



File Number: EB-2014-0096

Date Filed: September 23, 2014

Exhibit 6

CALCULATION OF REVENUE DEFICIENCY OR SUFFICIENCY



File Number: EB-2014-0096

Date Filed: September 23, 2014

Exhibit 6

Tab 1 of 1

Overview

1 Revenue Deficiency or Sufficiency

2

3 To continue to provide safe and reliable service to its customers, focus on customer engagement
4 activities and earn its permitted return on equity (ROE) NPEI requests to reduce its Service Revenue
5 Requirement to \$30,971,328. NPEI has determined that it's Revenue Deficiency for the 2015 Test year
6 is \$1,003,773, see Table 6-5. The calculations to determine this amount are included below. The
7 revenue deficiency calculation does not include recovery of deferral and variance account amounts or
8 other electricity charges which include commodity, transmission charges and wholesale market service
9 charges. These items are considered separately in this application – either as recoveries of regulatory
10 assets or liabilities on the balance sheet, or as energy related costs recorded in the OEB prescribed
11 Retail Settlement Variance Accounts.

12

13 NPEI derives its service revenue requirement primarily through distribution rates charged to customers.
14 Other revenues are derived from OEB-approved specific service charges; late payment charges; interest
15 and other miscellaneous sources. From April 2000 to May 2014, NPEI recovered direct and indirect
16 costs from billing and collecting activities related to water on behalf of the City of Niagara Falls. These
17 other revenues, described in detail in Exhibit 3, are treated as offsets against NPEI's service revenue
18 requirement to calculate the base revenue requirement upon which class-specific distribution rates are
19 calculated.

20

21 NPEI has included in EX06T01A01 the OEB's revenue requirement work form as support of the revenue
22 deficiency reported above.

23

24 NPEI's 2011 Board Approved Service Revenue Requirement was \$31,780,611.

25

26 The Rate Base increased to \$143.7M in 2015 from the 2011 Board Approved amount of \$119.6M, an
27 increase of \$24.1M or 20.2% over the four year period. The Average fixed asset balance increased
28 \$22,602,031 or 22.35% over the four year period representing an average annual increase of \$5.6M or
29 5.6%. The Working Capital Allowance increased \$1,580,404 or 8.57%. This increase is mainly due to

1 an increase in the cost of power supply expenses. See Table 6 below for the details in the changes in
 2 working capital allowance.

4 Table 6 – Working Capital Allowance 2011 to 2015

	2011	2011	2011 Actual	2012	2012 Actual	2013	2013 Actual	2014	2014 Bridge	2015	2015 Test	2015 Test
								Excludes SM Expenses from Prior Years				vs 2011 Board
	Board approved	Actual	vs Board Approved	Actual	vs 2011 Actual	Actual	vs 2012 Actual	Bridge Year	vs 2013 Actual	Test Year	vs 2014 Bridge	Approved
Distribution Expenses - Operation	3,517,644	4,071,987	554,343	4,326,888	254,901	4,131,174	(195,714)	4,299,653	168,479	4,291,150	(8,503)	773,506
Distribution Expenses - Maintenance	2,528,132	2,209,781	(318,352)	2,381,216	171,435	2,149,552	(231,665)	2,255,316	105,765	2,554,924	299,608	26,791
Billing and Collecting	3,913,667	3,875,994	(37,673)	3,697,637	(178,357)	3,735,692	38,055	5,051,811	1,316,119	5,609,882	558,071	1,696,215
Community Relations	81,464	60,687	(20,777)	79,068	18,381	81,554	2,486	85,525	3,971	69,600	(15,925)	(11,864)
Administrative and General Expenses	3,813,300	3,703,555	(109,745)	3,877,454	173,898	3,795,664	(81,789)	4,060,709	265,044	4,228,792	168,083	415,492
Taxes Other Than Income Taxes	222,474	185,288	(37,186)	406,629	221,341	258,673	(147,956)	281,600	22,927	287,232	5,632	64,758
Total Eligible Distribution Expenses	14,076,682	14,107,292	30,610	14,768,891	661,599	14,152,309	(616,583)	16,034,614	1,882,306	17,041,580	1,006,966	2,964,898
Power Supply Expenses	108,840,807	114,642,681	5,801,874	121,234,036	6,591,354	130,559,982	9,325,946	136,195,856	5,635,874	136,943,243	747,387	28,102,436
Total Working Capital Expenses	122,917,489	128,749,974	5,832,485	136,002,927	7,252,954	144,712,291	8,709,363	152,230,470	7,518,179	153,984,823	1,754,353	31,067,334
Working Capital Allowance Rate	15%	15%	15%	15%	15%	15%	15%	15%	15%	13%	13%	5.09%
Working Capital Allowance	18,437,623	19,312,496	874,873	20,400,439	1,087,943	21,706,844	1,306,405	22,834,570	1,127,727	20,018,027	228,066	1,580,404

5
 6
 7 NPEI’s distribution expenses (inclusive of amortization) have decreased to \$21,978,459 in 2015 from
 8 \$22,031,550 of the 2011 Board Approved amount, representing a decrease of \$53,091 or 0.02% over
 9 the four year period. See Table 6-2 for the details in changes to distribution expenses.

11 NPEI proposes for 2015:

- 13 1. A Rate Base of \$143,761,902, a 5.06% annualized increase from the 2011 Board
 14 Approved amount of \$119,579,467.
- 15 2. A Base Revenue Requirement of \$29,374,853, a decrease from the 2011 Board
 16 Approved amount of \$29,818,747 of \$444,010 or 1.49%.
- 17 3. Distribution expenses of \$21,978,459, a 0.02% decrease from the 2011 Board Approved
 18 amount of \$22,031,550.

1 Table 6-1 below provides the calculated 2015 Revenue Requirement and illustrates the changes
 2 from 2011.

3 Table 6-1 Revenue Requirement 2015 compared to 2011

	2015 Test	2011 Test	Change \$	% Change
	Year (\$)	Year (\$)		
Average Fixed Assets	123,743,875	101,141,844	22,602,031	22.35%
+				
Working Capital Allowance	20,018,027	18,437,623	1,580,404	8.57%
=				
Rate Base	143,761,902	119,579,467	24,182,435	20.22%
X				
Cost of Capital	6.23%	6.82%	3.299%	8.60%
=				
Return on Ratebase	8,949,680	8,151,991	797,689	9.79%
+				
Distribution Expenses (including Amortization)	21,978,459	22,031,550	(53,091)	-0.24%
=				
Revenue Requirement before PILS	30,928,139	30,183,541	744,599	2.47%
+				
PILS	43,189	1,597,070	(1,553,881)	-97.30%
=				
Service Revenue Requirement	30,971,328	31,780,611	(809,283)	-2.55%
-				
Other Revenue	1,596,475	1,961,747	(365,272)	-18.62%
=				
Base Revenue Requirement	29,374,853	29,818,864	(444,010)	-1.49%

4
 5
 6 Table 6-2 demonstrates the steps used to calculate the Revenue Requirement and the details of
 7 year over year comparison in the event NPEI was allowed to rebase every year. The values for
 8 PILS in Table 6-2 are the actuals for those years. Distribution expenses are the actual distribution
 9 expenses including actual amortization for each of the respective years. In 2013, NPEI's actual
 10 depreciation expense is \$5,302,933 which is based on the new depreciation lives calculated effective
 11 January 1, 2013. Note that depreciation expense per the audited financial statements is \$5,321,041.
 12 This differs from the depreciation expense used in Table 6-2 by \$18,108 which relates to
 13 depreciation on fixed assets used for billing and collecting water related activities. The \$18,108 is
 14 reclassified to account 4380 on the RRR 2.1.13 filing reconciling the RRR trial balance to the audited
 15 financial statements.



File Number: EB-2014-0096

Exhibit: 6
Tab: 1
Schedule: 1
Page: 4 of 13

Date Filed: September 23, 2014

1 Table 6-2 calculates Distribution expenses excluding the impact of Accounting Changes under
2 CGAAP related to account 1576 and account 4305 Regulatory Debits in the amount of \$19,455,241
3 and \$21,439,529 for 2013 and 2014 respectively. Table 6-2 also excludes the revenue and expense
4 entry related to smart meter revenues and expenses from prior years. The smart meter revenue
5 adjustment totals \$2,435,323 and the smart meter expense adjustment up to December 31, 2013
6 totals \$1,627,651 for a net impact of \$807,672.

7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30

1 Table 6-2 Revenue Requirement if rebased every year excluding Regulatory Debit and Smart Meter
 2 impacts

	2010	2011	2011	2011 Actual	2012	2012 Actual	2013	2013 Actual	2014	2014 Bridge	2015	2015 Test
	Actual	Board approved	Actual	vs Board Approved	Actual	vs 2011 Actual	Actual	vs 2012 Actual	Bridge Year	vs 2013 Actual	Test Year	vs 2014 Bridge
Average Fixed Assets	98,170,086	101,141,844	100,578,835	(563,009)	102,553,725	1,974,889	107,746,120	5,192,395	116,064,488	8,318,368	123,743,871	7,679,384
+												
Working Capital Allowance	17,969,079	18,437,623	19,312,496	874,873	20,375,332	1,062,836	21,706,844	1,331,512	23,018,045	1,311,201	20,018,027	(3,000,018)
=												
Rate Base	116,139,165	119,579,467	119,891,331	311,864	122,929,057	3,037,725	129,452,963	6,523,907	139,082,532	9,629,569	143,761,898	4,679,366
X												
Cost of Capital (Deemed)	7.18%	6.82%	6.82%	6.82%	6.82%	6.82%	6.82%	6.82%	6.82%	6.82%	6.23%	6.23%
=												
Return on Ratebase	8,338,792	8,151,991	8,173,251	21,269	8,383,762	207,173	8,828,692	444,930	9,485,429	656,737	8,949,680	291,525
+												
Distribution Expenses (including Amortization)	20,531,276	22,031,550	21,319,709	(711,841)	22,172,054	852,345	19,455,241	(2,716,812)	21,439,529	1,984,288	21,978,459	538,931
=												
Revenue Requirement before PILS	28,870,068	30,183,541	29,492,960	(690,572)	30,555,815	1,059,517	28,283,933	(2,271,882)	30,924,958	2,641,024	30,928,139	830,455
+												
PILS	1,597,692	1,597,070	1,342,276	(254,794)	677,940	(664,336)	596,930	(81,010)	0	81,010	43,189	43,189
=												
Service Revenue Requirement	30,467,760	31,780,611	30,835,236	(945,374)	31,233,755	398,519	28,880,864	(2,352,892)	30,924,958	2,044,094	30,971,328	46,370
-												
Other Revenue	2,765,273	1,961,747	1,903,780	(57,967)	1,993,144	89,364	1,741,247	(251,898)	1,670,471	(70,776)	1,596,475	(73,996)
=												
Base Revenue Requirement	27,702,487	29,818,864	28,931,456	(887,407)	29,240,611	309,154	27,139,617	(2,100,994)	29,254,487	2,114,870	29,374,853	120,366
Eligible Distribution Expenses:												
3500-Distribution Expenses - Operation		3,517,644	4,071,987	554,343	4,326,888	254,901	4,131,174	(195,714)	4,299,653	168,479	4,291,150	(8,503)
3550-Distribution Expenses - Maintenance		2,528,132	2,209,781	(318,352)	2,381,216	171,435	2,149,552	(231,665)	2,255,316	105,765	2,554,924	299,608
3650-Billing and Collecting		3,913,667	3,875,994	(37,673)	3,697,637	(178,357)	3,735,692	38,055	5,051,811	1,316,119	5,609,882	558,071
3700-Community Relations		81,464	60,687	(20,777)	79,068	18,381	81,554	2,486	85,525	3,971	69,600	(15,925)
3800-Administrative and General Expenses		3,813,300	3,703,555	(109,745)	3,877,454	173,898	3,795,664	(81,789)	4,060,709	265,044	4,228,792	168,083
3950-Taxes Other Than Income Taxes		222,474	185,288	(37,186)	406,629	221,341	258,673	(147,956)	281,600	22,927	287,232	5,632
Total Eligible Distribution Expenses		14,076,682	14,107,292	30,610	14,768,891	661,599	14,152,309	(616,583)	16,034,614	1,882,306	17,041,580	1,006,966
Depreciation expense		7,127,272	7,212,417	85,144	7,403,162	190,746	5,302,933	(2,100,230)	5,404,914	101,982	4,936,879	(468,035)
Total before Regulatory Debit		21,203,955	21,319,709	115,754	22,172,054	852,345	19,455,241	(2,716,812)	21,439,529	1,984,288	21,978,459	538,931
Regulatory Debit				0		0	3,054,566	3,054,566	3,333,862	279,296	0	(3,333,862)
Total Distribution Expenses with Regulatory Debit		21,203,955	21,319,709	115,754	22,172,054	852,345	22,509,807	337,753	24,773,391	2,263,584	21,978,459	(2,794,931)
Revenue Deficiency		827,596	0	(827,596)		0						
Total		22,031,551	21,319,709	(711,842)	22,172,054	852,345	22,509,807	337,753	24,773,391	2,263,584	21,978,459	(2,794,931)

3
 4
 5 Other Revenue in both Table 6-2 and Table 6-2-1 have been adjusted from the audited financial
 6 statements to reflect the fixed costs related to the water billing and collecting activities. This
 7 adjustment is shown each year of the RRR 2.1.13 filing Part 1 which reconciles the RRR Trial
 8 Balance to the year-end audited financial statements.
 9 Distribution expenses for 2014 inclusive of amortization and exclusive of any smart meter adjustment
 10 related to prior year's total \$21,439,529 as outlined in Table 6-2 above.

1 Table 6-2-1 below calculates Distribution expenses including the impact of Accounting Changes
 2 under CGAAP related to the change in accounting for the fixed assets lives in the amount of
 3 \$3,054,566 for 2013 and \$3,333,862 for 2014 respectively. Table 6-2-1 also excludes any impact
 4 from the smart meter adjustment related to prior years.

5 Table 6-2-1 Revenue Requirement if rebased every year including Regulatory Debit
 6

	2010	2011	2011	2011 Actual	2012	2012 Actual	2013	2013 Actual	2014	2014 Bridge	2015	2015 Test
	Actual	Board approved	Actual	vs Board Approved	Actual	vs 2011 Actual	Actual	vs 2012 Actual	Bridge Year	vs 2013 Actual	Test Year	vs 2014 Bridge
Average Fixed Assets	98,170,086	101,141,844	100,578,835	(563,009)	102,553,725	1,974,889	107,746,120	5,192,395	116,064,488	8,318,368	123,743,871	7,679,384
+												
Working Capital Allowance	17,969,079	18,437,623	19,312,496	874,873	20,375,332	1,062,836	21,706,844	1,331,512	23,018,045	1,311,201	20,018,027	(3,000,018)
=												
Rate Base	116,139,165	119,579,467	119,891,331	311,864	122,929,057	3,037,725	129,452,963	6,523,907	139,082,532	9,629,569	143,761,898	4,679,366
X												
Cost of Capital (Deemed)	7.18%	6.82%	6.82%	6.82%	6.82%	6.82%	6.82%	6.82%	6.82%	6.82%	6.23%	6.23%
=												
Return on Ratebase	8,338,792	8,151,991	8,173,251	21,269	8,383,762	207,173	8,828,692	444,930	9,485,429	656,737	8,949,680	291,525
+												
Distribution Expenses (including Amortization)	20,531,276	22,031,550	21,319,709	(711,841)	22,172,054	852,345	22,509,807	337,753	24,773,391	2,263,584	21,978,459	(2,794,931)
=												
Revenue Requirement before PILS	28,870,068	30,183,541	29,492,960	(690,572)	30,555,815	1,059,517	31,338,499	782,684	34,258,820	2,920,320	30,928,139	(2,503,407)
+												
PILS	1,597,692	1,597,070	1,342,276	(254,794)	677,940	(664,336)	596,930	(81,010)	0	81,010	43,189	43,189
=												
Service Revenue Requirement	30,467,760	31,780,611	30,835,236	(945,374)	31,233,755	398,519	31,935,429	701,674	34,258,820	2,323,390	30,971,328	(3,287,492)
-												
Other Revenue	2,765,273	1,961,747	1,903,780	(57,967)	1,993,144	89,364	1,741,247	(251,898)	1,670,471	(70,776)	1,596,475	(73,996)
=												
Base Revenue Requirement	27,702,487	29,818,864	28,931,456	(887,407)	29,240,611	309,154	30,194,183	953,572	32,588,349	2,394,166	29,374,853	(3,213,496)
Eligible Distribution Expenses:												
3500-Distribution Expenses - Operation		3,517,644	4,071,987	554,343	4,326,888	254,901	4,131,174	(195,714)	4,299,653	168,479	4,291,150	(8,503)
350-Distribution Expenses - Maintenance		2,528,132	2,209,781	(318,352)	2,381,216	171,435	2,149,552	(231,665)	2,255,316	105,765	2,554,924	299,608
3650-Billing and Collecting		3,913,667	3,875,994	(37,673)	3,697,637	(178,357)	3,735,692	38,055	5,051,811	1,316,119	5,609,882	558,071
3700-Community Relations		81,464	60,687	(20,777)	79,068	18,381	81,554	2,486	85,525	3,971	69,600	(15,925)
00-Administrative and General Expenses		3,813,300	3,703,555	(109,745)	3,877,454	173,898	3,795,664	(81,789)	4,060,709	265,044	4,228,792	168,083
3950-Taxes Other Than Income Taxes		222,474	185,288	(37,186)	406,629	221,341	258,673	(147,956)	281,600	22,927	287,232	5,632
Total Eligible Distribution Expenses		14,076,682	14,107,292	30,610	14,768,891	661,599	14,152,309	(616,583)	16,034,614	1,882,306	17,041,580	1,006,966
Depreciation expense		7,127,272	7,212,417	85,144	7,403,162	190,746	5,302,933	(2,100,230)	5,404,914	101,982	4,936,879	(468,035)
Total before Regulatory Debit		21,203,955	21,319,709	115,754	22,172,054	852,345	19,455,241	(2,716,812)	21,439,529	1,984,288	21,978,459	538,931
Regulatory Debit			0		0	3,054,566	3,054,566	3,333,862	279,296	0	0	(3,333,862)
Distribution Expenses with Regulatory Debit		21,203,955	21,319,709	115,754	22,172,054	852,345	22,509,807	337,753	24,773,391	2,263,584	21,978,459	(2,794,931)
Revenue Deficiency		827,596		(827,596)		0						
Total		22,031,551	21,319,709	(711,842)	22,172,054	852,345	22,509,807	337,753	24,773,391	2,263,584	21,978,459	(2,794,931)

7
 8
 9 The 2015 Test year does not include any impact related to the PILS rate rider as it was completed in
 10 May of 2014. There is also no impact related to smart meter regulatory asset disposal as those
 11 expenses related to 2015 and in the future have been included in the 2015 revenue requirement and
 12 finally there is no impact related to Accounting Changes under CGAAP as the new lives have been
 13 accounted for in the 2015 Revenue Requirement calculation. Distribution expenses for 2015 Test



File Number: EB-2014-0096

Exhibit: 6
Tab: 1
Schedule: 1
Page: 7 of 13

Date Filed: September 23, 2014

1 year inclusive of amortization and exclusive of any smart meter impacts total \$21,978,459 which is
2 an increase of \$538,931 or 2.5%. Most of this increase is attributable to the fixed costs related to the
3 water billing activities that returned to the City of Niagara Falls in May of 2014.

4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29

1 Net Utility Income and Return on Rate Base

2 This evidence is to demonstrate the actual return on Rate Base using actual Operating revenue,
 3 Distribution Expenses, including Interest Expense and PILS, to compare the actual return expected on
 4 Rate Base to the deemed return on Rate Base in support of NPEI's Revenue Sufficiency/Deficiency
 5 calculation. Note Table 6-3 excludes the impact of the PILS refund in the calculation of Total Service
 6 Revenue as well as removes the actual carrying charges in account 4405 since the 2011 Board
 7 Approved service revenue excludes both of these components. Actual Distribution expenses in 2011,
 8 2012 and 2013 include the Accounting Changes under CGAAP regulatory debit as this was included in
 9 the calculation of the 2011 Board Approved Distribution expenses. Finally, the impact of the smart
 10 meter revenues and expenses have been excluded from the 2014 revenues and expenses respectively
 11 so as to compare to the 2011 Board Approved revenues and expenses.

12
13 Table 6-3 Return on Rate Base

	2011 Board	2011	2011 Actual vs	2012	2012 vs	2013	2013 vs.	2014	2014 Bridge	2015	2015 Test
	Approved	Actual	2011 Board Approved	Actual	2011 Actual	Actual	2012 Actual	Bridge	vs 2013 Actual	Test	vs 2014 Bridge
Total Service Revenue including Carrying Charges	31,780,611	28,929,060	(2,851,551)	29,437,956	508,896	29,697,652	259,696	30,142,550	444,898	30,971,328	828,778
Less Carrying Charges	0	(55,431)	(55,431)	(54,350)	1,081	(63,298)	(8,948)	(187,684)	(124,386)	0	187,684
Total Service Revenue excluding Carrying Charges	31,780,611	28,873,629	(2,906,982)	29,383,606	509,977	29,634,354	250,748	29,954,866	320,512	30,971,328	1,016,462
-											
Distribution Expenses	22,031,550	21,319,709	(711,841)	22,172,054	852,345	22,509,807	337,753	24,773,391	2,263,584	21,978,459	(2,794,931)
=											
Net Income Before PILS and Interest	9,749,061	7,609,351	(2,139,710)	7,265,903	(343,448)	7,187,845	(78,058)	5,369,159	(1,818,686)	8,992,868	3,623,710
-											
PILS	1,597,070	1,342,276	(254,794)	677,940	(664,336)	596,930	(81,010)	-	(596,930)	43,189	43,189
=											
Net Income Before Interest	8,151,991	6,267,075	(1,884,916)	6,587,963	320,888	6,590,915	2,952	5,369,159	(1,221,756)	8,949,680	3,580,521
-											
Interest Expense	3,569,705	2,868,517	(701,188)	2,699,170	(169,347)	2,445,708	(253,462)	2,664,812	219,104	3,567,234	902,422
=											
Net Income after Interest	4,582,286	3,398,558	(1,183,728)	3,888,793	490,235	4,145,206	256,414	2,704,347	(1,440,860)	5,382,445	2,678,099
-											
Rate Base	119,579,467	119,891,331	311,864	122,929,057	3,037,725	129,452,963	6,523,907	139,082,532	9,629,569	143,761,898	4,679,366
Return on Rate Base	6.82%	5.23%	-1.59%	5.36%	0.13%	5.09%	-0.27%	3.86%	-1.23%	6.23%	2.36%

14



1 The 2011 Board Approved return on Rate Base is 6.82%. For 2011 and 2012 the earned return is
 2 5.23% and 5.36% respectively. Distribution service revenues in both years were well below the 2011
 3 Board approved service revenues. Note Interest expense included in Table 6-3 above includes account
 4 6035 which includes interest expense related to carrying charges from regulatory liabilities and interest
 5 expense related to long-term hydro deposits. Net Income after interest in Table 6-3 represents the
 6 regulatory net income reconciled to the audited financial statements as per NPEI's RRR 2.1.13 filings
 7 from 2011 to 2013. Distribution service revenues are less than the Board approved 2011 amount in
 8 both 2013 and 2014 as well. In 2014, PILS is calculated as per the 2015 PILS model. Return on Rate
 9 Base is anticipated to be 3.86% for 2014.

10 Table 6-4 below shows a breakdown of the revenue deficiency:
 11

12 Table 6-4 2015 Throughput Revenue at Existing 2014 Rates

	Fixed Rate - Note A	Variable Rate - Note B	Number of Customers	kWh / kW Sales	Fixed Charge \$	Variable Charge \$	Base Revenue \$
Residential	16.06	0.0161	47,067	399,166,843	9,070,668	6,426,586	15,497,254
GS < 50 kW	37.79	0.0138	4,385	118,740,733	1,988,703	1,638,622	3,627,325
GS >50	179.58	4.24	862	1,739,879	1,857,576	6,927,821	8,785,396
USL	19.53	0.0137	422	2,215,047	98,789	30,346	129,135
Sentinel Lights	12.87	16.0553	303	705	46,795	11,319	58,115
Street Lighting	1.15	4.4657	12,989	21,184	179,253	94,602	273,855
Total 2015 Throughput Revenue- Note 1					13,241,783	15,129,297	28,371,080
2015 Throughput Revenue Requirement - Note 2							29,374,853
Total 2015 Revenue Deficiency							(1,003,773)

13
 14
 15 Table 6-5 below illustrates the calculation of the Revenue Deficiency using existing rates:
 16
 17
 18
 19
 20
 21
 22
 23

1 Table 6-5 Revenue Deficiency Calculation

	2015 Test Year at Existing Rates	2015 Test Proposed Rates
Revenue		
Suff/ Def From Below.		1,003,773
Distribution Revenue	28,371,080	28,371,080
Other Operating Revenue (Net)	1,596,475	1,596,475
Total Revenue	29,967,555	30,971,328
Distribution Costs		
Operation, Maintenance, and Administration	16,754,348	16,754,348
Depreciation & Amortization	4,936,879	4,936,879
Property & Capital Taxes	287,232	287,232
Interest- Deemed Interest	3,567,234	3,567,234
Total Costs and Expenses	25,545,694	25,545,694
Utility Income Before Income Taxes	4,421,861	5,425,634
Net Adjustments per Pils	(4,814,861)	(4,814,861)
Taxable Income	(393,000)	610,773
Tax Rate	20.33%	20.33%
Income Tax	(79,911)	124,192
Income Tax Credits	(81,003)	(81,003)
Utility Income	4,582,775	5,382,446
Rate Base	143,761,902	143,761,902
Equity	40.00%	40.00%
Equity Component Rate Base	57,504,761	57,504,761
Income / Equity Rate Base %	7.97%	9.36%
Target Return -Equity on Rate Base	9.36%	9.36%
Indicated Rate of Return	5.67%	6.23%
Requested Rate of Return on Rate Base	6.23%	6.23%
Difference	(0.56%)	0.00%
Return- Equity on Rate Base	5,382,446	5,382,446
Revenue Deficiency	799,671	
Revenue Deficiency (Gross-up)	1,003,773	

1 Revenue Deficiency

2 NPEI has provided detailed calculations supporting its 2015 Revenue Deficiency. NPEI's net Revenue
 3 Deficiency is \$799,671 and, when grossed up for PILS, the Revenue Deficiency is \$1,003,773. Tables
 4 6-4 and 6-5 above provide the Revenue Deficiency calculations for the 2015 Test Year. The estimated
 5 distribution revenue at existing 2014 Board-Approved rates is provided in Table 6-6 below:

6
 7 Table 6-6 – Forecast Class Billing Determinants for 2015 Test Year Based on Existing Class Revenue
 8 Proportions Revenue at Existing Rates

Class	Annual kWh for Dx	Annual kW for Dx	Annualized Customers / Connections	Fixed Distribution Revenue	Variable Distribution Revenue	Distribution Revenue Including Transformer Ownership Allowance	Transformer Ownership Allowance	Distribution Revenue Excluding Transformer Ownership Allowance	Dist Rev at Existing Rates %
Residential	399,166,843		47,067	9,070,668	6,426,586	15,497,254		15,497,254	54.62%
GS<50 kW	118,740,733		4,385	1,988,703	1,638,622	3,627,325		3,627,325	12.79%
GS>50 kW		1,739,879	862	1,857,576	7,377,089	9,234,664	(449,268)	8,785,396	30.97%
Unmetered Scattered Load	2,215,047		422	98,789	30,346	129,135		129,135	0.46%
Sentinel Lights		705	303	46,795	11,319	58,115		58,115	0.20%
Streetlighting		21,184	12,989	179,253	94,602	273,855		273,855	0.97%
Totals	520,122,623	1,761,769	66,028	13,241,783	15,578,565	28,820,348	(449,268)	28,371,080	100.00%

10
11
12
13
14
15
16
17
18
19
20
21
22
23

1 The drivers of the Revenue Deficiency are summarized in Table 6-7:

2

3

Table 6-7 – Summary of the Components of the Revenue Deficiency

4

Driver	Increase (Decrease) from 2011 Board Approved \$	Increase (Decrease) from 2011 Board Approved %	Impact on Revenue Deficiency (\$)	Impact on Revenue Deficiency (%)	Evidentiary Reference
Net Fixed Assets	22,602,031	22.35%	(1,541,458)	-154%	Exhibit 2
Working Capital	1,580,404	8.57%	(134,765)	-13%	Exhibit 2
Cost of Capital (Deemed)	-0.59%	-8.68%	707,752	71%	Exhibit 5
Distribution Expenses	(53,091)	-0.24%	53,091	5%	Exhibit 4
PILS (Deemed)	(1,553,881)	-97.30%	1,553,881	155%	Exhibit 4
Other Revenue	(365,272)	-18.62%	365,272	36%	Exhibit 3
Throughput Revenue	29,374,853	(444,010)	1,003,773	100%	

5

6

7 Net Fixed assets increased by \$22.6M from the 2011 Board Approved amount. This increase includes
 8 the impact of NPEI revising its asset depreciation policies under CGAAP to reflect changes that were
 9 required in accordance with regulatory accounting requirements. The newly implemented depreciation
 10 policy was effective January 1, 2013 and was in line with IFRS requirements. The policy change
 11 increased the capital assets remaining useful lives thereby decreasing annual depreciation and reducing
 12 the growth rate of accumulated depreciation. Hence, the net fixed assets grew by a bigger amount from
 13 the 2011 Board Approved amount to the 2015 Test year. Net fixed assets would have increased by
 14 \$14.4M without the change in accounting policy for depreciation. Depreciation expense would be
 15 \$1.5M higher in 2015 versus 2011 without the change in accounting policy as well the deemed PILS
 16 would be only \$343K lower versus \$1.5M as shown above in Table 6-7.

17

18 The increase in working capital attributes to an increase of \$135K in the revenue deficiency. See Table
 19 6 above for details. The main drivers are the increase in power supply expenses, smart meter
 20 expenditures previously recorded in the regulatory asset account and the water billing activities returning
 21 to the City of Niagara Falls offset by a decrease in the working capital allowance rate from 15% to 13%.

22

1 Distribution expenses comprise of OM&A expenses and depreciation expense. The 2011 Board
2 Approved OM&A expenses totaled \$14,904,278 and depreciation expense totaled \$7,127,272 for a total
3 of \$22,031,550. NPEI is requesting OM&A expenses totaling \$17,041,580 and depreciation expense
4 totaling \$4,936,879 for a total of \$21,978,459 for the 2015 Test year revenue requirement. OM&A
5 expenses increased by \$2,137,302 and depreciation expense decrease by \$2,190,393 as a result of
6 NPEI's change in accounting policy for depreciation. Details of the OM&A increases and cost drivers
7 are included in Exhibit 4.

8

9 Other revenue decreased by \$365,272 from the 2011 Board Approved revenue offset amount. This
10 decrease is mainly attributable to the water billing and collecting activities returning to the City of
11 Niagara Falls.

12

13 The cost of capital rate in NPEI's 2011 Board approved application was 6.82%. The updated cost of
14 capital rate using the cost of capital parameters for 2014 application filers for the 2015 test year is
15 6.23%. The return on the 2011 rate base calculated at 6.23% would be \$7,449,800, and the return on
16 rate base at 6.82% was calculated at \$8,151,991. The decrease in the cost of capital rate would result
17 in a decrease of \$707,752 to the service revenue requirement when holding the change to rate base
18 from 2011 to 2015 at nil.

19

20



File Number:EB-2014-0096

Exhibit: 6
Tab: 1
Schedule: 1

Date Filed:September 23, 2014

Attachment 1 of 1

OEB RRWF Model



Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2015 Filers



Version 5.00

Utility Name	Niagara Peninsula Energy Inc.
Service Territory	
Assigned EB Number	EB=2014-0096
Name and Title	Suzanne Wilson, VP Finance
Phone Number	905-353-6004
Email Address	suzanne.wilson@npei.ca

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 the results.



Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2015 Filers

[1. Info](#)

[2. Table of Contents](#)

[3. Data Input Sheet](#)

[4. Rate Base](#)

[5. Utility Income](#)

[6. Taxes PILs](#)

[7. Cost of Capital](#)

[8. Rev Def Suff](#)

[9. Rev Req](#)

[10. Tracking Sheet](#)

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**



Revenue Requirement Workform (RRWF) for 2015 Filers

Data Input ⁽¹⁾

	Initial Application (2)		(6)	Per Board Decision
1 Rate Base				
Gross Fixed Assets (average)	\$247,689,793		\$ 247,689,793	\$247,689,793
Accumulated Depreciation (average)	(\$123,945,922) (5)		(\$123,945,922)	(\$123,945,922)
Allowance for Working Capital:				
Controllable Expenses	\$17,041,580		\$ 17,041,580	\$17,041,580
Cost of Power	\$136,943,243		\$ 136,943,243	\$136,943,243
Working Capital Rate (%)	13.00% (9)		13.00% (9)	13.00% (9)
2 Utility Income				
Operating Revenues:				
Distribution Revenue at Current Rates	\$28,371,080			
Distribution Revenue at Proposed Rates	\$29,374,853			
Other Revenue:				
Specific Service Charges	\$803,285			
Late Payment Charges	\$361,000			
Other Distribution Revenue	\$251,187			
Other Income and Deductions	\$181,003			
Total Revenue Offsets	\$1,596,475 (7)			
Operating Expenses:				
OM+A Expenses	\$16,754,348		\$ 16,754,348	\$16,754,348
Depreciation/Amortization	\$4,936,879		\$ 4,936,879	\$4,936,879
Property taxes	\$287,232		\$ 287,232	\$287,232
Other expenses				
3 Taxes/PILs				
Taxable Income:				
Adjustments required to arrive at taxable income	(\$4,814,861) (3)			
Utility Income Taxes and Rates:				
Income taxes (not grossed up)	\$34,407			
Income taxes (grossed up)	\$43,189			
Federal tax (%)	15.00%			
Provincial tax (%)	5.33%			
Income Tax Credits	(\$81,003)			
4 Capitalization/Cost of Capital				
Capital Structure:				
Long-term debt Capitalization Ratio (%)	56.0%			
Short-term debt Capitalization Ratio (%)	4.0% (8)		(8)	(8)
Common Equity Capitalization Ratio (%)	40.0%			
Preferred Shares Capitalization Ratio (%)				
	100.0%			
Cost of Capital				
Long-term debt Cost Rate (%)	4.28%			
Short-term debt Cost Rate (%)	2.11%			
Common Equity Cost Rate (%)	9.36%			
Preferred Shares Cost Rate (%)	0.00%			

Notes:

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.

- (1) All inputs are in dollars (\$) except where inputs are individually identified as percentages (%)
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 column M and Adjustments in column I
- (2) Net of addbacks and deductions to arrive at taxable income.
- (3) Average of Gross Fixed Assets at beginning and end of the Test Year
- (4) Average of Accumulated Depreciation at the beginning and end of the Test Year. Enter as a negative amount.
- (5) 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.
- (6) Input total revenue offsets for deriving the base revenue requirement from the service revenue requirement
- (7) 4.0% unless an Applicant has proposed or been approved for another amount.
- (8) 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.
- (9)



Revenue Requirement Workform (RRWF) for 2015 Filers

Rate Base and Working Capital

Line No.	Particulars		Initial Application				Per Board Decision
1	Gross Fixed Assets (average)	(3)	\$247,689,793	\$ -	\$247,689,793	\$ -	\$247,689,793
2	Accumulated Depreciation (average)	(3)	(\$123,945,922)	\$ -	(\$123,945,922)	\$ -	(\$123,945,922)
3	Net Fixed Assets (average)	(3)	\$123,743,871	\$ -	\$123,743,871	\$ -	\$123,743,871
4	Allowance for Working Capital	(1)	\$20,018,027	\$ -	\$20,018,027	\$ -	\$20,018,027
5	Total Rate Base		\$143,761,898	\$ -	\$143,761,898	\$ -	\$143,761,898

(1) Allowance for Working Capital - Derivation

6	Controllable Expenses		\$17,041,580	\$ -	\$17,041,580	\$ -	\$17,041,580
7	Cost of Power		\$136,943,243	\$ -	\$136,943,243	\$ -	\$136,943,243
8	Working Capital Base		\$153,984,823	\$ -	\$153,984,823	\$ -	\$153,984,823
9	Working Capital Rate %	(2)	13.00%	0.00%	13.00%	0.00%	13.00%
10	Working Capital Allowance		\$20,018,027	\$ -	\$20,018,027	\$ -	\$20,018,027

Notes

- (2) Some Applicants may have a unique rate as a result of a lead-lag study. **The default rate for 2014 cost of service applications is 13%.**
 (3) Average of opening and closing balances for the year.



Revenue Requirement Workform (RRWF) for 2015 Filers

Utility Income

Line No.	Particulars	Initial Application				Per Board Decision
	Operating Revenues:					
1	Distribution Revenue (at Proposed Rates)	\$29,374,853	(\$29,374,853)	\$ -	\$ -	\$ -
2	Other Revenue (1)	\$1,596,475	(\$1,596,475)	\$ -	\$ -	\$ -
3	Total Operating Revenues	\$30,971,328	(\$30,971,328)	\$ -	\$ -	\$ -
	Operating Expenses:					
4	OM+A Expenses	\$16,754,348	\$ -	\$16,754,348	\$ -	\$16,754,348
5	Depreciation/Amortization	\$4,936,879	\$ -	\$4,936,879	\$ -	\$4,936,879
6	Property taxes	\$287,232	\$ -	\$287,232	\$ -	\$287,232
7	Capital taxes	\$ -	\$ -	\$ -	\$ -	\$ -
8	Other expense	\$ -	\$ -	\$ -	\$ -	\$ -
9	Subtotal (lines 4 to 8)	\$21,978,459	\$ -	\$21,978,459	\$ -	\$21,978,459
10	Deemed Interest Expense	\$3,567,234	(\$3,567,234)	\$ -	\$ -	\$ -
11	Total Expenses (lines 9 to 10)	\$25,545,694	(\$3,567,234)	\$21,978,459	\$ -	\$21,978,459
12	Utility income before income taxes	\$5,425,634	(\$27,404,094)	(\$21,978,459)	\$ -	(\$21,978,459)
13	Income taxes (grossed-up)	\$43,189	\$ -	\$43,189	\$ -	\$43,189
14	Utility net income	\$5,382,445	(\$27,404,094)	(\$22,021,648)	\$ -	(\$22,021,648)

Notes

Other Revenues / Revenue Offsets

(1)	Specific Service Charges	\$803,285		\$ -		\$ -
	Late Payment Charges	\$361,000		\$ -		\$ -
	Other Distribution Revenue	\$251,187		\$ -		\$ -
	Other Income and Deductions	\$181,003		\$ -		\$ -
	Total Revenue Offsets	\$1,596,475	\$ -	\$ -	\$ -	\$ -



Revenue Requirement Workform (RRWF) for 2015 Filers

Taxes/PILs

Line No.	Particulars	Application		Per Board Decision	
Determination of Taxable Income					
1	Utility net income before taxes	\$5,382,445	\$ -	\$ -	\$ -
2	Adjustments required to arrive at taxable utility income	(\$4,814,861)	\$ -	(\$4,814,861)	\$ -
3	Taxable income	<u>\$567,584</u>	<u>\$ -</u>	<u>(\$4,814,861)</u>	<u>\$ -</u>
Calculation of Utility income Taxes					
4	Income taxes	<u>\$34,407</u>	<u>\$34,407</u>	<u>\$34,407</u>	<u>\$34,407</u>
6	Total taxes	<u>\$34,407</u>	<u>\$34,407</u>	<u>\$34,407</u>	<u>\$34,407</u>
7	Gross-up of Income Taxes	<u>\$8,782</u>	<u>\$8,782</u>	<u>\$8,782</u>	<u>\$8,782</u>
8	Grossed-up Income Taxes	<u>\$43,189</u>	<u>\$43,189</u>	<u>\$43,189</u>	<u>\$43,189</u>
9	PILs / tax Allowance (Grossed-up Income taxes + Capital taxes)	<u>\$43,189</u>	<u>\$43,189</u>	<u>\$43,189</u>	<u>\$43,189</u>
10	Other tax Credits	(\$81,003)	(\$81,003)	(\$81,003)	(\$81,003)
Tax Rates					
11	Federal tax (%)	15.00%	15.00%	15.00%	15.00%
12	Provincial tax (%)	5.33%	5.33%	5.33%	5.33%
13	Total tax rate (%)	<u>20.33%</u>	<u>20.33%</u>	<u>20.33%</u>	<u>20.33%</u>

Notes



Revenue Requirement Workform (RRWF) for 2015 Filers

Capitalization/Cost of Capital

Line No.	Particulars	Capitalization Ratio		Cost Rate	Return
Initial Application					
		(%)	(\$)	(%)	(\$)
	Debt				
1	Long-term Debt	56.00%	\$80,506,663	4.28%	\$3,445,899
2	Short-term Debt	4.00%	\$5,750,476	2.11%	\$121,335
3	Total Debt	60.00%	\$86,257,139	4.14%	\$3,567,234
	Equity				
4	Common Equity	40.00%	\$57,504,759	9.36%	\$5,382,445
5	Preferred Shares	0.00%	\$ -	0.00%	\$ -
6	Total Equity	40.00%	\$57,504,759	9.36%	\$5,382,445
7	Total	100.00%	\$143,761,898	6.23%	\$8,949,680
Per Board Decision					
		(%)	(\$)	(%)	(\$)
	Debt				
1	Long-term Debt	0.00%	\$ -	0.00%	\$ -
2	Short-term Debt	0.00%	\$ -	0.00%	\$ -
3	Total Debt	0.00%	\$ -	0.00%	\$ -
	Equity				
4	Common Equity	0.00%	\$ -	0.00%	\$ -
5	Preferred Shares	0.00%	\$ -	0.00%	\$ -
6	Total Equity	0.00%	\$ -	0.00%	\$ -
7	Total	0.00%	\$143,761,898	0.00%	\$ -
		(%)	(\$)	(%)	(\$)
	Debt				
8	Long-term Debt	0.00%	\$ -	4.28%	\$ -
9	Short-term Debt	0.00%	\$ -	2.11%	\$ -
10	Total Debt	0.00%	\$ -	0.00%	\$ -
	Equity				
11	Common Equity	0.00%	\$ -	9.36%	\$ -
12	Preferred Shares	0.00%	\$ -	0.00%	\$ -
13	Total Equity	0.00%	\$ -	0.00%	\$ -
14	Total	0.00%	\$143,761,898	0.00%	\$ -

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 column M and Adjustments in column I



Revenue Requirement Workform (RRWF) for 2015 Filers

Revenue Deficiency/Sufficiency

Line No.	Particulars	Initial Application		Per Board Decision		Per Board Decision	
		At Current Approved Rates	At Proposed Rates	At Current Approved Rates	At Proposed Rates	At Current Approved Rates	At Proposed Rates
1	Revenue Deficiency from Below		\$1,003,773		(\$7,723,210)		\$21,978,459
2	Distribution Revenue	\$28,371,080	\$28,371,080	\$28,371,080	\$37,098,063	\$ -	(\$21,978,459)
3	Other Operating Revenue Offsets - net	\$1,596,475	\$1,596,475	\$ -	\$ -	\$ -	\$ -
4	Total Revenue	\$29,967,555	\$30,971,328	\$28,371,080	\$29,374,853	\$ -	\$ -
5	Operating Expenses	\$21,978,459	\$21,978,459	\$21,978,459	\$21,978,459	\$21,978,459	\$21,978,459
6	Deemed Interest Expense	\$3,567,234	\$3,567,234	\$ -	\$ -	\$ -	\$ -
8	Total Cost and Expenses	\$25,545,694	\$25,545,694	\$21,978,459	\$21,978,459	\$21,978,459	\$21,978,459
9	Utility Income Before Income Taxes	\$4,421,861	\$5,425,634	\$6,392,621	\$7,396,394	(\$21,978,459)	(\$21,978,459)
10	Tax Adjustments to Accounting Income per 2013 PILs model	(\$4,814,861)	(\$4,814,861)	(\$4,814,861)	(\$4,814,861)	\$ -	\$ -
11	Taxable Income	(\$393,000)	\$610,773	\$1,577,760	\$2,581,533	(\$21,978,459)	(\$21,978,459)
12	Income Tax Rate	20.33%	20.33%	20.33%	20.33%	20.33%	20.33%
13	Income Tax on Taxable Income	(\$79,911)	\$124,192	\$320,814	\$524,916	(\$4,468,994)	(\$4,468,994)
14	Income Tax Credits	(\$81,003)	(\$81,003)	(\$81,003)	(\$81,003)	\$ -	\$ -
15	Utility Net Income	\$4,582,775	\$5,382,445	\$6,152,810	(\$22,021,648)	(\$17,509,466)	(\$22,021,648)
16	Utility Rate Base	\$143,761,898	\$143,761,898	\$143,761,898	\$143,761,898	\$143,761,898	\$143,761,898
17	Deemed Equity Portion of Rate Base	\$57,504,759	\$57,504,759	\$ -	\$ -	\$ -	\$ -
18	Income/(Equity Portion of Rate Base)	7.97%	9.36%	0.00%	0.00%	0.00%	0.00%
19	Target Return - Equity on Rate Base	9.36%	9.36%	0.00%	0.00%	0.00%	0.00%
20	Deficiency/Sufficiency in Return on Equity	-1.39%	0.00%	0.00%	0.00%	0.00%	0.00%
21	Indicated Rate of Return	5.67%	6.23%	4.28%	0.00%	-12.18%	0.00%
22	Requested Rate of Return on Rate Base	6.23%	6.23%	0.00%	0.00%	0.00%	0.00%
23	Deficiency/Sufficiency in Rate of Return	-0.56%	0.00%	4.28%	0.00%	-12.18%	0.00%
24	Target Return on Equity	\$5,382,445	\$5,382,445	\$ -	\$ -	\$ -	\$ -
25	Revenue Deficiency/(Sufficiency)	\$799,670	\$ -	(\$6,152,810)	\$ -	\$17,509,466	\$ -
26	Gross Revenue Deficiency/(Sufficiency)	\$1,003,773 (1)		(\$7,723,210) (1)		\$21,978,459 (1)	

Notes:

(1) Revenue Deficiency/Sufficiency divided by (1 - Tax Rate)



Revenue Requirement Workform (RRWF) for 2015 Filers

Revenue Requirement

Line No.	Particulars	Application		Per Board Decision	
1	OM&A Expenses	\$16,754,348		\$16,754,348	
2	Amortization/Depreciation	\$4,936,879		\$4,936,879	
3	Property Taxes	\$287,232		\$287,232	
5	Income Taxes (Grossed up)	\$43,189		\$43,189	
6	Other Expenses	\$ -		\$ -	
7	Return				
	Deemed Interest Expense	\$3,567,234		\$ -	
	Return on Deemed Equity	\$5,382,445		\$ -	
8	Service Revenue Requirement (before Revenues)	<u>\$30,971,328</u>		<u>\$22,021,648</u>	
9	Revenue Offsets	\$1,596,475		\$ -	
10	Base Revenue Requirement (excluding Tranformer Owership Allowance credit adjustment)	<u>\$29,374,853</u>		<u>\$22,021,648</u>	
11	Distribution revenue	\$29,374,853		\$ -	
12	Other revenue	\$1,596,475		\$ -	
13	Total revenue	<u>\$30,971,328</u>		<u>\$ -</u>	
14	Difference (Total Revenue Less Distribution Revenue Requirement before Revenues)	<u>\$ -</u>	(1)	<u>(\$22,021,648)</u>	(1)

Notes

(1) Line 11 - Line 8

Revenue Requirement Workform (RRWF) for 2015 Filers

Tracking Form

The last row shown is the most current estimate of the cost of service data reflecting the original application and any updates provided by the applicant distributor (for updated evidence, responses to interrogatories, undertakings, etc.) Please ensure a Reference (Column B) and/or Item Description (Column C) is entered. Please note that unused rows will automatically be hidden and the PRINT AREA set when the PRINT BUTTON on Sheet 1 is activated.

⁽¹⁾ Short reference to evidence material (interrogatory response, undertaking, exhibit number, Board Decision, Code, Guideline, Report of the Board, etc.)

⁽²⁾ Short description of change, issue, etc.

60 Tracking Rows have been provided below. If you require more, please contact Industry Relations @ IndustryRelations@ontarioenergyboard.ca.

Summary of Proposed Changes

Reference ⁽¹⁾	Item / Description ⁽²⁾	Cost of Capital		Rate Base and Capital Expenditures			Operating Expenses			Revenue Requirement			
		Regulated Return on Capital	Regulated Rate of Return	Rate Base	Working Capital	Working Capital Allowance (\$)	Amortization / Depreciation	Taxes/PILs	OM&A	Service Revenue Requirement	Other Revenues	Base Revenue Requirement	Grossed up Revenue Deficiency / Sufficiency
	Original Application	\$ 8,949,680	6.23%	\$ 143,761,898	\$ 153,984,823	\$ 20,018,027	\$ 4,936,879	\$ 43,189	\$ 16,754,348	\$ 30,971,328	\$ 1,596,475	\$ 29,374,853	\$ 1,003,773