

VERSION 1.1

Applicant Name	Innisfil Hydro Distribution Systems Limited
Service Territory Name	
Application Type	IRM4
LDC Licence Number	ED-2002-0520
Applied for Effective Date	January 1, 2015
Stretch Factor Group	III
Stretch Factor Value	0.30%
Last COS Re-based Year	2013
Last COS OEB Application Number	EB-2012-0139
ICM Billing Determinants for Growth - Numerator	2013 Re-Based Forecast
ICM Billing Determinants for Growth - Denominator	2012 Actual

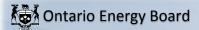
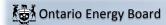


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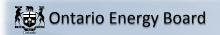


Rate Class and Re-Based Billing Determinants & Rates

Last COS Re-based Year

Select the appropriate Rate Groups and Rate Classes from the drop-down menus in Columns C and D respectively. Following your selection, all appropriate input cells will be shaded green. Please input the billing determinants and base distribution rates from your last cost of service based rate application.

	Last CO3 Re-based Teal			2013					
	Last COS OEB Application Number			EB-2012-0139					
Rate Group	Rate Class	Fixed Metric	Vol Metric	Re-based Billed Customers or Connections A	Re-based Billed kWh B		Re-based Tariff Service Charge D	Re-based Tariff Distribution Volumetric Rate kWh E	Re-based Tariff Distribution Volumetric Rate kW F
RES	Residential	Customer	kWh	14,189	148,148,873		19.91	0.0178	
GSLT50	General Service Less Than 50 kW	Customer	kWh	910	31,781,016		32.83	0.0080	
GSGT50	General Service 50 to 499 kW	Customer	kW	66	51,329,341	147,666	144.98		2.9773
USL	Unmetered Scattered Load	Connection	kWh	78	474,652		10.11	0.0170	
Sen	Sentinel Lighting	Connection	kW	237	104,942	292	10.71		48.7891
SL	Street Lighting	Connection	kW	2,889	1,516,831	4,432	5.47		37.8268
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						



Removal of Rate Adders

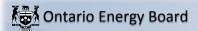
Last COS Re-based Year

Last COS OEB Application Number

2013

EB-2012-0139

Rate Class	Re-based Tariff Service Charge A	Re-based Tariff Distribution Volumetric Rate kWh B	Re-based Tariff Distribution Volumetric Rate kW C	Service Charge Rate Adders D	Distribution Volumetric kWh Rate Adders E	Distribution Volumetric kW Rate Adders F
Residential	19.91	0.0178	0.0000	0.00	0.0000	0.0000
General Service Less Than 50 kW	32.83	0.0080	0.0000	0.00	0.0000	0.0000
General Service 50 to 499 kW	144.98	0.0000	2.9773	0.00	0.0000	0.0000
Unmetered Scattered Load	10.11	0.0170	0.0000	0.00	0.0000	0.0000
Sentinel Lighting	10.71	0.0000	48.7891	0.00	0.0000	0.0000
Street Lighting	5.47	0.0000	37.8268	0.00	0.0000	0.0000



Calculated Re-Based Revenue From Rates

Last COS Re-based Year

2013

Last COS OEB Application Number

EB-2012-0139

Rate Class	Re-based Billed Customers or Connections A			Re-based Base Service Charge D	Re-based Base Distribution Volumetric Rate kWh	Re-based 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	14,189	148,148,873	0	19.91	0.0178	0.0000	3,390,036	2,637,050	0	6,027,086
General Service Less Than 50 kW	910	31,781,016	0	32.83	0.0080	0.0000	358,504	254,248	0	612,752
General Service 50 to 499 kW	66	51,329,341	147,666	144.98	0.0000	2.9773	114,824	0	439,646	554,470
Unmetered Scattered Load	78	474,652	0	10.11	0.0170	0.0000	9,463	8,069	0	17,532
Sentinel Lighting	237	104,942	292	10.71	0.0000	48.7891	30,459	0	14,246	44,706
Street Lighting	2,889	1,516,831	4,432	5.47	0.0000	37.8268	189,634	0	167,648	357,282
							4,092,920	2,899,367	621,541	7,613,828



Detailed Re-Based Revenue From Rates

Last COS Re-based Year		2013				
Last COS OEB Application Number		EB-2012-0139]			
Applicants Rate Base		ı	Last	Rate Re	-based Amount	
Average Net Fixed Assets						
Gross Fixed Assets - Re-based Opening	\$	56,421,107	A B			
Add: CWIP Re-based Opening Re-based Capital Additions	\$ \$	1,288,668 9,163,866				
Re-based Capital Disposals	-\$		D			
Re-based Capital Retirements			Е			
Deduct: CWIP Re-based Closing	-\$ \$	5,288,668	F			
Gross Fixed Assets - Re-based Closing Average Gross Fixed Assets	Ф	61,259,473	G	\$	58,840,290	H = (A + G)/2
Accumulated Depreciation - Re-based Opening	\$	29,418,106	1			
Re-based Depreciation Expense	\$	1,612,044	J			
Re-based Disposals Re-based Retirements	-\$	276,675	K			
Accumulated Depreciation - Re-based Closing	\$	30,753,475	L M			
Average Accumulated Depreciation	Ψ	55,755,175		\$	30,085,791	N = (I + M)/2
Average Net Fixed Assets				\$	28,754,500	O = H - N
Working Capital Allowance						
Working Capital Allowance Base	\$	29,375,212	Р			
Working Capital Allowance Rate	•	12.0%	Q			
Working Capital Allowance				\$	3,525,025	R = P * Q
Rate Base				\$	32,279,525	S = O + R
Return on Rate Base						
Deemed ShortTerm Debt %		4.00%	T	\$	1,291,181	W = S * T
Deemed Long Term Debt % Deemed Equity %		56.00% 40.00%	U V	\$ \$	18,076,534 12,911,810	X = S * U Y = S * V
Deemed Equity 76				•	12,911,010	
Short Term Interest		2.07%	Z	\$	26,727	AC = W * Z
Long Term Interest Return on Equity		4.36% 8.98%	AA AB		788,889 1,159,481	AD = X * AA AE = Y * AB
Return on Rate Base		0.3070	,,,	\$	1,975,097	
Distribution Expenses						
OM&A Expenses	\$	4,900,000				
Amortization	\$	1,280,461	AH Al			
Ontario Capital Tax (F1.1 Z-Factor Tax Changes) Grossed Up PILs (F1.1 Z-Factor Tax Changes)			AJ			
Low Voltage			AK			
Transformer Allowance	\$	16,715				
Property Taxes	\$ -\$	12,500				
Adj to ROR deferred PP&E	-\$	40,414	AO			
				\$	6,169,262	AP = SUM (AG : AO)
Revenue Offsets						
Specific Service Charges	-\$	154,100				
Late Payment Charges Other Distribution Income	-\$ -\$ -\$	113,700 252,633				
Other Income and Deductions	-\$	16,515			536,948	AU = SUM (AQ : AT)
Revenue Requirement from Distribution Rates				\$	7,607,411	
				<u> </u>	.,001,411	
Rate Classes Revenue				¢.	7 642 020	A1A/

\$

7,613,828

AW

Rate Classes Revenue - Total (B1.1 Re-based Revenue - Gen)



Load Actual - 2012 Actual

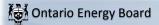
Rate Class	Fixed Metric	: Vol Metric	Billed Customers or Connections A	Billed kWh	Billed kW C	Base Service Charge D	Distribution Volumetric Rate kWh	Base Distribution Volumetric Rate kW F	Service Charge Revenue 12	Volumetric Rate Revenue kWh H = B * E	Volumetric Rate Revenue kW I = C * F	Total Revenue by Rate Class J = G + H + I
Residential	Customer	kWh	14.061	144.455.148	0	\$19.91	\$0.0178	\$0.0000	\$3,359,454	\$2,571,302	\$0	\$5,930,756
General Service Less Than 50 kW	Customer	kWh	932	30,500,366	0	\$32.83	\$0.0080	*	\$367.171	* *- *	\$0	
General Service 50 to 499 kW	Customer	kW	69	0	145,696	\$144.98	\$0.0000		\$120,043	\$0	\$433,781	\$553,824
Unmetered Scattered Load	Connection	kWh	78	480,532	0	\$10.11	\$0.0170	\$0.0000	\$9,463	\$8,169	\$0	\$17,632
Sentinel Lighting	Connection	kW	223	0	312	\$10.71	\$0.0000	\$48.7891	\$28,660	\$0	\$15,222	\$43,882
Street Lighting	Connection	kW	2,728	0	4,450	\$5.47	\$0.0000	\$37.8268	\$179,066	\$0	\$168,329	\$347,395
									\$4,063,857	\$2,823,474	\$617,332	\$7,504,663



This sheet is used to determine the applicants most current allocation of revenues (after the most recent revenue to cost ratio adjustment, if applicable) to be used to calculate the incremental capital rate riders.

Current Revenue from Rates

			Current Base	Current Base Distribution	Current Base Distribution	Re-based Billed Customers or		Re-based	Current Base Service Charge	Current Base Distribution Volumetric	Current Base Distribution Volumetric	Total Current Base	Service Charge %	Distribution Volumetric Rate	Distribution Volumetric Rate	Total %
Rate Class	Fixed Metric	Vol Metric	Service Charge A	Volumetric Rate kWh B	Volumetric Rate kW C	Connections D	Billed kWh E	Billed kW F	Revenue G = A * D *12	Rate kWh Revenue H = B * E	Rate kW Revenue I = C * F	Revenue J = G + H + I	Total Revenue L = G / \$K	% Total Revenue M = H / \$K	% Total Revenue N = I / \$K	Revenue \$K
Residential	Customer	kWh	20.19	0.0180		14,189	148,148,873	0	3,437,711	2,666,680	0	6,104,391	44.6%	34.6%	0.0%	79.1%
General Service Less Than 50 kW	Customer	kWh	33.29	0.0081		910	31,781,016	0	363,527	257,426	0	620,953	4.7%	3.3%	0.0%	8.1%
General Service 50 to 499 kW	Customer	kW	147.01		3.0190	66	51,329,341	147,666	116,432	0	445,804	562,236	1.5%	0.0%	5.8%	7.3%
Unmetered Scattered Load	Connection	kWh	10.25	0.0172		78	474,652	0	9,594	8,164	0	17,758	0.1%	0.1%	0.0%	0.2%
Sentinel Lighting	Connection	kW	10.86		49.4721	237	104,942	292	30,886	0	14,446	45,332	0.4%	0.0%	0.2%	0.6%
Street Lighting	Connection	kW	5.55		38.3564	2,889	1,516,831	4,432	192,407	0	169,996	362,403	2.5%	0.0%	2.2%	4.7%
									4,150,557	2,932,270	630,245	7,713,072	53.8%	38.0%	8.2%	100.0%
												1/				



Threshold Parameters

Price Cap Index

Price Escalator (GDP-IPI) 1.60%

Less Productivity Factor -0.72%

Less Stretch Factor -0.30%

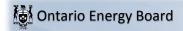
Price Cap Index 0.58%

Growth

 ICM Billing Determinants for Growth - Numerator : 2013 Re-Based Forecast
 \$7,613,828
 A

 ICM Billing Determinants for Growth - Denominator : 2012 Actual
 \$7,504,663
 B

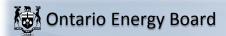
Growth 1.45% C = A/B



Threshold Test

Year	2013	
Price Cap Index Growth Dead Band	0.58% 1.45% 20%	A B C
Average Net Fixed Assets Gross Fixed Assets Opening Add: CWIP Opening Capital Additions Capital Disposals Capital Retirements Deduct: CWIP Closing Gross Fixed Assets - Closing	\$56,421,107 \$ 1,288,668 \$ 9,163,866 -\$ 325,500 \$ - -\$ 5,288,668 \$61,259,473	
Average Gross Fixed Assets	\$58,840,290	- -
Accumulated Depreciation - Opening Depreciation Expense Disposals Retirements Accumulated Depreciation - Closing	\$29,418,106 \$ 1,612,044 -\$ 276,675 \$ - \$30,753,475	D
Average Accumulated Depreciation	\$30,085,791	- -
Average Net Fixed Assets	\$28,754,500	E
Working Capital Allowance Working Capital Allowance Base Working Capital Allowance Rate Working Capital Allowance	\$29,375,212 12% \$ 3,525,025	_F
Rate Base	\$32,279,525	G = E + F
Depreciation [\$ 1,612,044	н
Threshold Test	160.91%	I = 1 + (G / H) * (B + A * (1 + B)) + C

Threshold CAPEX \$2,593,944 J = H *I



Summary of Incremental Capital Projects (ICPs)

Calculation of Eligible Incremental Capital Amount		1
2015 Non-Discretionary Capital Budget (Including ICM Projects)	\$18,146,704.00	Α
Threshold CAPEX (as calculated on sheet E2.1)	\$2,593,944.05	В
Eligible Incremental Capital Amount =	\$15,552,759.95	C = A - B

-	Summary of Proposed Incremental Capital Projects			
Number of ICP	S			
1				
		Incremental	Amortization	
Project ID #	Incremental Capital Non-Discretionary Project Description	Capital CAPEX	Expense	CCA
ICP 1	IHDSL New Corporate Headquarters/Operations Facility	\$13,246,704.00	\$282,902.00	\$749,511.00
	Total Proposed Incremental Capital CAPEX	\$13,246,704.00	\$282,902.00	\$749,511.00
	Total Ingramental Capital Amount for ICM Bata Bidar Calculation	¢12 246 704 00		

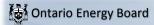
Total Incremental Capital Amount for ICM Rate Rider Calculation \$13,246,704.00

Note: The total incremental capital amount for the ICM rate rider calculation cannot exceed the eligible incremental capital amount.



Incremental Capital Adjustment

Current Revenue Requirement					•
Current Revenue Requirement - Total			\$	7,607,411	A
Return on Rate Base			0.4	2040 704	1 -
Incremental Capital CAPEX Depreciation Expense			\$10 \$	3,246,704 282,902	B C
Incremental Capital CAPEX to be included in Rate Base			\$12	2,963,802	D = B - C
Deemed ShortTerm Debt % Deemed Long Term Debt %	4.0% 56.0%	E F	-	518,552 7,259,729	G = D * E H = D * F
Short Term Interest Long Term Interest	2.07% 4.36%	I J	\$ \$	10,734 316,826	K = G * I L = H * J
Return on Rate Base - Interest			\$	327,560	M = K + L
Deemed Equity %	40.0%	N	\$:	5,185,521	P = D * N
Return on Rate Base -Equity	8.98%	0	\$	465,660	Q = P * O
Return on Rate Base - Total			\$	793,220	R = M + Q
					•
Amortization Expense					
Amortization Expense - Incremental		С	\$	282,902	s
Grossed up PIL's					
Regulatory Taxable Income		0	\$	465,660	Т
Add Back Amortization Expense		s	\$	282,902	U
Deduct CCA			\$	749,511	v
Incremental Taxable Income			-\$	949	W = T + U - V
Current Tax Rate (F1.1 Z-Factor Tax Changes)		X			
PIL's Before Gross Up			\$	-	Y = W * X
Incremental Grossed Up PIL's			\$	-	Z = Y / (1 - X)
Ontario Capital Tax	7				•
Incremental Capital CAPEX			\$13	3,246,704	AA
Less : Available Capital Exemption (if any)			\$	-	АВ
Incremental Capital CAPEX subject to OCT			\$13	3,246,704	AC = AA - AB
Ontario Capital Tax Rate (F1.1 z-Factor Tax Changes)	0.000%	AD			
Incremental Ontario Capital Tax			\$	-	AE = AC * AD
Incremental Revenue Requirement	7				-
Return on Rate Base - Total Amortization Expense - Total		Q S	\$ \$	793,220 282,902	AF AG
Incremental Grossed Up PIL's		Z	\$	-	AH
Incremental Ontario Capital Tax		ΑE	\$	-	Al
Incremental Revenue Requirement			\$ '	1,076,122	AJ = AF + AG + AH + AI



Calculation of Incremental Capital Rate Rider - Option A Fixed and Variable

Rate Class	Service D Charge % Revenue A	Distribution Volumetric I Rate % Revenue kWh B	Distribution Volumetric Rate % Revenue kW C	Service Dis Charge Revenue D = \$N * A	tribution Volumetric Dis Rate Revenue kWh E = \$N * B	tribution Volumetric Rate Revenue kW F = \$N * C	Total Revenue by Rate Class G = D + E + F	Billed Customers of Connections H	or Billed kWh	Billed kW J	•		Distribution Volumetric Rate kW Rate Rider M = F / J
Residential	44.6%	34.6%	0.0%	######## \$	372,053.15 \$	-	\$ 851,679.99	14,18	9 148,148,873	0	\$2.816894	\$0.002511	
General Service Less Than 50 kW	4.7%	3.3%	0.0%	\$50,718.99 \$	35,915.91 \$	-	\$ 86,634.90	91	0 31,781,016	0	\$4.644596	\$0.001130	
General Service 50 to 499 kW	1.5%	0.0%	5.8%	\$ 16,244.49 \$	- \$	62,198.19	\$ 78,442.68	6	6 51,329,341	147,666	\$20.510725	\$0.000000	\$0.421209
Unmetered Scattered Load	0.1%	0.1%	0.0%	\$ 1,338.55 \$	1,139.04 \$	-	\$ 2,477.58	7	8 474,652	0	\$1.430072	\$0.002400	
Sentinel Lighting	0.4%	0.0%	0.2%	\$ 4,309.17 \$	- \$	2,015.47	\$ 6,324.64	23	104,942	292	\$1.515179	\$0.000000	\$6.902310
Street Lighting	2.5%	0.0%	2.2%	\$ 26,844.54 \$	- \$	23,717.65	\$ 50,562.19	2,88	9 1,516,831	4,432	\$0.774332	\$0.000000	\$5.351456
				######## \$	409,108.10 \$	87,931.32	\$ 1,076,121.99						

Enter the above rate riders onto "Sheet 26. Proposed Rates" in the 2015 IRM Rate Generator as a "Rate Rider for Incremental Capital"



Calculation of Incremental Capital Rate Rider - Option B Variable

Rate Class	Total Revenue \$ by Rate Class A	Total Revenue % by Rate Class B = A / \$H	Total Incremental Capital \$ by Rate Class C = \$I * B	Billed kWh D	Billed kW E	n Volumetri c Rate kWh Rate Rider F = C / D	Distributio n Volumetric Rate kW Rate Rider G = C / E
Residential	\$6,104,391	79.14%	\$851,680	########	0	\$0.0057	
General Service Less Than 50 kW	\$620,953	8.05%	\$86,635	31,781,016	0	\$0.0027	
General Service 50 to 499 kW	\$562,236	7.29%	\$78,443	51,329,341	######		\$0.5312
Unmetered Scattered Load	\$17,758	0.23%	\$2,478	474,652	0	\$0.0052	
Sentinel Lighting	\$45,332	0.59%	\$6,325	104,942	292		\$21.6597
Street Lighting	\$362,403	4.70%	\$50,562	1,516,831	4,432		\$11.4084
-	\$7,713,072	100.00%	\$1,076,122				
	H		I			Enter the above	rate riders onto

Enter the above rate riders onto
"Sheet
26. Proposed Rates" in the 2015
IRM Rate Generator as a "Rate
Rider for Incremental Capital"

Distribution