and monitored appropriately.

- A Weighting factor of 1 is also used for the billing and collecting of the Streetlighting class and Unmetered Scattered Load as it requires no more time and effort to bill than the residential class. Services Weighting factors is not applicable for each of these classes.

In Sheet I6.1 Revenue has been populated with the 2014 Test year forecast data as well as existing rates.

Sheet I6.2 has been updated with the required Bad Debt and Late Payment revenue data as well as customer/connection number information devices.

CHEI updated the capital cost meter information on Sheet I7.1 and the meter reading information on I7.2 in accordance with the recent update to smart meters.

On sheet I8, Demand data is based on the output of CHEI's load forecast model.

No Direct Allocations on Sheet I9 were used.

The revenue to cost ratios calculated on Sheet O1 of the Cost Allocation model for the 2014 updated study is provided at the next page.

2014 Cost Allocation Model

Sheet O1 Revenue to Cost Summary Worksheet - Initial Submission

Instructions:
Please see the first tab in this workbook for detailed instructions

Class Revenue, Cost Analysis, and Return on Rate Base

Rate Base Assets		Total	1 Residential	2 GS <50	3 GS>50-Regular	7 Street Light	9 Unmetered Scattered Load
crev	Distribution Revenue at Existing Rates	$839,063	$601,067	$124,182	$88,600	$14,681	$10,534
mi	Miscellaneous Revenue (mi)	$30,281	$26,214	$2,588	$251	$1,023	$204
	Miscellaneous Revenue Input equals Output						
	Total Revenue at Existing Rates	**$869,344**	**$627,281**	**$126,770**	**$88,852**	**$15,704**	**$10,738**
	Factor required to recover deficiency (1 + D)	0.9997					
	Distribution Revenue at Status Quo Rates	$838,797	$600,876	$124,142	$88,572	$14,676	$10,530
	Miscellaneous Revenue (mi)	$30,281	$26,214	$2,588	$251	$1,023	$204
	Total Revenue at Status Quo Rates	**$869,078**	**$627,090**	**$126,731**	**$88,823**	**$15,699**	**$10,735**
	Expenses						
di	Distribution Costs (di)	$53,200	$36,593	$6,926	$7,640	$1,927	$114
cu	Customer Related Costs (cu)	$178,174	$161,273	$13,369	$936	$1,048	$1,549
ad	General and Administration (ad)	$324,905	$277,415	$28,631	$12,287	$4,254	$2,319
dep	Depreciation and Amortization (dep)	$132,428	$94,741	$17,883	$14,661	$4,873	$270
INPUT	PILs (INPUT)	$7,944	$5,646	$1,052	$930	$299	$17
INT	Interest	$68,890	$48,962	$9,123	$8,067	$2,592	$146
	Total Expenses	**$765,541**	**$624,630**	**$76,984**	**$44,521**	**$14,992**	**$4,414**
	Direct Allocation	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
NI	Allocated Net Income (NI)	$103,537	$73,586	$13,712	$12,125	$3,895	$219
	Revenue Requirement (includes NI)	**$869,078**	$698,216	$90,695	$56,646	$18,887	$4,633
	Revenue Requirement Input equals Output				$0		
	Rate Base Calculation						
	Net Assets						
dp	Distribution Plant - Gross	$4,155,640	$2,938,053	$539,998	$500,392	$167,821	$9,376
gp	General Plant - Gross	$218,673	$155,114	$28,778	$25,871	$8,436	$473
accum dep	Accumulated Depreciation	($1,559,384)	($1,096,414)	($198,319)	($193,230)	($67,666)	($3,755)
co	Capital Contribution	($442,246)	($310,469)	($56,264)	($55,142)	($19,300)	($1,071)
	Total Net Plant	**$2,372,683**	**$1,686,285**	**$314,193**	**$277,891**	**$89,291**	**$5,023**
	Directly Allocated Net Fixed Assets	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
COP	Cost of Power (COP)	$3,364,829	$2,319,110	$539,141	$456,033	$40,793	$9,752
	OM&A Expenses	$556,279	$475,281	$48,926	$20,863	$7,228	$3,981
	Directly Allocated Expenses	$0	$0	$0	$0	$0	$0
	Subtotal	***$3,921,108***	***$2,794,391***	***$588,066***	***$476,896***	***$48,022***	***$13,734***
	Working Capital	**$509,744**	**$363,271**	**$76,449**	**$61,996**	**$6,243**	**$1,785**
	Total Rate Base	**$2,882,427**	**$2,049,556**	**$390,641**	**$339,888**	**$95,534**	**$6,808**
	Rate Base Input equals Output						
	Equity Component of Rate Base	**$1,152,971**	**$819,822**	**$156,257**	**$135,955**	**$38,213**	**$2,723**
	Net Income on Allocated Assets	**$103,537**	**$2,460**	**$49,747**	**$44,302**	**$707**	**$6,320**
	Net Income on Direct Allocation Assets	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
	Net Income	**$103,537**	**$2,460**	**$49,747**	**$44,302**	**$707**	**$6,320**

2014 Cost Allocation Model

Sheet O1 Revenue to Cost Summary Worksheet - Initial Submission

Instructions:
Please see the first tab in this workbook for detailed instructions

Class Revenue, Cost Analysis, and Return on Rate Base

Rate Base Assets		Total	1 Residential	2 GS <50	3 GS>50-Regular	7 Street Light	9 Unmetered Scattered Load
	RATIOS ANALYSIS						
	REVENUE TO EXPENSES STATUS QUO%	**100.00%**	**89.81%**	**139.73%**	**156.81%**	**83.12%**	**231.68%**
	EXISTING REVENUE MINUS ALLOCATED COSTS	**$266**	($70,935)	$36,075	$32,206	($3,183)	$6,104
	Deficiency Input Does Not Equal Output						
	STATUS QUO REVENUE MINUS ALLOCATED COSTS	**($0)**	($71,126)	$36,035	$32,178	($3,188)	$6,101
	RETURN ON EQUITY COMPONENT OF RATE BASE	8.98%	0.30%	31.84%	32.59%	1.85%	232.08%

2014 Cost Allocation Model

Sheet O2 Monthly Fixed Charge Min. & Max. Worksheet - Initial Submission

Output sheet showing minimum and maximum level for Monthly Fixed Charge

Summary

	1	2	3	7	9
	Residential	**GS <50**	**GS>50-Regular**	**Street Light**	**Unmetered Scattered Load**
Customer Unit Cost per month - Avoided Cost	$7.54	$9.87	$19.50	$0.19	$6.33
Customer Unit Cost per month - Directly Related	$16.75	$19.45	$30.47	$0.49	$15.33
Customer Unit Cost per month - Minimum System with PLCC Adjustment	$19.75	$22.53	$33.59	$3.68	$16.39
Existing Approved Fixed Charge	$13.70	$20.34	$245.27	$1.60	$40.01

Per the Filing Requirements for Transmission and Distribution Applications dated June 22, 2011, CHEI has completed OEB Appendix 2-P with the results of the 2014 cost allocation study and proposed adjustments. The Allocated cost table (2), calculated class revenues (2) and Rebalancing Revenue-to-Cost (R/C) Ratios (3) are summarized at the next few pages.

Table 2: Allocated Costs

Classes	**Costs Allocated from Previous Study**	**%**	**Costs Allocated in Test Year Study (Column 7A)**	%
Residential	$557,055	67.51%	$722,823	83.19%
GS < 50 kW	$140,228	16.99%	$96,219	11.07%
GS > 50 kW	$78,850	9.56%	$ 26,316	3.03%
GS > xxx kW, if applicable				0.00%
Large User, if applicable				0.00%
Street Lighting	$25,794	3.13%	$18,880	2.17%
Sentinel Lighting				0.00%
Unmetered Scattered Load (USL)	$ 23,212	2.81%	$4,654	0.54%
Other class, if applicable				0.00%
				0.00%
Embedded distributor class				0.00%
Total	$825,139	100.00%	$868,892	100.00%

Revised July 13, 2013.

Classes	Costs Allocated from Previous Study	%	Costs Allocated in Test Year Study (Column 7A)	%
Residential	$557,055.00	67.51%	$698,216.00	80.34%
GS < 50 kW	$140,228.00	16.99%	$90,695.00	10.44%
GS > 50 kW (or 50 kW < GS < xxx kW, if applicable)	$78,850.00	9.56%	$56,646.00	6.52%
GS > xxx kW, if applicable		0.00%		0.00%
Large User, if applicable		0.00%		0.00%
Street Lighting	$25,794.00	3.13%	$18,887.00	2.17%
Sentinel Lighting		0.00%		0.00%
Unmetered Scattered Load (USL)	$23,212.00	2.81%	$4,633.00	0.53%
Other class, if applicable		0.00%		0.00%
		0.00%		0.00%
Embedded distributor class		0.00%		0.00%
Total	$825,139.00	100.00%	$869,077.00	100.00%

Table 3: Class Revenues

Classes (same as previous table)	Column 7B Load Forecast (LF) X current approved rates	Column 7C L.F. X current approved rates X (1 + d)	Column 7D LF X proposed rates	Column 7E Miscellaneous Revenue
Residential	$601,066.66	$600,826.18	$671,725.80	$26,262.00
GS < 50 kW	$124,181.57	$124,131.89	$112,420.64	$2,599.00
GS > 50 kW)	$88,600.19	$88,564.75	$31,393.19	$193.00
GS > xxx kW, if applicable				
Large User, if applicable				
Street Lighting	$14,681.01	$14,675.14	$17,880.49	$1,023.00
Sentinel Lighting				$204.00
Unmetered Scattered Load (USL)	$10,533.76	$10,529.55	$5,377.76	
Other class, if applicable				
Embedded distributor class				
Total	$839,063.19	$838,727.50	$838,797.87	$30,281.00

Revised July 13, 2013.

Classes (same as previous table)	Column 7B Load Forecast (LF) X current	Column 7C L.F. X current approved rates	Column 7D LF X proposed rates	Column 7E Miscellaneous Revenue
Residential	$601,066.66	$600,876.59	$671,939.06	$26,262.00
GS < 50 kW	$124,181.57	$124,142.30	$88,096.20	$2,599.00
GS > 50 kW (or 50 kW < GS < xxx kW, if applicable)	$88,600.19	$88,572.18	$56,453.13	$193.00
GS > xxx kW, if applicable				
Large User, if applicable				
Street Lighting	$14,681.01	$14,676.37	$17,880.49	$1,023.00
Sentinel Lighting				
Unmetered Scattered Load (USL)	$10,533.76	$10,530.43	$4,429.01	$204.00
Other class, if applicable				
Embedded distributor class				
Total	$839,063.19	$838,797.87	$838,797.87	$30,281.00

Table 4: Rebalancing Revenue to Cost Ratios

Class	Previously Approved Ratios Most Recent Year: 20XX	Status Quo Ratios (7C + 7E) / (7A)	Proposed Ratios (7D + 7E) / (7A)	Policy Range
	%	%	%	%
Residential	103.00	86.76	96.56	85 - 115
GS < 50 kW	0.91	131.71	119.54	80 - 120
GS > 50	121.00	337.28	120.03	80 - 120
GS > xxx kW, if applicable				80 - 120
Large User, if applicable				85 - 115
Street Lighting	120.00	83.15	100.12	70 - 120
Sentinel Lighting				80 - 120
Unmetered Scattered Load (USL)	120.00	226.25	115.55	80 - 120
Other class, if applicable				
Embedded distributor class				

Revised July 13, 2013.

Class	Previously Approved Ratios Most Recent Year: 20XX	Status Quo Ratios (7C + 7E) / (7A)	Proposed Ratios (7D + 7E) / (7A)	Policy Range
	%	%	%	%
Residential	103.00	89.82	100.00	85 - 115
GS < 50 kW	0.91	139.74	100.00	80 - 120
GS > 50 kW (or 50 kW < GS < xxx kW, if applicable)	121.00	156.70	100.00	80 - 120
GS > xxx kW, if applicable				80 - 120
Large User, if applicable				85 - 115
Street Lighting	120.00	83.12	100.09	70 - 120
Sentinel Lighting				80 - 120
Unmetered Scattered Load (USL)	120.00	231.70	100.00	80 - 120
Other class, if applicable				
Embedded distributor class				

Table 5 below provides a breakdown of the proposed revenue allocation based on the results of the updated Cost Allocation Study (Sheet O2). The first column shows the allocated costs from the proposed service revenue requirement while the second column

shows the per class allocation of the proposed service revenue requirement. The third and fourth column show the breakdown of the revenue offsets as calculated in the cost allocation model. Columns 7-8-9-10 show the results of the cost allocation model and the last column calculates the maximum charge per class.

Table 5: Cost Allocation Results

Cost Allocation Results	REVENUE ALLOCATION (sheet O1)							CUSTOMER UNIT COST PER MONTH (sheet O2)			
Customer Class Name	Service Rev Req (row40)		Misc. Revenue (mi) (row19)		Base Rev Req		Rev2Cost Expenses % (row 80)	Avoided Costs (Minimum Charge)	Directly Related	Minimum System with PLCC * adjustment	Maximum Charge
Residential	722,823	83.19%	26,262	86.73%	696,561	83.06%	85.49%	$8.27	$17.49	$20.29	$20.29
General Service < 50 kW	96,219	11.07%	2,599	8.58%	93,620	11.16%	135.53%	$10.99	$20.58	$23.47	$23.47
General Service > 50 to 4999 kW	26,316	3.03%	193	0.64%	26,123	3.12%	359.91%	$21.41	$32.23	$36.19	$245.27
Unmetered Scattered Load	4,654	0.54%	204	0.67%	4,450	0.53%	238.47%	$6.58	$15.58	$16.45	$40.01
Street Lighting	18,880	2.17%	1,023	3.38%	17,857	2.13%	77.93%	$0.22	$0.51	$3.70	$3.70
MicroFit											
TOTAL	868,892	100.00%	30,281	100.00%	838,611	100.00%					

Table 6: Cost Allocation of Revenue Requirement

Revenue Reallocation - Service Revenue Requirement

Customer Class Name	Base Revenue Requirement %						Revenue Offsets		Service Revenue Requirement $		
	Cost Allocation Results		Existing Rates		Proposed Allocation		%	$	Cost Allocation	Existing Rates	Rate Application
Residential	83.06%	696,716	71.63%	600,826	80.08%	671,726	86.73%	26,262	722,978	627,088	697,988
General Service < 50 kW	11.16%	93,641	14.80%	124,132	13.40%	112,421	8.58%	2,599	96,240	126,731	115,020
General Service > 50 to 4999 kW	3.12%	26,129	10.56%	88,565	3.74%	31,393	0.64%	193	26,322	88,758	31,586
Unmetered Scattered Load	0.53%	4,451	1.26%	10,530	0.64%	5,378	0.67%	204	4,655	10,734	5,582
Street Lighting	2.13%	17,861	1.75%	14,675	2.13%	17,880	3.38%	1,023	18,884	15,698	18,903
MicroFit											
TOTAL		838,798		838,728	100.00%	838,798		30,281	869,079	869,009	869,079

Table 7: Revenue to Cost Ratios

Revenue to Cost Ratio Allocation

Customer Class Name	Calculated R/C Ratio	Proposed R/C Ratio	Variance
Residential	0.85	0.97	0.11
General Service < 50 kW	1.36	1.20	-0.16
General Service > 50 to 4999 kW	3.60	1.20	-2.40
Unmetered Scattered Load	2.38	1.20	-1.19
Street Lighting	0.78	1.00	0.22
MicroFit			

Target Range	
Floor	Ceiling
0.85	1.15
0.80	1.20
0.80	1.20
0.70	1.20
0.70	1.20

The reason for the significant difference in the calculated ratios and proposed ratios is due to the utility specific weighting factors. The default factors used in the previous cost allocation did not accurately reflect the actual billing, collecting and services at CHEI. How the proposed revenues to cost ratios are used to determine rates is discussed in detail at Exhibit 8.

Revised July 13, 2013.

Cost Allocation Results

Customer Class Name	REVENUE ALLOCATION (sheet O1)							CUSTOMER UNIT COST PER MONTH (sheet O2)			
	Service Rev Req (row40)		Misc. Revenue (mi) (row19)		Base Rev Req		Rev2Cost Expenses % (row 80)	Avoided Costs (Minimum Charge)	Directly Related	Minimum System with PLCC -	Maximum Charge
Residential	698,216	80.34%	26,262	86.73%	671,954	80.11%	89.81%	$7.54	$16.75	$19.75	$19.75
General Service < 50 kW	90,695	10.44%	2,599	8.58%	88,096	10.50%	139.73%	$9.87	$19.45	$22.53	$22.53
General Service > 50 to 4999 kW	56,646	6.52%	193	0.64%	56,453	6.73%	156.81%	$19.50	$30.47	$33.59	$245.27
Unmetered Scattered Load	4,633	0.53%	204	0.67%	4,429	0.53%	231.68%	$6.33	$15.33	$16.39	$40.01
Street Lighting	18,887	2.17%	1,023	3.38%	17,864	2.13%	83.12%	$0.19	$0.49	$3.68	$3.68
MicroFit											
TOTAL	869,077	100.00%	30,281	100.00%	838,796	100.00%					

Revenue Reallocation - Service Revenue Requirement

Customer Class Name	Base Revenue Requirement %						Revenue Offsets		Service Revenue Requirement $		
	Cost Allocation Results		Existing Rates		Proposed Allocation		%	$	Cost Allocation	Existing Rates	Rate Applicatio
Residential	80.11%	671,956	71.63%	600,826	80.11%	671,939	86.73%	26,262	698,218	627,088	698,201
General Service < 50 kW	10.50%	88,096	14.80%	124,132	10.50%	88,096	8.58%	2,599	90,695	126,731	90,695
General Service > 50 to 4999 kW	6.73%	56,453	10.56%	88,565	6.73%	56,453	0.64%	193	56,646	88,758	56,646
Unmetered Scattered Load	0.53%	4,429	1.26%	10,530	0.53%	4,429	0.67%	204	4,633	10,734	4,633
Street Lighting	2.13%	17,864	1.75%	14,675	2.13%	17,880	3.38%	1,023	18,887	15,698	18,903
MicroFit											
TOTAL		838,798		838,728	100.00%	838,798		30,281	869,079	869,009	869,079

Revenue to Cost Ratio Allocation

Customer Class Name	Calculated R/C Ratio	Proposed R/C Ratio	Variance	Target Range Floor	Target Range Ceiling
Residential	0.90	1.00	0.10	0.85	1.15
General Service < 50 kW	1.40	1.00	-0.40	0.80	1.20
General Service > 50 to 4999 kW	1.57	1.00	-0.57	0.80	1.20
Unmetered Scattered Load	2.32	1.00	-1.32	0.70	1.20
Street Lighting	0.83	1.00	0.17	0.70	1.20
MicroFit					

The reason for the significant difference in the calculated ratios and proposed ratios is due to the utility specific weighting factors. The default factors used in the previous cost allocation did not accurately reflect the actual billing, collecting and services at CHEI. How the proposed revenues to cost ratios are used to determine rates is discussed in detail at Exhibit 8.

2014 Cost Allocation Model

Sheet I4 Break Out Worksheet - Initial Submission

Instructions:
This is an input sheet for the Break Out of Distribution Assets, Contributed Capital, Amortization, and Amortization Expenses.
Please see Instructions tab for detailed instructions*

Enter Net Fixed Assets from the Revenue Requirement Work Form, Rate Base sheet, cell G15	$2,372,684

RATE BASE AND DISTRIBUTION ASSETS		BALANCE SHEET ITEMS									EXPENSE ITEMS			
											5705	5710	5715	5720
Account	Description	Break out Functions	BREAK OUT (%)	BREAK OUT ($)	After BO	Contributed Capital - 1995	Accumulated Depreciation - 2105 Capital Contribution	Accumulated Depreciation - 2105 Fixed Assets Only	Accumulated Depreciation - 2120	Asset net of Accumulated Depreciation and Contributed Capital	Amortization Expense - Property, Plant, and Equipment	Amortization of Limited Term Electric Plant	Amortization of Intangibles and Other Electric Plant	Amortization of Electric Plant Acquisition Adjustments
1565	Conservation and Demand Management	$0		-	-					-				
1805	Land	$50,000		($50,000)	-									
1805-1	Land Station >50 kV			$0	-					-				
1805-2	Land Station <50 kV		100.00%	$50,000	50,000					50,000				
1806	Land Rights	$0		$0	-									
1806-1	Land Rights Station >50 kV			$0	-					-				
1806-2	Land Rights Station <50 kV		100.00%	$0	-					-				
1808	Buildings and Fixtures	$0		$0	-									
1808-1	Buildings and Fixtures > 50 kV			$0	-					-				
1808-2	Buildings and Fixtures < 50 KV		100.00%	$0	-					-				
1810	Leasehold Improvements	$0		$0	-									
1810-1	Leasehold Improvements >50 kV			$0	-					-				
1810-2	Leasehold Improvements <50 kV		100.00%	$0	-					-				
1815	Transformer Station Equipment - Normally Primary above 50 kV	$0		$0	-					-				
1820	Distribution Station Equipment - Normally Primary below 50 kV	$284,888		($284,888)	-					-				
1820-1	Distribution Station Equipment - Normally Primary below 50 kV (Bulk)			$0	-					-				
1820-2	Distribution Station Equipment - Normally Primary below 50 kV Primary)		100.00%	$284,888	284,888	($25,297)	$0	$ (88,644)		170,947	$5,180			
1820-3	Distribution Station Equipment - Normally Primary below 50 kV (Wholesale Meters)		0.00%	$0	-					-				
1825	Storage Battery Equipment	$0		$0	-									
1825-1	Storage Battery Equipment > 50 kV			$0	-					-				
1825-2	Storage Battery Equipment <50 kV		100.00%	$0	-					-				
1830	Poles, Towers and Fixtures	$677,494		($677,494)	-									
1830-3	Poles, Towers and Fixtures - Subtransmission Bulk Delivery			$0	-					-				
1830-4	Poles, Towers and Fixtures - Primary		0.00%	$0	-			$ -		-				
1830-5	Poles, Towers and Fixtures - Secondary		100.00%	$677,494	677,494	($66,352)	$0	$ (232,503)		378,639	$16,937			
1835	Overhead Conductors and Devices	$615,424		($615,424)	-									
1835-3	Overhead Conductors and Devices - Subtransmission Bulk Delivery			$0	-					-				
1835-4	Overhead Conductors and Devices - Primary		0.00%	$0	-			$ -		-				
1835-5	Overhead Conductors and Devices - Secondary		100.00%	$615,424	615,424	($69,148)	$0	$ (242,301)		303,975	$10,257			
1840	Underground Conduit	$0		$0	-									
1840-3	Underground Conduit - Bulk Delivery			$0	-					-				
1840-4	Underground Conduit - Primary			$0	-			$ -		-				
1840-5	Underground Conduit - Secondary		100.00%	$0	-					-				
1845	Underground Conductors and Devices	$1,209,387		($1,209,387)	-									
1845-3	Underground Conductors and Devices - Bulk Delivery			$0	-					-				
1845-4	Underground Conductors and Devices - Primary			$0	-			$ -		-				
1845-5	Underground Conductors and Devices - Secondary		100.00%	$1,209,387	1,209,387	($129,392)		$ (453,403)		626,592	$34,554			
1850	Line Transformers	$802,773		$0	802,773	($84,758)		$ (297,001)		421,013	$20,069			
1855	Services	$190,212		$0	190,212	($13,153)		$ (60,544)		116,514	$4,755			
1860	Meters	$325,462		$0	325,462	($12,384)		$ (37,734)		275,344	$21,697			
9999	IFRS Placeholder Account	$0		$0	-					-				
	Total	**$4,155,640**		**$0**	**$4,155,640**	**($400,485)**	**$0**	**($1,412,131)**	**$0**	**2,343,024**	**$113,449**	**$0**	**$0**	**$0**
	SUB TOTAL from I3	**$4,155,640**												
											5705	5710	5715	5720

2014 Cost Allocation Model

Sheet I4 Break Out Worksheet - Initial Submission

Instructions:
This is an input sheet for the Break Out of Distribution Assets, Contributed Capital, Amortization, and Amortization Expenses.
Please see Instructions tab for detailed instructions

Enter Net Fixed Assets from the Revenue Requirement Work Form, Rate Base sheet, cell G15	$2,372,684

RATE BASE AND DISTRIBUTION ASSETS		BALANCE SHEET ITEMS									EXPENSE ITEMS			
											5705	5710	5715	5720
Account	Description	Break out Functions	BREAK OUT (%)	BREAK OUT ($)	After BO	Contributed Capital - 1995	Accumulated Depreciation - 2105 Capital Contribution	Accumulated Depreciation - 2105 Fixed Assets Only	Accumulated Depreciation - 2120	Asset net of Accumulated Depreciation and Contributed Capital	Amortization Expense - Property, Plant, and Equipment	Amortization of Limited Term Electric Plant	Amortization of Intangibles and Other Electric Plant	Amortization of Electric Plant Acquisition Adjustments
General Plant		Break out Functions				Contributed Capital - 1995	Accumulated Depreciation - 2105 Capital Contribution	Accumulated Depreciation - 2105 Fixed Assets Only	Accumulated Depreciation - 2120	Net Asset	Amortization Expense - Property, Plant, and Equipment	Amortization of Limited Term Electric Plant	Amortization of Intangibles and Other Electric Plant	Amortization of Electric Plant Acquisition Adjustments
1905	Land	$0			-					$ -				
1906	Land Rights	$0			-					$ -				
1908	Buildings and Fixtures	$0			-					$ -				
1910	Leasehold Improvements	$0								$				
1915	Office Furniture and Equipment	$50,903			50,903	($9,353)		$ (32,978)		$ 8,572	$4,331			
1920	Computer Equipment - Hardware	$26,037			26,037	($6,139)		$ (21,646)		-$ 1,748	$1,929			
1925	Computer Software	$128,927			128,927	($23,678)		$ (83,491)		$ 21,758	$22,013			
1930	Transportation Equipment	$0			-					$ -	$0			
1935	Stores Equipment	$4,320			4,320	($1,161)		$ (4,094)		-$ 935	$151			
1940	Tools, Shop and Garage Equipment	$4,205			4,205	($239)		$ (841)		$ 3,125	$421			
1945	Measurement and Testing Equipment	$4,281			4,281	($1,192)		$ (4,202)		-$ 1,113	$158			
1950	Power Operated Equipment	$0			-					$ -				
1955	Communication Equipment	$0			-					$ -				
1960	Miscellaneous Equipment	$0			-					$ -				
1970	Load Management Controls - Customer Premises	$0			-					$ -				
1975	Load Management Controls - Utility Premises	$0			-					$ -				
1980	System Supervisory Equipment	$0			-					$ -				
1990	Other Tangible Property	$0			-					$ -	($10,024)			
2005	Property Under Capital Leases	$0			-					$ -				
2010	Electric Plant Purchased or Sold	$0			-					$ -				
Total		$218,673		$0	$218,673	($41,761)	$0	($147,253)	$0	$29,659	$18,979	$0	$0	$0
SUB TOTAL from I3		$218,673												
I3 Directly Allocated		$0												
Grand Total		$4,374,313		$0	$4,374,313	($442,246)	$0	($1,559,384)	$0	$2,372,683	$132,428	$0	$0	$0

2014 Cost Allocation Model

Sheet I4 Break Out Worksheet - Initial Submission

Instructions:
This is an input sheet for the Break Out of Distribution Assets, Contributed Capital, Amortization, and Amortization Expenses.
Please see Instructions tab for detailed instructions*

Enter Net Fixed Assets from the Revenue Requirement Work Form, Rate Base sheet, cell G15	$2,372,684

RATE BASE AND DISTRIBUTION ASSETS		BALANCE SHEET ITEMS									EXPENSE ITEMS			
											5705	5710	5715	5720
Account	Description	Break out Functions	BREAK OUT (%)	BREAK OUT ($)	After BO	Contributed Capital - 1995	Accumulated Depreciation - 2105 Capital Contribution	Accumulated Depreciation - 2105 Fixed Assets Only	Accumulated Depreciation - 2120	Asset net of Accumulated Depreciation and Contributed Capital	Amortization Expense - Property, Plant, and Equipment	Amortization of Limited Term Electric Plant	Amortization of Intangibles and Other Electric Plant	Amortization of Electric Plant Acquisition Adjustments
To be Prorated														
1995	Contributed Capital - 1995	($442,246)				$442,246	Balanced							
2105	Accumulated Depreciation - 2105	($1,559,383)						$1,559,384	Balanced					
2120	Accumulated Depreciation - 2120	$0							$0	Balanced				
	Total	**($2,001,629)**												
	Net Assets	**$2,372,684**	**Net Fixed Assets Match**											
Amortization Expenses														
5705	Amortization Expense - Property, Plant, and Equipment	$132,429									($132,428)	Balanced		
5710	Amortization of Limited Term Electric Plant	$0										$0	Balanced	
5715	Amortization of Intangibles and Other Electric Plant	$0											$0	Balanced
5720	Amortization of Electric Plant Acquisition Adjustments	$0												$0 Balanced
	Total Amortization Expense	**$132,429**												

Sheet I6.1 Revenue Worksheet - Initial Submission

Total kWhs from Load Forecast	30,899,424

Total kWs from Load Forecast	13,373

Deficiency from RRWF	68,498

Miscellaneous Revenue	30,281

			1	2	3	7	9
	ID	**Total**	**Residential**	**GS <50**	**GS>50-Regular**	**Street Light**	**Unmetered Scattered Load**
Billing Data							
Forecast kWh	**CEN**	30,899,424	21,296,520	4,950,960	4,187,781	374,609	89,554
Forecast kW	**CDEM**	13,373			12,372	1,001	
Forecast kW, included in CDEM, of customers receiving line transformer allowance		-					
Optional - Forecast kWh, included in CEN, from customers that receive a line transformation allowance on a kWh basis. In most cases this will not be applicable and will be left blank.		-					
KWh excluding KWh from Wholesale Market Participants	**CEN EWMP**	30,899,424	21,296,520	4,950,960	4,187,781	374,609	89,554

kWh - 30 year weather normalized amount		30,899,424	21,296,520	4,950,960	4,187,781	374,609	89,554
Existing Monthly Charge			$13.70	$20.34	$245.27	$1.60	$40.01
Existing Distribution kWh Rate			$0.0128	$0.0168			$0.0104
Existing Distribution kW Rate					$4.5445	$6.5145	
Existing TFOA Rate			$0.60	$0.60	$0.60	$0.60	$0.60
Additional Charges							
Distribution Revenue from Rates		$839,063	$601,067	$124,182	$88,600	$14,681	$10,534
Transformer Ownership Allowance		$0	$0	$0	$0	$0	$0
Net Class Revenue	**CREV**	$839,063	$601,067	$124,182	$88,600	$14,681	$10,534
Data Mismatch Analysis							
Revenue with 30 year weather normalized kWh		839,063	601,067	124,182	88,600	14,681	10,534

Weather Normalized Data from Hydro One

	Total	**Residential**	**GS <50**	**GS>50-Regular**	**Street Light**	**Unmetered Scattered Load**
kWh - 30 year weather normalized amount	32,948,056	22,708,479	5,279,209	4,465,431	399,446	95,491
Loss Factor		**1.0663**	**1.0663**	**1.0663**	**1.0663**	**1.0663**

2014 Cost Allocation Model

Sheet I8 Demand Data Worksheet - Initial Submission

This is an input sheet for demand allocators.

CP TEST RESULTS	4 CP
NCP TEST RESULTS	4 NCP

Co-incident Peak	Indicator
1 CP	CP 1
4 CP	CP 4
12 CP	CP 12

Non-co-incident Peak	Indicator
1 NCP	NCP 1
4 NCP	NCP 4
12 NCP	NCP 12

Customer Classes		Total	1 Residential	2 GS <50	3 GS>50-Regular	4 GS> 50-TOU	5 GS >50-Intermediate	6 Large Use >5MW	7 Street Light	8 Sentinel	9 Unmetered Scattered Load
CO-INCIDENT PEAK											
1 CP											
Transformation CP	TCP1	7,103	5,145	794	1,060				94	-	10
Bulk Delivery CP	BCP1	7,103	5,145	794	1,060	-	-	-	94	-	10
Total Sytem CP	DCP1	7,103	5,145	794	1,060	-	-	-	94	-	10
4 CP											
Transformation CP	TCP4	26,287	18,316	3,390	4,224				315		42
Bulk Delivery CP	BCP4	26,287	18,316	3,390	4,224	-	-	-	315		42
Total Sytem CP	DCP4	26,287	18,316	3,390	4,224	-	-	-	315		42
12 CP											
Transformation CP	TCP12	64,956	45,979	8,760	9,373				715		129
Bulk Delivery CP	BCP12	64,956	45,979	8,760	9,373	-	-	-	715		129
Total Sytem CP	DCP12	64,956	45,979	8,760	9,373	-	-	-	715		129
NON CO_INCIDENT PEAK											
1 NCP											
Classification NCP from Load Data Provider	DNCP1	7,896	5,497	1,060	1,209				118		12
Primary NCP	PNCP1	7,896	5,497	1,060	1,209	-	-	-	118		12
Line Transformer NCP	LTNCP1	7,896	5,497	1,060	1,209	-	-	-	118		12
Secondary NCP	SNCP1	7,896	5,497	1,060	1,209	-	-	-	118		12
4 NCP											
Classification NCP from Load Data Provider	DNCP4	29,020	19,904	4,016	4,655				399		46
Primary NCP	PNCP4	29,020	19,904	4,016	4,655	-	-	-	399		46
Line Transformer NCP	LTNCP4	29,020	19,904	4,016	4,655	-	-	-	399		46
Secondary NCP	SNCP4	29,020	19,904	4,016	4,655	-	-	-	399		46
12 NCP											
Classification NCP from Load Data Provider	DNCP12	70,511	47,874	10,681	10,726				1,101		129
Primary NCP	PNCP12	70,511	47,874	10,681	10,726	-	-	-	1,101		129
Line Transformer NCP	LTNCP12	70,511	47,874	10,681	10,726	-	-	-	1,101		129
Secondary NCP	SNCP12	70,511	47,874	10,681	10,726	-	-	-	1,101		129