



## Revenue to Cost Ratio Adjustment Model for 2014 IRM Filers

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Service Territory Name	Parry Sound
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Date	14-Aug-13
Last COS Re-based Year	2011

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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.*



## 3<sup>RD</sup> Generation Incentive Regulation Revenue to Cost Ratio Adjustment Model for 2014 Filers

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# 3<sup>RD</sup> Generation Incentive Regulation Revenue to Cost Ratio Adjustment Model for 2014 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 most current 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	2,812	33,427,924		21.90	0.0175	
GSLT50	General Service Less Than 50 kW	Customer	kWh	493	16,733,379		32.73	0.0134	
GSGT50	General Service 50 to 4,999 kW	Customer	kW	68	37,802,659	97,727	188.66		3.7885
USL	Unmetered Scattered Load	Customer	kWh	18	58,750		22.66	0.1323	
Sen	Sentinel Lighting	Connection	kW	12	12,745	36	4.23		16.4018
SL	Street Lighting	Connection	kW	1,004	867,846	2,421	2.69		27.0019
NA	Rate Class 7	NA	NA						
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						



## 3<sup>RD</sup> Generation Incentive Regulation Revenue to Cost Ratio Adjustment Model for 2014 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
Residential	21.90	0.0175	0.0000	0.00
General Service Less Than 50 kW	32.73	0.0134	0.0000	0.00
General Service 50 to 4,999 kW	188.66	0.0000	3.7885	0.00
Unmetered Scattered Load	22.66	0.1323	0.0000	0.00
Sentinel Lighting	4.23	0.0000	16.4018	0.00
Street Lighting	2.69	0.0000	27.0019	0.00

Distribution Volumetric kWh Rate Adders E	Distribution Volumetric kW Rate Adders F
0.0000	0.0000
0.0000	0.0000
0.0000	0.0000
0.0000	0.0000
0.0000	0.0000
0.0000	0.0000

4. Removal of Rate Adders



## 3<sup>RD</sup> Generation Incentive Regulation Revenue to Cost Ratio Adjustment Model for 2014 Filers

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

Rate Class	Re-based Billed Customers or Connections A	Re-based Billed kWh B	Re-based Billed kW C	Current Base Service Charge D	Current Base Distribution Volumetric Rate kWh E	Current Base Distribution Volumetric Rate kW F	Service Charge Revenue *12	Distribution Volumetric Rate Revenue kWh H = B * E	Distribution Volumetric Rate Revenue kW I = C * F	Revenue Requireme nt from Rates I
Residential	2,812	33,427,924	0	21.90	0.0175	0.0000	738,994	584,989	0	1,323,982
General Service Less Than 50 kW	493	16,733,379	0	32.73	0.0134	0.0000	193,631	224,227	0	417,858
General Service 50 to 4,999 kW	68	37,802,659	97,727	188.66	0.0000	3.7885	153,947	0	370,239	524,185
Unmetered Scattered Load	18	58,750	0	22.66	0.1323	0.0000	4,895	7,773	0	12,667
Sentinel Lighting	12	12,745	36	4.23	0.0000	16.4018	609	0	590	1,200
Street Lighting	1,004	867,846	2,421	2.69	0.0000	27.0019	32,409	0	65,372	97,781
							1,124,484	816,989	436,201	2,377,673



## 3<sup>RD</sup> Generation Incentive Regulation Revenue to Cost Ratio Adjustment Model for 2013 Filers

The purpose of this sheet is to enter the Revenue Cost Ratios as determined from column G on Sheet "10. Proposed R C Ratio Adj" of the applicant's 2013 Revenue to Cost Ratio Adjustment Workform (V2.0) or 2013 COS Decision and Order.

Under the column labeled "Direction", the applicant can choose "No Change" (i.e: no change in that rate class ratio), "Change" (i.e: Board ordered change from COS decision) or "Rebalance" (i.e: to apply any offset adjustments required).

Rate Class	Direction	Current Year 2012	Transition Year 1 2013	Transition Year 2 2014	Transition Year 3 2015	Transition Year 4 2016	Transition Year 5 2017
Residential	No Change	102.00%	102.00%	102.00%	102.00%	102.00%	102.00%
General Service Less Than 50 kW	No Change	85.00%	85.00%	85.00%	85.00%	85.00%	85.00%
General Service 50 to 4,999 kW	No Change	124.00%	124.00%	124.00%	124.00%	124.00%	124.00%
Unmetered Scattered Load	No Change	80.00%	80.00%	80.00%	80.00%	80.00%	80.00%
Sentinel Lighting	No Change	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%
Street Lighting	No Change	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%



## 3<sup>RD</sup> Generation Incentive Regulation Revenue to Cost Ratio Adjustment Model for 2014 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 Revenue Offsets	Percentage Split	Allocated Revenue Offsets
	A	C= A / B	E = D * C
Residential	62,381	61.77%	64,729
General Service Less Than 50 kW	19,675	19.48%	20,416
General Service 50 to 4,999 kW	14,170	14.03%	14,703
Unmetered Scattered Load	3,752	3.72%	3,893
Sentinel Lighting	42	0.04%	44
Street Lighting	965	0.96%	1,001
	100,985	100.00%	104,786
	B		D





## 3<sup>RD</sup> Generation Incentive Regulation Revenue to Cost Ratio Adjustment Model for 2014 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 2013 Revenue to Cost Ratio Adjustment Workform (V2.0) 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 Allowance	Transformer Allowance kW's	Transformer Allowance Rate	Volumetric Distribution Rate	Billed kW's	Adjusted Volumetric Distribution Rate
		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 4,999 kW	Yes	14,046	23,410	0.6000	3.7885	97,727	3.6448
Unmetered Scattered Load	No						
Sentinel Lighting	No						
Street Lighting	No						
		<u>14,046</u>	<u>23,410</u>			<u>97,727</u>	
		B	D			H	

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# 3<sup>RD</sup> Generation Incentive Regulation Revenue to Cost Ratio Adjustment Model for 2014 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 Customers or Connections A	Billed kWh B	Billed kW C		Base Service Charge D	Base Distribution Volumetric Rate kWh E	Base Distribution Volumetric Rate kW F
Residential	2,812	33,427,924	0	0	21.90	0.0175	0.0000
General Service Less Than 50 kW	493	16,733,379	0	0	32.73	0.0134	0.0000
General Service 50 to 4,999 kW	68	37,802,659	97,727	0	188.66	0.0000	3.6448
Unmetered Scattered Load	18	58,750	0	0	22.66	0.1323	0.0000
Sentinel Lighting	12	12,745	36	0	4.23	0.0000	16.4018
Street Lighting	1,004	867,846	2,421	0	2.69	0.0000	27.0019

<b>Service Charge</b>	<b>Distribution Volumetric Rate kWh</b>	<b>Distribution Volumetric Rate kW</b>	<b>Revenue Requirement from Rates</b>
<b>G = A * D *12</b>	<b>H = B * E</b>	<b>I = C * F</b>	<b>J = G + H + I</b>
738,994	584,989	0	1,323,982
193,631	224,227	0	417,858
153,947	0	356,193	510,139
4,895	7,773	0	12,667
609	0	590	1,200
32,409	0	65,372	97,781
1,124,484	816,989	422,155	2,363,627

9. R C Ratio Revenue



## 3<sup>RD</sup> Generation Incentive Regulation Revenue to Cost Ratio Adjustment Model for 2014 Filers

### Proposed Revenue Cost Ratio Adjustment

Rate Class	Adjusted Revenue A	Current Revenue Cost Ratio B	Re-Allocated Cost C = A / B	Proposed Revenue Cost Ratio D	Final Adjusted Revenue E = C * D	Dollar Change F = E - C	Percentage Change G = (E / C) - 1
Residential	\$ 1,388,711	1.02	\$ 1,361,482	1.02	\$ 1,388,711	-\$ 0	0.0%
General Service Less Than 50 kW	\$ 438,274	0.85	\$ 515,616	0.85	\$ 438,274	\$ 0	0.0%
General Service 50 to 4,999 kW	\$ 524,843	1.24	\$ 423,260	1.24	\$ 524,843	\$ 0	0.0%
Unmetered Scattered Load	\$ 16,560	0.80	\$ 20,701	0.80	\$ 16,560	\$ 0	0.0%
Sentinel Lighting	\$ 1,243	0.70	\$ 1,776	0.70	\$ 1,243	-\$ 0	0.0%
Street Lighting	\$ 98,782	0.70	\$ 141,117	0.70	\$ 98,782	-\$ 0	0.0%
	<u>\$ 2,468,413</u>		<u>\$ 2,463,951</u>		<u>\$ 2,468,413</u>	<u>-\$ 0</u>	<u>0.0%</u>

Out of Balance **0**

Final ? **Yes**



## 3<sup>RD</sup> Generation Incentive Regulation Revenue to Cost Ratio Adjustment Model for 2014 Filers

### Proposed Revenue from Revenue Cost Ratio Adjustment

Rate Class	Adjusted Revenue By Revenue Cost Ratio A	Allocated Re- Based Revenue Offsets B	Revenue Requirement from Rates Before Transformer Allowance C = A - B	Re-based Transformer Allowance D	Revenue Requirement from Rates E = C + D
Residential	\$ 1,388,711	\$ 64,729	\$ 1,323,982	\$ -	\$ 1,323,982
General Service Less Than 50 kW	\$ 438,274	\$ 20,416	\$ 417,858	\$ -	\$ 417,858
General Service 50 to 4,999 kW	\$ 524,843	\$ 14,703	\$ 510,139	\$ 14,046	\$ 524,185
Unmetered Scattered Load	\$ 16,560	\$ 3,893	\$ 12,667	\$ -	\$ 12,667
Sentinel Lighting	\$ 1,243	\$ 44	\$ 1,200	\$ -	\$ 1,200
Street Lighting	\$ 98,782	\$ 1,001	\$ 97,781	\$ -	\$ 97,781
	<u>\$ 2,468,413</u>	<u>\$ 104,786</u>	<u>\$ 2,363,627</u>	<u>\$ 14,046</u>	<u>\$ 2,377,673</u>




## 3<sup>RD</sup> Generation Incentive Regulation Revenue to Cost Ratio Adjustment Model for 2014 Filers

Proposed fixed and variable revenue allocation

Rate Class	Revenue Requirement from Rates	Service Charge % Revenue	Distribution Volumetric	Distribution Volumetric	Service Charge Revenue	Distribution Volumetric	Distribution Volumetric
	A		Rate % Revenue kWh	Rate % Revenue kW		Rate Revenue kWh	Rate Revenue kW
		B	C	D	E = A * B	F = A * C	G = A * D
Residential	\$ 1,323,982	55.8%	44.2%	0.0%	\$ 738,994	\$ 584,989	\$ -
General Service Less Than 50 kW	\$ 417,858	46.3%	53.7%	0.0%	\$ 193,631	\$ 224,227	\$ -
General Service 50 to 4,999 kW	\$ 524,185	29.4%	0.0%	70.6%	\$ 153,947	\$ -	\$ 370,239
Unmetered Scattered Load	\$ 12,667	38.6%	61.4%	0.0%	\$ 4,895	\$ 7,773	\$ -
Sentinel Lighting	\$ 1,200	50.8%	0.0%	49.2%	\$ 609	\$ -	\$ 590
Street Lighting	\$ 97,781	33.1%	0.0%	66.9%	\$ 32,409	\$ -	\$ 65,372
	<u>\$ 2,377,673</u>				<u>\$ 1,124,484</u>	<u>\$ 816,989</u>	<u>\$ 436,201</u>

Revenue  
Requirement from  
Rates by Rate Class  
H = E + F + G

\$	1,323,982
\$	417,858
\$	524,185
\$	12,667
\$	1,200
\$	97,781
\$	2,377,673



## 3<sup>RD</sup> Generation Incentive Regulation Revenue to Cost Ratio Adjustment Model for 2014 Filers

Proposed fixed and variable rates

Rate Class	Service Charge		Distribution Volumetric		Distribution Volumetric		Re-based Billed Customers or Connections
	Revenue		Rate Revenue		Rate Revenue		
	A	B	kWh	C	kW	D	
Residential	\$	738,994	\$	584,989	\$	-	2,812
General Service Less Than 50 kW	\$	193,631	\$	224,227	\$	-	493
General Service 50 to 4,999 kW	\$	153,947	\$	-	\$	370,239	68
Unmetered Scattered Load	\$	4,895	\$	7,773	\$	-	18
Sentinel Lighting	\$	609	\$	-	\$	590	12
Street Lighting	\$	32,409	\$	-	\$	65,372	1,004



Re-based Billed kWh	Re-based Billed kW	Proposed Base Service Charge	Proposed Base Distribution Volumetric Rate kWh	Proposed Base Distribution Volumetric Rate kW
E	F	G = A / D / 12	H = B / E	I = C / F
33,427,924	0	21.90	0.0175	-
16,733,379	0	32.73	0.0134	-
37,802,659	97,727	188.66	-	3.7885
58,750	0	22.66	0.1323	-
12,745	36	4.23	-	16.4018
867,846	2,421	2.69	-	27.0019



## 3<sup>RD</sup> Generation Incentive Regulation Revenue to Cost Ratio Adjustment Model for 2014 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 2014 IRM Rate Generator Model.

Rate Class	Proposed Base Service Charge A	Proposed Base Distribution Volumetric Rate kWh B	Proposed Base Distribution Volumetric Rate kW C	Current Base Service Charge D	Current Base Distribution Volumetric Rate kWh E	Current Base Distribution Volumetric Rate kW F	Adjustment Required Base Service Charge G = A - D	Adjustment Required Base Distribution Volumetric Rate kWh H = B - E	Adjustment Required Base Distribution Volumetric Rate kW I = C - F
Residential	\$ 21.90	\$ 0.0175	\$ -	\$ 21.90	\$ 0.0175	\$ -	\$ -	\$ -	\$ -
General Service Less Than 50 kW	\$ 32.73	\$ 0.0134	\$ -	\$ 32.73	\$ 0.0134	\$ -	\$ -	\$ -	\$ -
General Service 50 to 4,999 kW	\$ 188.66	\$ -	\$ 3.7885	\$ 188.66	\$ -	\$ 3.7885	\$ -	\$ -	\$ -
Unmetered Scattered Load	\$ 22.66	\$ 0.1323	\$ -	\$ 22.66	\$ 0.1323	\$ -	\$ -	\$ -	\$ -
Sentinel Lighting	\$ 4.23	\$ -	\$ 16.4018	\$ 4.23	\$ -	\$ 16.4018	\$ -	\$ -	\$ -
Street Lighting	\$ 2.69	\$ -	\$ 27.0019	\$ 2.69	\$ -	\$ 27.0019	\$ -	\$ -	\$ -