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<b>6 – Calculation of Revenue Deficiency or Surplus</b>	Revenue Deficiency - Overview	2
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	Appendix 6-A: Revenue Requirement Work Form	

2

1     **REVENUE DEFICIENCY - OVERVIEW**

2     North Bay Hydro Distribution Limited's ("NBHDL") net revenue deficiency is \$1,306,491. When grossed  
3     up for PILs, NBHDL's revenue deficiency is \$1,663,101. This deficiency is calculated as the difference  
4     between the 2015 Test Year Revenue Requirement of \$13,848,941 and the Forecast 2015 Test Year  
5     Revenue, based on the 2014 approved rates, at \$12,185,840. Table 6-1 on the following page provides  
6     the revenue deficiency calculations. The table also includes the determination of net utility income,  
7     statement of rate base, the utility return on rate base at existing rates and the requested rate of return on  
8     rate base in this application. Further details on these items are provided in the pdf version of the Revenue  
9     Requirement Work Form ("RRWF") filed as part of this Exhibit 6. A live Microsoft Excel version of the  
10    RRWF has also been filed with this Application.

11

12    **Revenue Requirement:**

13

14    NBHDL's Revenue Requirement consists of the following:

15

- 16       - Administrative & General, Billing & Collecting Expense
- 17       - Operation & Maintenance Expense
- 18       - Depreciation Expense
- 19       - Property Taxes
- 20       - PILs
- 21       - Deemed Interest & Return on Equity

22

23    NBHDL's revenue requirement is primarily received through electricity distribution rates with supplemental  
24    revenue from Board-approved specific service charges such as late payment charges and other  
25    miscellaneous charges.

26

1

**Table 6-1 Revenue Deficiency Calculation**

Description	2015 Test Existing Rates	2015 Test - Required Revenue
<b>Revenue</b>		
Revenue Deficiency		<b>1,663,101</b>
Distribution Revenue	11,031,906	11,031,906
Other Operating Revenue (Net)	1,153,934	1,153,934
<b>Total Revenue</b>	<b>12,185,840</b>	<b>13,848,941</b>
<b>Costs and Expenses</b>		
Administrative & General, Billing & Collecting	4,195,308	4,195,308
Operation & Maintenance	2,809,536	2,809,536
Donations - LEAP	16,700	16,700
Depreciation & Amortization	2,569,662	2,569,662
Property Taxes	69,876	69,876
Deemed Interest	1,626,888	1,626,888
<b>Total Costs and Expenses</b>	<b>11,287,970</b>	<b>11,287,970</b>
<b>Utility Income Before Income Taxes</b>	<b>897,870</b>	<b>2,560,971</b>
<b>Income Taxes:</b>		
Corporate Income Taxes	(194,099)	162,510
<b>Total Income Taxes</b>	<b>(194,099)</b>	<b>162,510</b>
<b>Utility Net Income</b>	<b>1,091,969</b>	<b>2,398,460</b>
<b>Income Tax Expense Calculation:</b>		
Accounting Income	897,870	2,560,971
Tax Adjustments to Accounting Income	(1,706,426)	(1,706,426)
<b>Taxable Income</b>	<b>(808,556)</b>	<b>854,544</b>
<b>Income tax expense before credits</b>	<b>(173,374)</b>	<b>183,235</b>
<b>Credits</b>	<b>20,725</b>	<b>20,725</b>
<b>Income Tax Expense</b>	<b>(194,099)</b>	<b>162,510</b>
<b>Tax Rate Reflecting Tax Credits</b>	<b>21.44%</b>	<b>21.44%</b>
<b>Actual Return on Rate Base:</b>		
Rate Base	64,061,442	64,061,442
Interest Expense	1,626,888	1,626,888
Net Income	1,091,969	2,398,460
<b>Total Actual Return on Rate Base</b>	<b>2,718,857</b>	<b>4,025,348</b>
<b>Actual Return on Rate Base</b>	<b>4.24%</b>	<b>6.28%</b>
<b>Required Return on Rate Base:</b>		
Rate Base	64,061,442	64,061,442
<b>Return Rates:</b>		
Return on Debt (Weighted)	4.23%	4.23%
Return on Equity	9.36%	9.36%
Deemed Interest Expense	1,626,888	1,626,888
Return On Equity	2,398,460	2,398,460
<b>Total Return</b>	<b>4,025,348</b>	<b>4,025,348</b>
<b>Expected Return on Rate Base</b>	<b>6.28%</b>	<b>6.28%</b>
<b>Revenue Deficiency After Tax</b>	<b>1,306,491</b>	<b>0</b>
<b>Revenue Deficiency Before Tax</b>	<b>1,663,101</b>	<b>0</b>

2

1 **COST DRIVERS ON REVENUE DEFICIENCY**

2 Table 6-2 below outlines the contributors to the revenue deficiency by revenue requirement component.  
 3 Column A lists the 2010 approved amounts. Column B lists the 2015 revenue at existing rates shown in  
 4 Table 6-1 allocated to revenue requirement component based on the proportions in Column A. It is  
 5 NBHDL's view that Column B estimates the revenue requirement components for revenue at existing  
 6 rates based on the components assumed in existing rates. Column C lists the 2015 proposed  
 7 components. Finally, Column D represents the difference between Column C and Column B which  
 8 provides an estimate of the revenue requirement components for the revenue deficiency of \$1,663,101.

9 **Table 6-2 Revenue Deficiency by Revenue Requirement Component**

Service Revenue Requirement	2010 Approved (A)	2015 Revenue at Existing Rates Allocated in Proportion to 2010 Approved (B)	2015 Proposed (C)	Revenue Deficiency (D) = (C) - (B)
OM&A	5,665,408	5,693,853	7,004,844	1,310,990
LEAP	15,000	15,075	16,700	1,625
Property Tax	64,292	64,615	69,876	5,261
Capital Tax	21,829	21,939	0	(\$21,939)
Depreciation	2,694,912	2,708,443	2,569,662	(\$138,781)
Return on Rate Base	2,999,043	3,014,101	4,025,348	1,011,247
PILs	664,478	667,814	162,510	(\$505,304)
<b>Total</b>	<b>12,124,962</b>	<b>12,185,840</b>	<b>13,848,941</b>	<b>1,663,101</b>
				Difference (D) = (C) - (A)
Rate Base	44,105,306		64,061,442	19,956,136

10  
 11  
 12 There are two main contributors to the revenue deficiency of \$1,663,101 for the 2015 Test Year:

- 13
- 14 • The first contributor is the cost increases in OM&A as detailed in Exhibit 4. Please refer to Exhibit
- 15 4, Table 4-2 - 2015 Test Year OM&A Expenditures and the supporting explanation for the
- 16 increase of \$1,339,436 in OM&A since 2010. This increase is very close to the revenue
- 17 deficiency component for OM&A of \$1,310,990 shown above. The difference between the two
- 18 numbers represents the different methods in calculating the two numbers. The \$1,339,436 is the
- 19 difference between 2015 test year proposed and 2010 approved which is the difference between
- 20 Column C and A for OM&A in Table 6-2. However, based on the evidence in Exhibit 4 and the
- 21 information in the above Table 6-2 it can be concluded that the increase in OM&A is a main
- 22 contributor to the revenue deficiency.

- 1           • The second relates to the increase in return on rate base resulting from an increase in rate base  
2           of almost \$20M which is detailed in Exhibit 2. Please refer to Exhibit 2, Table 2-1 Summary of  
3           Rate Base which supports the rate base values shown above for 2010 approved and 2015  
4           proposed. The rationale that supports the \$20M increase in rate base since 2010 is provided in  
5           the evidence that follows Table 2-1 of Exhibit 2.

6           As shown in Table 6-2, the increases in OM&A and return on rate base are offset by decreases in  
7           depreciation and PILs resulting from changes in useful life of assets since 2010. This change lowers  
8           depreciation and also lowers PILs since the tax adjustment for accounting depreciation, which increases  
9           PILs, is lower but the tax adjustment for capital cost allowance (i.e. depreciation for tax purposes), which  
10          reduces PILs, does not change with the change in useful life.

1  
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**APPENDIX 6-A:  
REVENUE REQUIREMENT WORK FORM**



Ontario Energy Board

# Revenue Requirement Workform (RRWF) for 2015 Filers



Version 5.00

Utility Name	North Bay Hydro Distribution Limited
Service Territory	North Bay
Assigned EB Number	EB-2014-0099
Name and Title	Melissa Casson, Regulatory Manager
Phone Number	705-474-8100 xt: 300
Email Address	mcasson@northbayhydro.com

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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.*



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 <sup>(1)</sup>

	Initial Application (2)	(6)	Per Board Decision
<b>1 Rate Base</b>			
Gross Fixed Assets (average)	\$112,135,566	\$ 112,135,566	\$112,135,566
Accumulated Depreciation (average)	(\$56,947,420) (5)	(\$56,947,420)	(\$56,947,420)
<b>Allowance for Working Capital:</b>			
Controllable Expenses	\$7,091,420	\$ 7,091,420	\$7,091,420
Cost of Power	\$61,164,705	\$ 61,164,705	\$61,164,705
Working Capital Rate (%)	13.00% (9)	13.00% (9)	13.00% (9)
<b>2 Utility Income</b>			
<b>Operating Revenues:</b>			
Distribution Revenue at Current Rates	\$11,031,906		
Distribution Revenue at Proposed Rates	\$12,695,006		
<b>Other Revenue:</b>			
Specific Service Charges	\$578,856		
Late Payment Charges	\$136,983		
Other Distribution Revenue	\$338,372		
Other Income and Deductions	\$99,723		
Total Revenue Offsets	\$1,153,934 (7)		
<b>Operating Expenses:</b>			
OM+A Expenses	\$7,004,844	\$ 7,004,844	\$7,004,844
Depreciation/Amortization	\$2,569,662	\$ 2,569,662	\$2,569,662
Property taxes	\$69,876	\$ 69,876	\$69,876
Other expenses	\$16,700	16700	\$16,700
<b>3 Taxes/PILs</b>			
<b>Taxable Income:</b>			
Adjustments required to arrive at taxable income	(\$1,706,426) (3)		
<b>Utility Income Taxes and Rates:</b>			
Income taxes (not grossed up)	\$127,664.07		
Income taxes (grossed up)	\$162,510		
Federal tax (%)	15.00%		
Provincial tax (%)	6.44%		
Income Tax Credits	(\$20,725)		
<b>4 Capitalization/Cost of Capital</b>			
<b>Capital Structure:</b>			
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%		
<b>Cost of Capital</b>			
Long-term debt Cost Rate (%)	4.38%		
Short-term debt Cost Rate (%)	2.11%		
Common Equity Cost Rate (%)	9.36%		
Preferred Shares Cost Rate (%)			

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



# 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)	\$112,135,566		\$ -	\$112,135,566	\$112,135,566
2	Accumulated Depreciation (average) (3)	(\$56,947,420)		\$ -	(\$56,947,420)	(\$56,947,420)
3	Net Fixed Assets (average) (3)	\$55,188,146		\$ -	\$55,188,146	\$55,188,146
4	Allowance for Working Capital (1)	\$8,873,296		\$ -	\$8,873,296	\$8,873,296
5	<b>Total Rate Base</b>	<b>\$64,061,442</b>		<b>\$ -</b>	<b>\$64,061,442</b>	<b>\$64,061,442</b>

### (1) Allowance for Working Capital - Derivation

6	Controllable Expenses	\$7,091,420		\$ -	\$7,091,420	\$7,091,420
7	Cost of Power	\$61,164,705		\$ -	\$61,164,705	\$61,164,705
8	Working Capital Base	\$68,256,125		\$ -	\$68,256,125	\$68,256,125
9	Working Capital Rate % (2)	13.00%	0.00%	13.00%	0.00%	13.00%
10	Working Capital Allowance	\$8,873,296		\$ -	\$8,873,296	\$8,873,296

#### 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			
<b>Operating Revenues:</b>									
1	Distribution Revenue (at Proposed Rates)	\$12,695,006		(\$12,695,006)		\$ -		\$ -	
2	Other Revenue	(1) \$1,153,934		(\$1,153,934)		\$ -		\$ -	
3	Total Operating Revenues	\$13,848,941		(\$13,848,941)		\$ -		\$ -	
<b>Operating Expenses:</b>									
4	OM+A Expenses	\$7,004,844	\$ -	\$7,004,844	\$ -	\$7,004,844	\$ -	\$7,004,844	
5	Depreciation/Amortization	\$2,569,662	\$ -	\$2,569,662	\$ -	\$2,569,662	\$ -	\$2,569,662	
6	Property taxes	\$69,876	\$ -	\$69,876	\$ -	\$69,876	\$ -	\$69,876	
7	Capital taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
8	Other expense	\$16,700	\$ -	\$16,700	\$ -	\$16,700	\$ -	\$16,700	
9	Subtotal (lines 4 to 8)	\$9,661,082	\$ -	\$9,661,082	\$ -	\$9,661,082	\$ -	\$9,661,082	
10	Deemed Interest Expense	\$1,626,888		(\$1,626,888)		\$ -		\$ -	
11	Total Expenses (lines 9 to 10)	\$11,287,970		(\$1,626,888)		\$9,661,082		\$ -	\$9,661,082
12	Utility income before income taxes	\$2,560,971		(\$12,222,053)		(\$9,661,082)		\$ -	(\$9,661,082)
13	Income taxes (grossed-up)	\$162,510		\$ -		\$162,510		\$ -	\$162,510
14	Utility net income	\$2,398,460		(\$12,222,053)		(\$9,823,592)		\$ -	(\$9,823,592)

### Notes

#### Other Revenues / Revenue Offsets

(1)	Specific Service Charges	\$578,856		\$ -		\$ -		\$ -	
	Late Payment Charges	\$136,983		\$ -		\$ -		\$ -	
	Other Distribution Revenue	\$338,372		\$ -		\$ -		\$ -	
	Other Income and Deductions	\$99,723		\$ -		\$ -		\$ -	
	Total Revenue Offsets	\$1,153,934		\$ -		\$ -		\$ -	\$ -



# Revenue Requirement Workform (RRWF) for 2015 Filers

**Taxes/PILs**

Line No.	Particulars	Application		Per Board Decision	
<u>Determination of Taxable Income</u>					
1	Utility net income before taxes	\$2,398,460	\$ -	\$ -	
2	Adjustments required to arrive at taxable utility income	(\$1,706,426)	\$ -	(\$1,706,426)	
3	Taxable income	<u>\$692,034</u>	<u>\$ -</u>	<u>(\$1,706,426)</u>	
<u>Calculation of Utility income Taxes</u>					
4	Income taxes	\$127,664	\$127,664	\$127,664	
6	Total taxes	<u>\$127,664</u>	<u>\$127,664</u>	<u>\$127,664</u>	
7	Gross-up of Income Taxes	\$34,846	\$34,846	\$34,846	
8	Grossed-up Income Taxes	<u>\$162,510</u>	<u>\$162,510</u>	<u>\$162,510</u>	
9	PILs / tax Allowance (Grossed-up Income taxes + Capital taxes)	<u>\$162,510</u>	<u>\$162,510</u>	<u>\$162,510</u>	
10	Other tax Credits	(\$20,725)	(\$20,725)	(\$20,725)	
<u>Tax Rates</u>					
11	Federal tax (%)	15.00%	15.00%	15.00%	
12	Provincial tax (%)	6.44%	6.44%	6.44%	
13	Total tax rate (%)	<u>21.44%</u>	<u>21.44%</u>	<u>21.44%</u>	

**Notes**



# Revenue Requirement Workform (RRWF) for 2015 Filers

## Capitalization/Cost of Capital

Line No.	Particulars	Capitalization Ratio		Cost Rate	Return
<b>Initial Application</b>					
		(%)	(\$)	(%)	(\$)
	<b>Debt</b>				
1	Long-term Debt	56.00%	\$35,874,408	4.38%	\$1,572,820
2	Short-term Debt	4.00%	\$2,562,458	2.11%	\$54,068
3	<b>Total Debt</b>	<b>60.00%</b>	<b>\$38,436,865</b>	<b>4.23%</b>	<b>\$1,626,888</b>
	<b>Equity</b>				
4	Common Equity	40.00%	\$25,624,577	9.36%	\$2,398,460
5	Preferred Shares	0.00%	\$ -	0.00%	\$ -
6	<b>Total Equity</b>	<b>40.00%</b>	<b>\$25,624,577</b>	<b>9.36%</b>	<b>\$2,398,460</b>
7	<b>Total</b>	<b>100.00%</b>	<b>\$64,061,442</b>	<b>6.28%</b>	<b>\$4,025,348</b>
<b>Per Board Decision</b>					
		(%)	(\$)	(%)	(\$)
	<b>Debt</b>				
1	Long-term Debt	0.00%	\$ -	0.00%	\$ -
2	Short-term Debt	0.00%	\$ -	0.00%	\$ -
3	<b>Total Debt</b>	<b>0.00%</b>	<b>\$ -</b>	<b>0.00%</b>	<b>\$ -</b>
	<b>Equity</b>				
4	Common Equity	0.00%	\$ -	0.00%	\$ -
5	Preferred Shares	0.00%	\$ -	0.00%	\$ -
6	<b>Total Equity</b>	<b>0.00%</b>	<b>\$ -</b>	<b>0.00%</b>	<b>\$ -</b>
7	<b>Total</b>	<b>0.00%</b>	<b>\$64,061,442</b>	<b>0.00%</b>	<b>\$ -</b>
		(%)	(\$)	(%)	(\$)
	<b>Debt</b>				
8	Long-term Debt	0.00%	\$ -	4.38%	\$ -
9	Short-term Debt	0.00%	\$ -	2.11%	\$ -
10	<b>Total Debt</b>	<b>0.00%</b>	<b>\$ -</b>	<b>0.00%</b>	<b>\$ -</b>
	<b>Equity</b>				
11	Common Equity	0.00%	\$ -	9.36%	\$ -
12	Preferred Shares	0.00%	\$ -	0.00%	\$ -
13	<b>Total Equity</b>	<b>0.00%</b>	<b>\$ -</b>	<b>0.00%</b>	<b>\$ -</b>
14	<b>Total</b>	<b>0.00%</b>	<b>\$64,061,442</b>	<b>0.00%</b>	<b>\$ -</b>

### 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		\$1,663,101		(\$1,862,978)		\$9,661,082
2	Distribution Revenue	\$11,031,906	\$11,031,906	\$11,031,906	\$14,557,984	\$ -	(\$9,661,082)
3	Other Operating Revenue Offsets - net	\$1,153,934	\$1,153,934	\$ -	\$ -	\$ -	\$ -
4	<b>Total Revenue</b>	<b>\$12,185,840</b>	<b>\$13,848,941</b>	<b>\$11,031,906</b>	<b>\$12,695,006</b>	<b>\$ -</b>	<b>\$ -</b>
5	Operating Expenses	\$9,661,082	\$9,661,082	\$9,661,082	\$9,661,082	\$9,661,082	\$9,661,082
6	Deemed Interest Expense	\$1,626,888	\$1,626,888	\$ -	\$ -	\$ -	\$ -
8	<b>Total Cost and Expenses</b>	<b>\$11,287,970</b>	<b>\$11,287,970</b>	<b>\$9,661,082</b>	<b>\$9,661,082</b>	<b>\$9,661,082</b>	<b>\$9,661,082</b>
9	<b>Utility Income Before Income Taxes</b>	<b>\$897,870</b>	<b>\$2,560,971</b>	<b>\$1,370,823</b>	<b>\$3,033,924</b>	<b>(\$9,661,082)</b>	<b>(\$9,661,082)</b>
10	Tax Adjustments to Accounting Income per 2013 PILs model	(\$1,706,426)	(\$1,706,426)	(\$1,706,426)	(\$1,706,426)	\$ -	\$ -
11	<b>Taxable Income</b>	<b>(\$808,556)</b>	<b>\$854,544</b>	<b>(\$335,603)</b>	<b>\$1,327,498</b>	<b>(\$9,661,082)</b>	<b>(\$9,661,082)</b>
12	Income Tax Rate	21.44%	21.44%	21.44%	21.44%	21.44%	21.44%
13	<b>Income Tax on Taxable Income</b>	<b>(\$173,374)</b>	<b>\$183,235</b>	<b>(\$71,961)</b>	<b>\$284,648</b>	<b>(\$2,071,572)</b>	<b>(\$2,071,572)</b>
14	<b>Income Tax Credits</b>	<b>(\$20,725)</b>	<b>(\$20,725)</b>	<b>(\$20,725)</b>	<b>(\$20,725)</b>	<b>\$ -</b>	<b>\$ -</b>
15	<b>Utility Net Income</b>	<b>\$1,091,969</b>	<b>\$2,398,460</b>	<b>\$1,463,510</b>	<b>(\$9,823,592)</b>	<b>(\$7,589,510)</b>	<b>(\$9,823,592)</b>
16	<b>Utility Rate Base</b>	<b>\$64,061,442</b>	<b>\$64,061,442</b>	<b>\$64,061,442</b>	<b>\$64,061,442</b>	<b>\$64,061,442</b>	<b>\$64,061,442</b>
17	Deemed Equity Portion of Rate Base	\$25,624,577	\$25,624,577	\$ -	\$ -	\$ -	\$ -
18	Income/(Equity Portion of Rate Base)	4.26%	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	-5.10%	0.00%	0.00%	0.00%	0.00%	0.00%
21	Indicated Rate of Return	4.24%	6.28%	2.28%	0.00%	-11.85%	0.00%
22	Requested Rate of Return on Rate Base	6.28%	6.28%	0.00%	0.00%	0.00%	0.00%
23	Deficiency/Sufficiency in Rate of Return	-2.04%	0.00%	2.28%	0.00%	-11.85%	0.00%
24	Target Return on Equity	\$2,398,460	\$2,398,460	\$ -	\$ -	\$ -	\$ -
25	Revenue Deficiency/(Sufficiency)	\$1,306,491	\$ -	(\$1,463,510)	\$ -	\$7,589,510	\$ -
26	<b>Gross Revenue Deficiency/(Sufficiency)</b>	<b>\$1,663,101 (1)</b>		<b>(\$1,862,978) (1)</b>		<b>\$9,661,082 (1)</b>	

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	\$7,004,844		\$7,004,844	
2	Amortization/Depreciation	\$2,569,662		\$2,569,662	
3	Property Taxes	\$69,876		\$69,876	
5	Income Taxes (Grossed up)	\$162,510		\$162,510	
6	Other Expenses	\$16,700		\$16,700	
7	Return				
	Deemed Interest Expense	\$1,626,888		\$ -	
	Return on Deemed Equity	\$2,398,460		\$ -	
8	<b>Service Revenue Requirement (before Revenues)</b>	<u>\$13,848,941</u>		<u>\$9,823,592</u>	
9	Revenue Offsets	\$1,153,934		\$ -	
10	<b>Base Revenue Requirement (excluding Transformer Owership Allowance credit adjustment)</b>	<u>\$12,695,006</u>		<u>\$9,823,592</u>	
11	Distribution revenue	\$12,695,006		\$ -	
12	Other revenue	\$1,153,934		\$ -	
13	<b>Total revenue</b>	<u>\$13,848,941</u>		<u>\$ -</u>	
14	<b>Difference (Total Revenue Less Distribution Revenue Requirement before Revenues)</b>	<u>\$ -</u>	<b>(1)</b>	<u>(\$9,823,592)</u>	<b>(1)</b>

**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.

<sup>(1)</sup> Short reference to evidence material (Interrogatory response, undertaking, exhibit number, Board Decision, Code, Guideline, Report of the Board, etc.)

<sup>(2)</sup> Short description of change, issue, etc.

60 Tracking Rows have been provided below. If you require more, please contact Industry Relations @ [IndustryRelations@ontarioenergyboard.ca](mailto:IndustryRelations@ontarioenergyboard.ca).

### Summary of Proposed Changes

Reference <sup>(1)</sup>	Item / Description <sup>(2)</sup>	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
1	Original Application	\$ 4,025,348	6.28%	\$ 64,061,442	\$ 68,256,125	\$ 8,873,296	\$ 2,569,662	\$ 162,510	\$ 7,004,844	\$ 13,848,941	\$ 1,153,934	\$ 12,695,006	\$ 1,663,101