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COST ALLOCATION OVERVIEW

Introduction

On September 29, 2006, the Ontario Energy Board ("Board") issued its directions on Cost Allocation Methodology for Electricity Distributors (the "Directions"). On November 15, 2006, the Board issued the Cost Allocation Information Filing Guidelines for Electricity Distributors (the "Guidelines"), the Cost Allocation Model (the "Model") and User Instructions (the "Instructions") for the Model. North Bay Hydro Distribution Limited ("NBHDL") prepared a cost allocation information filing consistent with NBHDL's understanding of the Directions, the Guidelines, the Model and the Instructions. NBHDL submitted this filing to the OEB on January 15, 2007.

One of the main objectives of the filing was to provide information on any apparent cross-subsidization among a distributor's rate classifications. It was felt that this would give an indication of cross-subsidization from one class to another and this information would be useful as a tool in future rate applications.

In NBHDL's 2010 EDR COS Application (EB-2009-0272), the cost allocation model was updated to reflect 2010 test year costs, customer numbers and demand values. The 2010 demand values were based on the weather normalized load forecast used to design rates. The results of the 2010 cost allocation model was used to move the revenue to cost ratios to be within the Board's acceptable range as outlined in the "Report on Application of Cost Allocation for Electricity Distributors" (the "Cost Allocation Report") issued by the OEB on November 28, 2007.

On September 2, 2010, the Board began a proceeding, EB-2010-0219, with the mandate to review and revise the Cost Allocation policy as needed. On March 31, 2011, the Report of the Board was released in relation to EB-2010-0219 ("March Board Report"). In the letter accompanying the report, the Board indicated that a Working Group would be formed to revise the original Cost Allocation Model to address the revision highlighted in the March Board Report. On August 5, 2011, the Board released the new Cost Allocation model and instructed 2012 Cost of Service filers to use the revised model in their applications. This model has been subsequently updated by the Board with some minor revision on an annual basis. On June 26, 2014, the Board released an updated Cost Allocation model to be used by 2015 Cost of Service applicants in their applications. This updated version of the cost allocation model has been used by NBHDL in this application.

In Section 2.6.4 of the March Board Report, the Board stated that "default weighting factors should now be utilized only in exceptional circumstances". Distributors are therefore now expected to develop their own weighting factors.

NBHDL has used 2015 version of the cost allocation study model and submitted the revised cost allocation study to reflect 2014 Test Year costs, customer numbers and demand values. The 2014 demand values are based on the weather normalized load forecast used to design rates. NBHDL has developed weighting factors as outlined below based on discussions with staff experienced in the subject area.

WEIGHTING FACTORS

Weighting Factor for Services (Account 1855)

The analysis for the Services weighting factor included a review of NBHDL's internal policy in regards to the installation and cost recovery for Services. NBHDL charges customers for all new or upgraded services unless the change to the servicing falls under an internal capital project and involves correcting non-standard or outdated servicing. As per the suggested methodology on the Cost Allocation instruction sheet the Residential class was given a weighting factor of 1.0. General Service < 50 kW servicing is typically more complex than Residential servicing as it may include the creation of a unique work order, a dedicated construction crew to install and may require after hour attendance to mitigate against interruptions during normal business hours. Additional time may also be required to ensure demand data is programmed and monitored appropriately. Due to these varying considerations, the weighting factor for General Service < 50 kW was set slightly higher at 2.0. General Service 50 to 2999 kW and General Service 3000 to 4999 kW involves significantly more work than Residential and GS < 50 kW servicing both from a design and construction perspective, but due to the ownership rules for these services, NBHDL does not own the assets that would be charged against the Services account and therefore these customer categories have been assigned a weighting factor of 0.0. Sentinel lights were given a factor of 0.1 as these service connections are infrequent and less complex in nature. Street Lighting assets do not fall under NBHDL ownership, however, the street lights are connected to NBHDL's secondary buss and as such costs are captured outside of Account 1855. A weighting factor of 0.0 has been set for this class.

Table 7-1 Weighting Factors for Services

Rate Class	Weighting Factors for Services
Residential	1.0
General Service < 50 kW	2.0
General Service 50 to 2999 kW	0.0
General Service 3000 to 4999 kW	0.0
Street Lighting	0.0
Sentinel Lighting	0.1
Unmetered Scattered Load	0.0

Weighting Factor for Billing and Collection (Accounts 5315 – 5340, except 5335)

In determining the weighting factors for Billing and Collecting, an analysis of Accounts 5315 – 5340, except 5335, was conducted and costs were assigned to each class based on the specific nature of the costs. For example, the labour costs of a specific employee who is responsible for all GS>50 billing were assigned the GS >50, Intermediate and Street Light class based on the number of customers per class. Postage costs, as another example, were assigned to each class based on the # of bills issued. Through this analysis, NBHDL was able to more closely assign a total cost per class from which weighting factors were then determined relative to the Residential factor of 1.

Table 7-2 Weighting Factors for Billing and Collection

Meter Type	Weighting Factors for Billing and Collection
Smart Meter - Residential	1.0
General Service < 50 kW	1.3
General Service 50 to 2999 kW	23.8
General Service 3000 to 4999 kW	14.7
Street Lighting	14.7
Sentinel Lighting	0.5
Unmetered Scattered Load	0.5

Installation Cost per Meter (Sheet I7.1)

The installation cost for smart meters is consistent with the installation cost outlined in the smart meter recovery application approved by the Board and was part of EB-2013-0157. NBHDL is in the process of upgrading non-smart meters and for the purposes of cost allocation has determined the average capital cost per meter, based on 2014 Bridge Year and 2015 Test Year capital costs and the anticipated number of meters installed. NBHDL has updated Sheet I7.1 to reflect the new meter type “Smart Meter – A3RAL”, cost and the # meters installed as of the 2015 Test Year by class. Other meter costs are based on the average meter costs used in the 2010 COS; NBHDL believes this is an appropriate methodology as these meters will be changed out over the next five years and a more accurate cost per meter will be available in NBHDL’s next COS.

Table 7-3 Installation Cost per Meter

Meter Type	Installation Cost per Meter
Smart Meters: Residential	96.90
Smart Meters: General Service < 50	226.01
Smart Meter - A3RAL	1,394.96
Demand with IT	2,100
Demand with IT and Interval Capability - Secondary	2,300
Demand with IT and Interval Capability - Primary	10,000

Weighting Factor for Meter Reading (Sheet I7.2)

NBHDL completed an analysis of the costs included in meter reading and assigned the costs to the appropriate class based on the nature of the cost. Based on this activity analysis, NBHDL calculated the overall cost per class by customer and assigned a weighting of 1 for the meter reading costs related to smart meters for the Residential class. The weighting factors for the remaining classes were then determined as a factor of the Residential class.

Table 7-4 Weighting Factors for Meter Reading

Meter Type	Weighting Factors for Meter Reading
Smart Meter - Res	1.00
Smart Meter - GS < 50	1.18
GS > 50 Meter	39.34
Intermediate Meter	107.42

SUMMARY OF RESULTS AND PROPOSED CHANGES

The data used in the updated cost allocation study is consistent with NBHDL's cost data that supports the proposed 2015 revenue requirement outlined in this application. Consistent with the Guidelines, NBHDL's assets were broken out into primary and secondary distribution functions using breakout percentages consistent with the original cost allocation informational filing. The breakout of assets, capital contributions, depreciation, accumulated depreciation, customer data and load data by primary, line transformer and secondary categories were developed from the best data available to NBHDL, its engineering records, and its customer and financial information systems. An Excel version of the updated cost allocation study has been included with the filed application material. In addition, Appendix 7-A outlines Input Sheets I-6 & I-8 and Output Sheets O-1 & O-2.

Capital contributions, depreciation and accumulated depreciation by USoA are consistent with the information provided in the 2015 continuity statement shown in Exhibit 2. The rate class customer data used in the updated cost allocation study is consistent with the 2015 customer forecast outlined in Exhibit 3. The load profiles for each rate class are the same as those used in the original information filing but have been scaled to match the 2015 load forecast. The following Table 7-5 outlines the scaling factors used by rate class:

Table 7-5 Load Profiling Scaling Factors

Rate Class	2004 Weather Normal Values used Information Filing (kWh)	2015 Weather Normal Values (kWh)	Scaling Factor
Residential	227,257,278	213,486,948	93.9%
General Service < 50 kW	99,816,012	86,032,032	86.2%
General Service 50 to 2999 kW	209,153,421	198,111,405	94.7%
General Service 3000 to 4999 kW	58,495,456	16,534,810	28.3%
Street Lighting	3,648,460	2,018,762	55.3%
Sentinel Lighting	702,562	408,488	58.1%
Unmetered Scattered Load	411,548	52,860	12.8%
Total	**599,484,738**	**516,645,305**	**86.2%**

The allocated cost by rate class for the 2010 Cost of Service filing and 2014 updated study are provided in the following Table 7-6.

Table 7-6: Allocated Cost –
(Consistent with Appendix 2-P: Allocated Costs)

Rate Class	2010 Board Approved Cost Allocation Study	%	Cost Allocated in the 2015 Study	%
Residential	$6,938,905	57.2%	$8,165,306	59.0%
General Service < 50 kW	$2,015,942	16.6%	$2,384,825	17.2%
General Service 50 to 2999 kW	$2,109,432	17.4%	$2,680,946	19.4%
General Service 3000 to 4999 kW	$207,982	1.7%	$111,867	0.8%
Street Lighting	$769,337	6.3%	$461,275	3.3%
Sentinel Lighting	$70,897	0.6%	$43,743	0.3%
Unmetered Scattered Load	$12,467	0.1%	$979	0.0%
Total	**$12,124,962**	**100.0%**	**$13,848,941**	**100.0%**

The results of a cost allocation study are typically presented in the form of revenue to cost ratios. The ratio is shown by rate classification and is the percentage of distribution revenue collected by rate classification compared to the costs allocated to the classification. The percentage identifies the rate classifications that are being subsidized and those that are over-contributing. A percentage of less than 100% means the rate classification is under-contributing and is being subsidized by other classes of customers. A percentage of greater than 100% indicates the rate classification is over-contributing and is subsidizing other classes of customers.

In the March Board Report, the Board established what it considered to be the appropriate ranges of revenue to cost ratios which are summarized in Table 7-7 below. In addition, Table 7-7 provides NBHDL's revenue to cost ratios from the 2012 IRM application, the updated 2015 cost allocation study and the proposed 2015 to 2019 ratios. Information from the 2012 IRM application has been included as this was the last year of a three year program to move the revenue to cost ratios for General Service 3000 to 4999 kW, Street Lighting and Sentinel Lighting rate classes to bottom of the Board's range.

Table 7-7 Revenue to Cost Ratios –

(Consistent with Appendix 2-P: Revenue to Cost Ratios)

Rate Class	2012 Board Approved	2015 Updated Cost Allocation Study	2015 Proposed Ratios	2016 to 2019 Proposed Ratios	Board Targets Min to Max	
Residential	98.6%	100.3%	100.3%	100.3%	85.0%	115.0%
General Service < 50 kW	109.1%	110.2%	110.2%	110.2%	80.0%	120.0%
General Service 50 to 2999 kW	109.9%	85.1%	86.3%	86.3%	80.0%	120.0%
General Service 3000 to 4999 kW	80.0%	99.5%	99.5%	99.5%	85.0%	115.0%
Street Lighting	70.0%	127.0%	120.0%	120.0%	70.0%	120.0%
Sentinel Lighting	70.0%	114.3%	114.3%	114.3%	80.0%	120.0%
Unmetered Scattered Load	99.7%	180.0%	120.0%	120.0%	80.0%	120.0%

The 2015 cost allocation study indicates the revenue to cost ratios for Street Lighting and Unmetered Scattered Load are outside the Board's range. For 2015, it is proposed these ratios be brought within the Board's range and General Service 50 to 2999 kW be adjusted upward to maintain revenue neutrality.

The following Table 7-8 provides information on calculated class revenue. The resulting 2015 proposed base revenue will be the amount used in Exhibit 8 to design the proposed distribution charges in this application.

Table 7-8 Calculated Class Revenue –

(Consistent with Appendix 2-P: Calculated Class Revenue)

Rate Class	2015 Base Revenue at Existing Rates	2015 Proposed Base Revenue Allocated at Existing Rates Proportion	2015 Proposed Base Revenue	Miscellaneous Revenue
Residential	$6,507,041	$7,488,001	$7,488,001	$701,692
General Service < 50 kW	$2,132,984	$2,454,539	$2,454,539	$174,554
General Service 50 to 2999 kW	$1,799,848	$2,071,182	$2,103,877	$210,218
General Service 3000 to 4999 kW	$86,464	$99,498	$99,498	$11,859
Street Lighting	$464,713	$534,770	$502,662	$50,868
Sentinel Lighting	$39,410	$45,351	$45,351	$4,646
Unmetered Scattered Load	$1,447	$1,665	$1,078	$97
Total	**$11,031,906**	**$12,695,006**	**$12,695,006**	**$1,153,934**

Embedded Distributor Class

NBHDL proposes to continue to bill the embedded distributor (i.e. Hydro One Networks Inc. "HONI") as a General Service 50 to 2,999 kW customer. The cost and revenue have been included with that class in the cost allocation study and Appendix 2-P.

NBHDL is bounded by HONI on all service territory boundaries, and in two instances HONI is embedded in NBHDL's system. The first involves direct connection to a NBHDL owned 44kV sub transmission circuit, 15M1, out of the HONI owned transfer station, North Bay Transformer Station (NBTS). The actual connection is made at the end of Bond St., close to the western city limits of North Bay and is also known as Wood's Junction. The second involves a direct connection to a NBHDL owned 12.47kV circuit, 14F3, out of a NBHDL owned substation, MS14. The actual connection is made at the northern city limits of North Bay on Highway 11 North. In both cases the HONI connection is made at the limit of the NBHDL service boundary, where NBHDL assets end and HONI assets start. NBHDL has customer connections in both cases right up to the demarcation point, and that is why the HONI connections have been deemed no different than those of the nearby customers and due to size of the HONI load have been classified in the GS>50 category.

For the purposes of completing Appendix 2-Q, NBHDL attempted to estimate costs specifically related to HONI for the two separate connections. As explained further below, due to the particular facts associated with Hydro One's embedded connections in NBHDL's service territory, Appendix 2-Q fails to properly account for the costs required to service the embedded Hydro One assets.

In connection with preparing its rate application, NBHDL has consulted with HONI and advised HONI that it is NBHDL's intent to continue to bill HONI as a GS>50 customer, NBHDL provided HONI with the necessary supporting evidence and responded to HONI's follow-up questions. HONI concluded that:

> "I have reviewed the data updated provided in Appendix 2-Q. While the % difference in the total charge being levied to HONI as a GS>50 customer as compared to the charge calculated in App 2-Q is not immaterial, the absolute $ amount is not substantial, and therefore we agree that your proposal is reasonable. For the purpose of your proposed Distribution rates application, HONI supports the continued classification of both HONI connections as GS>50."

It is NBHDL's view that neither of the embedded HONI connections have any distinguishing factors that should result in treatment any different than other NBHDL GS>50 customers that are similarly connected at the end of the line. Due to the particular facts associated with HONI's embedded connections in NBHDL's service territory, NBHDL believes Appendix 2-Q fails to properly account for the costs required to service the embedded HONI assets. In addition, the difference in costs as between approaches is not

substantial. NBHDL proposes that based on the information provided, it is reasonable for HONI to stay in the GS >50 kW class.

Unmetered Loads

NBHDL communicates with unmetered load customers, including street lighting customers, to assist them in understanding the regulatory context in which distributors operate and how it affects unmetered load customers. This communication takes place on an on-going basis and is not driven by the rate application process, but regular business practice. NBHDL has undertaken a review of its Unmetered Scattered Load class and a nominal number of connections remain in the class. Through a project to retrofit the street lights throughout North Bay, NBHDL worked closely with the City of North Bay on all aspects of the project including the connection count and rate implications.

microFIT Class

NBHDL is not proposing to include microFIT as a separate class in the cost allocation model in 2015. It is NBHDL's understanding that the cost allocation model will produce a calculation of unit costs which the Board will use to update the uniform microFIT rate at a future date.

New Customer Class

NBHDL is not proposing to include a new customer class.

Eliminated Customer Class

NBHDL is not proposing to eliminated customer class.

APPENDIX 7-A

- Input Sheets I-6 & I-8
- Output Sheets O-1 & O-2

Ontario Energy Board

2015 Cost Allocation Model

EB-2014-0099

Sheet I6.1 Revenue Worksheet - Application

Total kWhs from Load Forecast	516,645,305
Total kWs from Load Forecast	528,942
Deficiency/sufficiency (RRWF 8. cell F51)	- 1,663,101
Miscellaneous Revenue (RRWF 5. cell F48)	1,153,934

			1	2	3	5	7	8	9
	ID	**Total**	**Residential**	**GS < 50 kW**	**GS > 50 to 2,999 kW**	**GS >3,000 to 4,999 kW**	**Street Lighting**	**Sentinel Lighting**	**Unmetered Scattered Load**
Billing Data									
Forecast kWh	**CEN**	516,645,305	213,486,948	86,032,032	198,111,405	16,534,810	2,018,762	408,488	52,860
Forecast kW	**CDEM**	528,942			490,350	31,718	5,641	1,234	
Forecast kW, included in CDEM, of customers receiving line transformer allowance		174,111			142,393	31,718			
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**	516,645,305	213,486,948	86,032,032	198,111,405	16,534,810	2,018,762	408,488	52,860
Existing Monthly Charge			$14.64	$21.69	$293.97	$5,844.10	$4.88	$4.42	$7.03
Existing Distribution kWh Rate			$0.0131	$0.0167					$0.0162
Existing Distribution kW Rate					$2.0966	$1.1150	$26.1255	$15.4370	
Existing TOA Rate					$0.60	$0.60			
Additional Charges									
Distribution Revenue from Rates		$11,136,372	$6,507,041	$2,132,984	$1,885,284	$105,494	$464,713	$39,410	$1,447
Transformer Ownership Allowance		$104,467	$0	$0	$85,436	$19,031	$0	$0	$0
Net Class Revenue	**CREV**	$11,031,906	$6,507,041	$2,132,984	$1,799,848	$86,464	$464,713	$39,410	$1,447

Ontario Energy Board

2015 Cost Allocation Model

EB-2014-0099

Sheet I8 Demand Data Worksheet - Application

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 kW	3 GS > 50 to 2,999 kW	5 GS >3,000 to 4,999 kW	7 Street Lighting	8 Sentinel Lighting	9 Unmetered Scattered Load
CO-INCIDENT PEAK									
1 CP									
Transformation CP	TCP1	104,252	49,303	21,428	30,904	2,034	479	98	6
Bulk Delivery CP	BCP1	104,252	49,303	21,428	30,904	2,034	479	98	6
Total Sytem CP	DCP1	104,252	49,303	21,428	30,904	2,034	479	98	6
4 CP									
Transformation CP	TCP4	377,685	179,161	71,416	117,722	7,649	1,432	281	24
Bulk Delivery CP	BCP4	377,685	179,161	71,416	117,722	7,649	1,432	281	24
Total Sytem CP	DCP4	377,685	179,161	71,416	117,722	7,649	1,432	281	24
12 CP									
Transformation CP	TCP12	948,711	411,515	182,109	330,005	22,761	1,877	371	72
Bulk Delivery CP	BCP12	948,711	411,515	182,109	330,005	22,761	1,877	371	72
Total Sytem CP	DCP12	948,711	411,515	182,109	330,005	22,761	1,877	371	72
NON CO_INCIDENT PEAK									
1 NCP									
Classification NCP from Load Data Provider	DNCP1	111,946	51,593	21,816	35,684	2,252	488	106	6
Primary NCP	PNCP1	111,946	51,593	21,816	35,684	2,252	488	106	6
Line Transformer NCP	LTNCP1	105,729	51,593	21,816	31,720	-	488	106	6
Secondary NCP	SNCP1	109,107	51,593	21,816	35,097	-	488	106	6
4 NCP									
Classification NCP from Load Data Provider	DNCP4	412,519	190,067	79,556	131,592	8,947	1,924	408	25
Primary NCP	PNCP4	412,519	190,067	79,556	131,592	8,947	1,924	408	25
Line Transformer NCP	LTNCP4	388,950	190,067	79,556	116,970	-	1,924	408	25
Secondary NCP	SNCP4	401,405	190,067	79,556	129,425	-	1,924	408	25
12 NCP									
Classification NCP from Load Data Provider	DNCP12	1,031,154	435,141	201,435	361,654	26,090	5,622	1,140	72
Primary NCP	PNCP12	1,031,154	435,141	201,435	361,654	26,090	5,622	1,140	72
Line Transformer NCP	LTNCP12	964,880	435,141	201,435	321,470	-	5,622	1,140	72
Secondary NCP	SNCP12	999,111	435,141	201,435	355,701	-	5,622	1,140	72

Ontario Energy Board

2015 Cost Allocation Model

EB-2014-0099

Sheet O1 Revenue to Cost Summary Worksheet - Application

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 kW	3 GS > 50 to 2,999 kW	5 GS >3,000 to 4,999 kW	7 Street Lighting	8 Sentinel Lighting	9 Unmetered Scattered Load
crev	Distribution Revenue at Existing Rates	$11,031,906	$6,507,041	$2,132,984	$1,799,848	$86,464	$464,713	$39,410	$1,447
mi	Miscellaneous Revenue (mi)	$1,153,934	$701,692	$174,554	$210,218	$11,859	$50,868	$4,646	$97
	Miscellaneous Revenue Input equals Output								
	Total Revenue at Existing Rates	$12,185,840	$7,208,733	$2,307,538	$2,010,066	$98,323	$515,581	$44,055	$1,544
	Factor required to recover deficiency (1 + D)	1.1508							
	Distribution Revenue at Status Quo Rates	$12,695,006	$7,488,001	$2,454,539	$2,071,182	$99,498	$534,770	$45,351	$1,665
	Miscellaneous Revenue (mi)	$1,153,934	$701,692	$174,554	$210,218	$11,859	$50,868	$4,646	$97
	Total Revenue at Status Quo Rates	$13,848,941	$8,189,694	$2,629,094	$2,281,400	$111,358	$585,638	$49,996	$1,762
	Expenses								
di	Distribution Costs (di)	$2,464,262	$1,385,668	$426,534	$498,123	$24,643	$119,970	$9,113	$210
cu	Customer Related Costs (cu)	$1,589,084	$1,086,097	$222,086	$273,318	$2,287	$395	$4,813	$88
ad	General and Administration (ad)	$3,038,074	$1,843,612	$491,156	$579,452	$20,855	$92,426	$10,352	$222
dep	Depreciation and Amortization (dep)	$2,569,662	$1,483,172	$482,938	$485,441	$22,404	$88,573	$6,972	$162
INPUT	PILs (INPUT)	$162,510	$91,842	$29,574	$32,775	$1,617	$6,205	$485	$12
INT	Interest	$1,626,888	$919,431	$296,063	$328,113	$16,190	$62,122	$4,853	$115
	Total Expenses	$11,450,480	$6,809,823	$1,948,350	$2,197,222	$87,998	$369,691	$36,588	$809
	Direct Allocation	$0	$0	$0	$0	$0	$0	$0	$0
NI	Allocated Net Income (NI)	$2,398,460	$1,355,483	$436,475	$483,725	$23,869	$91,584	$7,155	$170
	Revenue Requirement (includes NI)	$13,848,941	$8,165,306	$2,384,825	$2,680,946	$111,867	$461,275	$43,743	$979
	Revenue Requirement Input equals Output								
	Rate Base Calculation								
	Net Assets								
dp	Distribution Plant - Gross	$109,894,650	$62,935,810	$19,554,172	$21,143,908	$954,290	$4,919,764	$378,103	$8,604
gp	General Plant - Gross	$12,919,794	$7,416,731	$2,338,242	$2,493,722	$120,139	$509,927	$40,109	$926
accum dep	Accumulated Depreciation	($56,947,420)	($32,408,773)	($9,983,374)	($11,051,600)	($472,924)	($2,813,815)	($212,132)	($4,802)
co	Capital Contribution	($10,678,879)	($6,718,381)	($1,869,870)	($1,490,574)	($54,920)	($503,368)	($40,957)	($809)
	Total Net Plant	$55,188,145	$31,225,386	$10,039,170	$11,095,455	$546,585	$2,112,508	$165,123	$3,919
	Directly Allocated Net Fixed Assets	$0	$0	$0	$0	$0	$0	$0	$0
COP	Cost of Power (COP)	$61,164,705	$25,340,376	$10,167,933	$23,369,847	$1,950,349	$278,845	$51,069	$6,288
	OM&A Expenses	$7,091,420	$4,315,377	$1,139,776	$1,350,892	$47,786	$212,791	$24,278	$520
	Directly Allocated Expenses	$0	$0	$0	$0	$0	$0	$0	$0
	Subtotal	*$68,256,125*	*$29,655,753*	*$11,307,708*	*$24,720,739*	*$1,998,134*	*$491,636*	*$75,346*	*$6,808*
	Working Capital	$8,873,296	$3,855,248	$1,470,002	$3,213,696	$259,757	$63,913	$9,795	$885
	Total Rate Base	$64,061,441	$35,080,634	$11,509,172	$14,309,151	$806,342	$2,176,420	$174,918	$4,804
	Rate Base Input equals Output								
	Equity Component of Rate Base	$25,624,577	$14,032,254	$4,603,669	$5,723,660	$322,537	$870,568	$69,967	$1,921
	Net Income on Allocated Assets	$2,398,460	$1,379,871	$680,744	$84,178	$23,360	$215,947	$13,408	$953
	Net Income on Direct Allocation Assets	$0	$0	$0	$0	$0	$0	$0	$0
	Net Income	$2,398,460	$1,379,871	$680,744	$84,178	$23,360	$215,947	$13,408	$953
	RATIOS ANALYSIS								
	REVENUE TO EXPENSES STATUS QUO%	100.00%	100.30%	110.24%	85.10%	99.54%	126.96%	114.30%	179.97%
	EXISTING REVENUE MINUS ALLOCATED COSTS	($1,663,101)	($956,573)	($77,286)	($670,881)	($13,544)	$54,306	$312	$565
	Deficiency Input equals Output								
	STATUS QUO REVENUE MINUS ALLOCATED COSTS	$0	$24,388	$244,269	($399,547)	($509)	$124,363	$6,253	$783
	RETURN ON EQUITY COMPONENT OF RATE BASE	9.36%	9.83%	14.79%	1.47%	7.24%	24.81%	19.16%	49.60%

Ontario Energy Board

2015 Cost Allocation Model

EB-2014-0099

Sheet O2 Monthly Fixed Charge Min. & Max. Worksheet - Application

Output sheet showing minimum and maximum level for Monthly Fixed Charge

Summary

	1	2	3	5	7	8	9
	Residential	**GS < 50 kW**	**GS > 50 to 2,999 kW**	**GS >3,000 to 4,999 kW**	**Street Lighting**	**Sentinel Lighting**	**Unmetered Scattered Load**
Customer Unit Cost per month - Avoided Cost	$4.81	$10.07	$114.01	-$56.20	$0.01	$1.04	$1.04
Customer Unit Cost per month - Directly Related	$7.65	$15.04	$186.81	$103.72	$0.01	$1.82	$1.83
Customer Unit Cost per month - Minimum System with PLCC Adjustment	$20.38	$34.18	$192.93	$119.04	$7.07	$9.44	$7.41
Existing Approved Fixed Charge	$14.64	$21.69	$293.97	$5,844.10	$4.88	$4.42	$7.03