

1 **OTHER REVENUE – VARIANCE ANALYSIS**

2 This section provides variance analysis for Horizon Utilities' Other Revenue.

3 Horizon Utilities receives and provides services from/to its affiliate companies in order to realize
4 economies of scale, manage costs, and maintain service levels. A detailed discussion on
5 Shared Services and Corporate Cost Allocation is provided in Exhibit 4, Tab 4, Schedule 3.

6 **2011 Board Approved vs. 2011 Actual**

7 The 2011 Board-Approved Other Revenue was \$5,895,920. This total of included management
8 fees paid by affiliates of \$620,266, which the OEB directed Horizon Utilities to reclassify as an
9 offset to OM&A in its next Cost of Service application (EB-2010-0131, Decision and Order, page
10 27). Accordingly, the 2011 Board-Approved figure has been reduced by \$620,266, for an
11 adjusted total Other Revenue of \$5,275,654.

12 2011 Actual Other Revenue was \$5,183,239, and is within 1.8% of the Board Approved amount.
13 Miscellaneous Service Revenues were \$310,071 below the Board Approved amount, primarily
14 due to: lower re-connection and collection charges; new customer service regulations; and
15 lower than forecasted new connections.

16 **2012 Actual vs. 2011 Actual**

17 Other Revenue for 2012 totaled to \$6,034,010, representing an increase of \$850,771 from 2011
18 Actuals. This increase is attributed an increase to a) interest income of \$349,003 and b) Retail
19 Service Revenues of \$265,052.

20 **2013 Actual vs. 2012 Actual**

21 Other Revenue for 2013 totaled to \$6,117,746, or 1.39% higher than 2012 Actuals. This
22 increase is primarily attributed to higher Rent from Electric Property and offset but lower
23 Miscellaneous Service Revenues, Retail Service Revenues, and Interest Income.

1 **2014 Bridge Year vs. 2013 Actual**

2 Other Revenues for 2014 are lower than 2013 amounts and are projected at \$5,541,328,
3 representing a decrease of ~~\$319,506~~576,418 from 2013 Actual. This decrease is attributable to
4 a lower in Rent from Electric Property and Interest Income, offset by higher to Retail Service
5 Revenues.

6 **2015 Test Year vs. 2014 Bridge Year**

7 Other Revenue for 2015 is forecasted to be in line with 2014 amounts and is projected at
8 \$5,477,916, representing a decrease of ~~\$576,418~~63,412 or 9.42% from 2014. ~~Please refer to~~
9 ~~Exhibit 6, Table 6-2 for an explanation of the revenue deficiency for the 2015 Test Year.~~

10 **2016 Test Year vs. 2015 Test Year**

11 Other Revenues for 2016 are projected at \$5,516,509, representing an increase of \$38,594 or
12 0.70% from 2015. ~~Please refer to Exhibit 6, Table 6-3 for an explanation of the revenue~~
13 ~~deficiency for the 2016 Test Year.~~

14 **2017 Test Year vs. 2016 Test Year**

15 Other Revenues for 2017 are projected at \$5,555,937, representing an increase of \$39,428 or
16 0.71% from 2016. ~~Please refer to Exhibit 6, Table 6-4 for an explanation of the revenue~~
17 ~~deficiency for the 2017 Test Year.~~

18 **2018 Test Year vs. 2017 Test Year**

19 Other Revenues for 2018 are projected at \$5,666,198, representing an increase of \$110,262 or
20 1.98% from 2017. ~~Please refer to Exhibit 6, Table 6-5 for an explanation of the revenue~~
21 ~~deficiency for the 2018 Test Year.~~

22 **2019 Test Year vs. 2018 Test Year**

23 Other Operating Revenues for 2019 are projected at \$5,753,899, representing an increase of
24 \$87,700 or 1.55% from 2018. ~~Please refer to Exhibit 6, Table 6-6 for an explanation of the~~
25 ~~revenue deficiency for the 2019 Test Year.~~