



**EB-2014-0238**

**IN THE MATTER OF** the *Ontario Energy Board Act*,  
1998, S.O. 1998, c. 15, (Schedule B);

**AND IN THE MATTER OF** an application by Great Lakes  
Power Transmission Inc. on behalf of Great Lakes Power  
Transmission LP seeking changes to the electricity  
transmission revenue requirement for 2015 and 2016 to be  
effective January 1, 2015 and January 1, 2016.

**BEFORE:** Ellen Fry  
Presiding Member

Marika Hare  
Member

## **DECISION AND ORDER**

**December 18, 2014**

Great Lakes Power Transmission Inc. on behalf of Great Lakes Power Transmission LP (GLPT) filed a complete cost of service application with the Ontario Energy Board (the "Board") on July 14, 2014 under section 78 of the Ontario Energy Board Act, 1998, S.O. 1998, c. 15, (Schedule B), seeking approval for changes to its electricity transmission revenue requirements for 2015 and 2016 to be effective January 1, 2015 and January 1, 2016. GLPT recovers its Board-approved revenue requirement through Ontario's Uniform Transmission Rates.

GLPT, the Vulnerable Energy Consumers Coalition (VECC), the School Energy Coalition (SEC), and Energy Probe Research Foundation (Energy Probe) agreed on a

complete Settlement Proposal, which was filed on November 12, 2014. On November 19, 2014 the Board heard submissions on an issue regarding the continuation of Sub-account IFRS Gains and Losses within deferral account 1508.

At this hearing the Board among other things approved the Settlement Proposal, directed GLPT to file a draft Rate Order and set timelines for submissions by intervenors and Board staff and GLPT reply submissions.

On November 25, 2014 GLPT filed a draft Rate Order. The Board received submissions from Board staff on the draft Rate Order. SEC and Energy Probe agreed with the Board staff submission and on December 3, 2014 GLPT filed a revised draft Rate Order that addressed the submissions by Board staff.

The Board notes that in its submission Board staff identified a discrepancy between the charge determinants shown in the Settlement Proposal<sup>1</sup> and those contained in the initial draft Rate Order. GLPT responded that the Settlement Proposal had inadvertently shown the charge determinants for 2014 rather than those proposed for 2015 and 2016.

The Board finds that the revised draft Rate Order is in keeping with the terms of the Settlement Proposal as approved by the Board. The Board notes that its approval of the Settlement Proposal is subject to the correction of the error concerning charge determinants discussed above.

Accordingly, the Board approves revenue requirements for GLPT in the amount of \$40,302,831 for 2015 and in the amount of \$40,990,460 for 2016 for the purposes of calculating the Uniform Transmission Rates. The amount for 2015 reflects the cost of capital parameters that have been approved by the Board for 2015. The amount for 2016 will be adjusted to reflect the cost of capital parameters for 2016 when they are approved by the Board.

For 2015, the Board also approves the allocation of the revenue requirement of \$40,302,831 among the three Uniform Transmission Rate pools that are currently approved for Hydro One Networks Inc. (Hydro One). In accordance with Appendix C, the allocations for GLPT for 2015 using these percentages are:

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<sup>1</sup> at page 36

- \$24,611,934 (61.1%) to Network;
- \$5,106,199 (12.7%) to Line Connection; and
- 10,584,698 (26.2%) to Transformation Connection

The Board notes that currently there is an application before the Board to set, among other things, Hydro One's Uniform Transmission Rates pool allocations for 2015. When these allocations have been set for Hydro One, the 2015 pool allocations for GLPT will be adjusted to reflect the same allocations. Similarly, the 2016 pool allocations for GLPT will be set to reflect the same allocations as the Hydro One allocations for 2016, when these have been approved.

**IT IS ORDERED THAT:**

1. The revenue requirement for GLPT to be included in the calculation of Uniform Transmission Rates effective January 1, 2015 is \$40,302,831, calculated in accordance with Appendix A. The revenue requirement for GLPT effective January 1, 2016 is \$40,990,460 calculated in accordance with Appendix A-1 subject to adjustment to reflect the cost of capital parameters approved by the Board for 2016 when these are available.
2. The GLPT revenue requirement allocations to the transmission pools for the calculation of the Uniform Transmission Rates for 2015 will be based on the allocations currently utilized for Hydro One, in accordance with Appendix C. When the Board has approved the 2015 pool allocations for Hydro One, the 2015 allocations for GLPT will be adjusted to be the same.
3. The GLPT charge determinants for the calculation of the Uniform Transmission Rates for 2015 are as shown in Appendix C.
4. GLPT shall establish the following variance accounts in accordance with Appendix D, effective January 1, 2015:
  - Sub-account "In-service Addition Net Cumulative Asymmetrical Variance Account" within Account 1508 – Other Regulatory Assets
  - Sub-account "2015 Revenue Deficiencies" within Account 1574
  - Sub-account "2016 Revenue Deficiencies" within Account 1574

5. GLPT shall close effective immediately the variance account referred to as “Sub-account within account 1508 to track and record impacts on test year revenue requirements resulting from any changes to existing IFRS standards or changes in the interpretation of such standards”.
6. GLPT shall recover \$787,816 in each of 2015, 2016 and 2017 to clear deferral and variance account balances totalling \$2,363,488 to the end of 2014, in accordance with Appendix B.

### Cost Awards

The Board may grant cost awards to eligible parties pursuant to its power under section 30 of the Ontario Energy Board Act, 1998. When determining the amount of the cost awards, the Board will apply the principles set out in section 5 of the Board’s Practice Direction on Cost Awards. The maximum hourly rates set out in the Board’s Cost Awards Tariff will also be applied.

1. Intervenors shall file with the Board and forward to GLPT their respective cost claims within 7 days from the date of issuance of this Decision and Order.
2. GLPT shall file with the Board and forward to intervenors any objections to the claimed costs within 17 days from the date of issuance of this Decision and Order.
3. Intervenors shall file with the Board and forward to GLPT any responses to any objections for cost claims within 24 days of the date of issuance of this Decision and Order.
4. GLPT shall pay the Board’s costs incidental to this proceeding upon receipt of the Board’s invoice.

All filings to the Board must quote the file number, EB-2014-0238, be made electronically through the Board’s web portal at <https://www.pes.ontarioenergyboard.ca/eservice/>, in searchable / unrestricted PDF format. Two paper copies must also be filed at the Board’s address provided below. Filings must clearly state the sender’s name, postal address and telephone number, fax number and e-mail address. Parties must use the document naming conventions and document submission standards outlined in the RESS Document Guideline found at

<http://www.ontarioenergyboard.ca/OEB/Industry>. If the web portal is not available parties may email their documents to the address below. Those who do not have internet access are required to submit all filings on a CD in PDF format, along with two paper copies. Those who do not have computer access are required to file 7 paper copies.

All communications should be directed to the attention of the Board Secretary at the address below, and be received no later than 4:45 p.m. on the required date.

### **ADDRESS**

Ontario Energy Board  
P.O. Box 2319  
2300 Yonge Street, 27th Floor  
Toronto ON M4P 1E4  
Attention: Board Secretary

E-mail: [boardsec@ontarioenergyboard.ca](mailto:boardsec@ontarioenergyboard.ca)  
Tel: 1-888-632-6273 (Toll free)  
Fax: 416-440-7656

**DATED** at Toronto, December 18, 2015

**ONTARIO ENERGY BOARD**

*Original signed by*

Kirsten Walli  
Board Secretary

**APPENDIX A**  
**TO DECISION AND ORDER**  
**EB-2014-0238**  
**Great Lakes Power Transmission LP**

**DATED: December 18, 2014**



# Revenue Requirement Workform



Version 4.00

Utility Name	<input type="text"/>
Service Territory	<input type="text" value="Great Lakes Power Transmission"/>
Assigned EB Number	<input type="text" value="EB-2014-0238"/>
Name and Title	<input type="text" value="Scott Seabrook, Director of Administration"/>
Phone Number	<input type="text" value="(705) 759-7624"/>
Email Address	<input type="text" value="sseabrook@glp.ca"/>

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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.*



# Revenue Requirement Workform

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**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

## Data Input <sup>(1)</sup>

	Initial Application (2)		(6)		Per Board Decision
<b>1 Rate Base</b>					
Gross Fixed Assets (average)	\$249,916,705	\$ -	\$ 249,916,705	\$ -	\$249,916,705
Accumulated Depreciation (average)	(\$31,630,529) (5)	\$ -	(\$31,630,529)	\$ -	(\$31,630,529)
<b>Allowance for Working Capital:</b>					
Controllable Expenses	\$11,021,095	(\$200,000)	\$ 10,821,095	\$ -	\$10,821,095
Cost of Power	\$ -	\$ -		\$ -	\$0
Working Capital Rate (%)	4.30% (9)		4.38% (9)		4.38% (9)
<b>2 Utility Income</b>					
Operating Revenues:					
Distribution Revenue at Current Rates	\$38,731,100	\$0	\$38,731,100	\$0	\$38,731,100
Distribution Revenue at Proposed Rates	\$39,782,072	(\$200,000)	\$39,582,072	(\$67,057)	\$39,515,015
<b>Other Revenue:</b>					
Specific Service Charges	\$ -	\$0	\$ -	\$0	\$ -
Late Payment Charges	\$ -	\$0	\$ -	\$0	\$ -
Other Distribution Revenue	\$ -	\$0	\$ -	\$0	\$ -
Other Income and Deductions	\$89,900	\$0	\$89,900	\$0	\$89,900
Total Revenue Offsets	\$ - (7)	\$0	\$ -	\$0	\$ -
<b>Operating Expenses:</b>					
OM+A Expenses	\$11,021,095	(\$200,000)	\$ 10,821,095	\$ -	\$10,821,095
Depreciation/Amortization	\$9,701,179	\$ -	\$ 9,701,179	\$ -	\$9,701,179
Property taxes	\$238,241	\$ -	\$ 238,241	\$ -	\$238,241
Other expenses	\$ -	\$ -	0	\$ -	\$0
<b>3 Taxes/PLTs</b>					
Taxable Income:					
	(\$2,323,145) (3)		(\$2,323,145)		(\$2,323,145)
Adjustments required to arrive at taxable income					
<b>Utility Income Taxes and Rates:</b>					
Income taxes (not grossed up)	\$1,554,818		\$1,554,818		\$1,540,905
Income taxes (grossed up)	\$2,115,398		\$2,115,398		\$2,096,469
Federal tax (%)	15.00%		15.00%		15.00%
Provincial tax (%)	11.50%		11.50%		11.50%
Income Tax Credits	\$ -		\$ -		\$ -
<b>4 Capitalization/Cost of Capital</b>					
<b>Capital Structure:</b>					
Long-term debt Capitalization Ratio (%)	56.0%		56.0%		56.0%
Short-term debt Capitalization Ratio (%)	4.0% (8)		4.0% (8)		4.0% (8)
Common Equity Capitalization Ratio (%)	40.0%		40.0%		40.0%
Preferred Shares Capitalization Ratio (%)					
	100.0%		100.0%		100.0%
<b>Cost of Capital</b>					
Long-term debt Cost Rate (%)	6.87%		6.87%		6.87%
Short-term debt Cost Rate (%)	2.11%		2.11%		2.16%
Common Equity Cost Rate (%)	9.36%		9.36%		9.30%
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 (%)
  - (2) 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
  - (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

## Rate Base and Working Capital

Line No.	Particulars	Initial Application				Per Board Decision
1	Gross Fixed Assets (average) (3)	\$249,916,705	\$ -	\$249,916,705	\$ -	\$249,916,705
2	Accumulated Depreciation (average) (3)	(\$31,630,529)	\$ -	(\$31,630,529)	\$ -	(\$31,630,529)
3	Net Fixed Assets (average) (3)	\$218,286,176	\$ -	\$218,286,176	\$ -	\$218,286,176
4	Allowance for Working Capital (1)	\$474,028	(\$1)	\$474,028	\$ -	\$474,028
5	<b>Total Rate Base</b>	<b>\$218,760,204</b>	<b>(\$1)</b>	<b>\$218,760,204</b>	<b>\$ -</b>	<b>\$218,760,204</b>

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

6	Controllable Expenses	\$11,021,095	(\$200,000)	\$10,821,095	\$ -	\$10,821,095
7	Cost of Power	\$ -	\$ -	\$ -	\$ -	\$ -
8	Working Capital Base	\$11,021,095	(\$200,000)	\$10,821,095	\$ -	\$10,821,095
9	Working Capital Rate % (2)	4.30%	0.08%	4.38%	0.00%	4.38%
10	Working Capital Allowance	\$474,028	(\$1)	\$474,028	\$ -	\$474,028

#### 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

## Utility Income

Line No.	Particulars	Initial Application					Per Board Decision
<b>Operating Revenues:</b>							
1	Distribution Revenue (at Proposed Rates)	\$39,782,072	(\$200,000)	\$39,582,072	(\$67,057)		\$39,515,015
2	Other Revenue (1)	\$89,900	\$ -	\$89,900	\$ -		\$89,900
3	<b>Total Operating Revenues</b>	<b>\$39,871,972</b>	<b>(\$200,000)</b>	<b>\$39,671,972</b>	<b>(\$67,057)</b>		<b>\$39,604,915</b>
<b>Operating Expenses:</b>							
4	OM+A Expenses	\$11,021,095	(\$200,000)	\$10,821,095	\$ -		\$10,821,095
5	Depreciation/Amortization	\$9,701,179	\$ -	\$9,701,179	\$ -		\$9,701,179
6	Property taxes	\$238,241	\$ -	\$238,241	\$ -		\$238,241
7	Capital taxes	\$ -	\$ -	\$ -	\$ -		\$ -
8	Other expense	\$ -	\$ -	\$ -	\$ -		\$ -
9	<b>Subtotal (lines 4 to 8)</b>	<b>\$20,960,515</b>	<b>(\$200,000)</b>	<b>\$20,760,515</b>	<b>\$ -</b>		<b>\$20,760,515</b>
10	Deemed Interest Expense	\$8,605,676	(\$0)	\$8,605,676	\$4,375		\$8,610,052
11	<b>Total Expenses (lines 9 to 10)</b>	<b>\$29,566,191</b>	<b>(\$200,000)</b>	<b>\$29,366,191</b>	<b>\$4,375</b>		<b>\$29,370,567</b>
12	<b>Utility income before income taxes</b>	<b>\$10,305,780</b>	<b>(\$0)</b>	<b>\$10,305,780</b>	<b>(\$71,432)</b>		<b>\$10,234,349</b>
13	Income taxes (grossed-up)	\$2,115,398	(\$0)	\$2,115,398	(\$18,929)		\$2,096,469
14	<b>Utility net income</b>	<b>\$8,190,382</b>	<b>(\$0)</b>	<b>\$8,190,382</b>	<b>(\$52,502)</b>		<b>\$8,137,880</b>

### Notes

#### Other Revenues / Revenue Offsets

(1)	Specific Service Charges	\$ -	\$ -	\$ -	\$ -		\$ -
	Late Payment Charges	\$ -	\$ -	\$ -	\$ -		\$ -
	Other Distribution Revenue	\$ -	\$ -	\$ -	\$ -		\$ -
	Other Income and Deductions	\$89,900	\$ -	\$89,900	\$ -		\$89,900
	<b>Total Revenue Offsets</b>	<b>\$89,900</b>	<b>\$ -</b>	<b>\$89,900</b>	<b>\$ -</b>		<b>\$89,900</b>



# Revenue Requirement Workform

## Taxes/PILs

Line No.	Particulars	Application		Per Board Decision
<b><u>Determination of Taxable Income</u></b>				
1	Utility net income before taxes	\$8,190,382	\$8,190,382	\$8,137,880
2	Adjustments required to arrive at taxable utility income	(\$2,323,145)	(\$2,323,145)	(\$2,323,145)
3	Taxable income	<u>\$5,867,237</u>	<u>\$5,867,237</u>	<u>\$5,814,735</u>
<b><u>Calculation of Utility Income Taxes</u></b>				
4	Income taxes	\$1,554,818	\$1,554,818	\$1,540,905
6	Total taxes	<u>\$1,554,818</u>	<u>\$1,554,818</u>	<u>\$1,540,905</u>
7	Gross-up of Income Taxes	\$560,581	\$560,581	\$555,564
8	Grossed-up Income Taxes	<u>\$2,115,398</u>	<u>\$2,115,398</u>	<u>\$2,096,469</u>
9	PILs / tax Allowance (Grossed-up Income taxes + Capital taxes)	<u>\$2,115,398</u>	<u>\$2,115,398</u>	<u>\$2,096,469</u>
10	Other tax Credits	\$ -	\$ -	\$ -
<b><u>Tax Rates</u></b>				
11	Federal tax (%)	15.00%	15.00%	15.00%
12	Provincial tax (%)	11.50%	11.50%	11.50%
13	Total tax rate (%)	<u>26.50%</u>	<u>26.50%</u>	<u>26.50%</u>

## Notes



# Revenue Requirement Workform

## 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%	\$122,505,714	6.87%	\$8,421,043
2	Short-term Debt	4.00%	\$8,750,408	2.11%	\$184,634
3	<b>Total Debt</b>	<b>60.00%</b>	<b>\$131,256,123</b>	<b>6.56%</b>	<b>\$8,605,676</b>
	<b>Equity</b>				
4	Common Equity	40.00%	\$87,504,082	9.36%	\$8,190,382
5	Preferred Shares	0.00%	\$ -	0.00%	\$ -
6	<b>Total Equity</b>	<b>40.00%</b>	<b>\$87,504,082</b>	<b>9.36%</b>	<b>\$8,190,382</b>
7	<b>Total</b>	<b>100.00%</b>	<b>\$218,760,204</b>	<b>7.68%</b>	<b>\$16,796,058</b>
<b>Per Board Decision</b>					
		(%)	(\$)	(%)	(\$)
	<b>Debt</b>				
1	Long-term Debt	56.00%	\$122,505,714	6.87%	\$8,421,043
2	Short-term Debt	4.00%	\$8,750,408	2.11%	\$184,634
3	<b>Total Debt</b>	<b>60.00%</b>	<b>\$131,256,122</b>	<b>6.56%</b>	<b>\$8,605,676</b>
	<b>Equity</b>				
4	Common Equity	40.00%	\$87,504,082	9.36%	\$8,190,382
5	Preferred Shares	0.00%	\$ -	0.00%	\$ -
6	<b>Total Equity</b>	<b>40.00%</b>	<b>\$87,504,082</b>	<b>9.36%</b>	<b>\$8,190,382</b>
7	<b>Total</b>	<b>100.00%</b>	<b>\$218,760,204</b>	<b>7.68%</b>	<b>\$16,796,058</b>
		(%)	(\$)	(%)	(\$)
	<b>Debt</b>				
8	Long-term Debt	56.00%	\$122,505,714	6.87%	\$8,421,043
9	Short-term Debt	4.00%	\$8,750,408	2.16%	\$189,009
10	<b>Total Debt</b>	<b>60.00%</b>	<b>\$131,256,122</b>	<b>6.56%</b>	<b>\$8,610,052</b>
	<b>Equity</b>				
11	Common Equity	40.00%	\$87,504,082	9.30%	\$8,137,880
12	Preferred Shares	0.00%	\$ -	0.00%	\$ -
13	<b>Total Equity</b>	<b>40.00%</b>	<b>\$87,504,082</b>	<b>9.30%</b>	<b>\$8,137,880</b>
14	<b>Total</b>	<b>100.00%</b>	<b>\$218,760,204</b>	<b>7.66%</b>	<b>\$16,747,931</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

## 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		\$1,050,972		\$850,972		\$783,915
2	Distribution Revenue	\$38,731,100	\$38,731,100	\$38,731,100	\$38,731,100	\$38,731,100	\$38,731,100
3	Other Operating Revenue Offsets - net	\$89,900	\$89,900	\$89,900	\$89,900	\$89,900	\$89,900
4	<b>Total Revenue</b>	<b>\$38,821,000</b>	<b>\$39,871,972</b>	<b>\$38,821,000</b>	<b>\$39,671,972</b>	<b>\$38,821,000</b>	<b>\$39,604,915</b>
5	Operating Expenses	\$20,960,515	\$20,960,515	\$20,760,515	\$20,760,515	\$20,760,515	\$20,760,515
6	Deemed Interest Expense	\$8,605,676	\$8,605,676	\$8,605,676	\$8,605,676	\$8,610,052	\$8,610,052
8	<b>Total Cost and Expenses</b>	<b>\$29,566,191</b>	<b>\$29,566,191</b>	<b>\$29,366,191</b>	<b>\$29,366,191</b>	<b>\$29,370,567</b>	<b>\$29,370,567</b>
9	<b>Utility Income Before Income Taxes</b>	\$9,254,809	\$10,305,780	\$9,454,809	\$10,305,780	\$9,450,433	\$10,234,349
10	Tax Adjustments to Accounting Income per 2013 PILs model	(\$2,323,145)	(\$2,323,145)	(\$2,323,145)	(\$2,323,145)	(\$2,323,145)	(\$2,323,145)
11	<b>Taxable Income</b>	\$6,931,664	\$7,982,635	\$7,131,664	\$7,982,635	\$7,127,288	\$7,911,204
12	Income Tax Rate	26.50%	26.50%	26.50%	26.50%	26.50%	26.50%
13	<b>Income Tax on Taxable Income</b>	\$1,836,891	\$2,115,398	\$1,889,891	\$2,115,398	\$1,888,731	\$2,096,469
14	<b>Income Tax Credits</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
15	<b>Utility Net Income</b>	<b>\$7,417,918</b>	<b>\$8,190,382</b>	<b>\$7,564,918</b>	<b>\$8,190,382</b>	<b>\$7,561,702</b>	<b>\$8,137,880</b>
16	<b>Utility Rate Base</b>	\$218,760,204	\$218,760,204	\$218,760,204	\$218,760,204	\$218,760,204	\$218,760,204
17	Deemed Equity Portion of Rate Base	\$87,504,082	\$87,504,082	\$87,504,082	\$87,504,082	\$87,504,082	\$87,504,082
18	Income/(Equity Portion of Rate Base)	8.48%	9.36%	8.65%	9.36%	8.64%	9.30%
19	Target Return - Equity on Rate Base	9.36%	9.36%	9.36%	9.36%	9.30%	9.30%
20	Deficiency/Sufficiency in Return on Equity	-0.88%	0.00%	-0.71%	0.00%	-0.66%	0.00%
21	Indicated Rate of Return	7.32%	7.68%	7.39%	7.68%	7.39%	7.66%
22	Requested Rate of Return on Rate Base	7.68%	7.68%	7.68%	7.68%	7.66%	7.66%
23	Deficiency/Sufficiency in Rate of Return	-0.35%	0.00%	-0.29%	0.00%	-0.26%	0.00%
24	Target Return on Equity	\$8,190,382	\$8,190,382	\$8,190,382	\$8,190,382	\$8,137,880	\$8,137,880
25	Revenue Deficiency/(Sufficiency)	\$772,464	\$ -	\$625,464	\$ -	\$576,178	\$ -
26	<b>Gross Revenue Deficiency/(Sufficiency)</b>	<b>\$1,050,972 (1)</b>		<b>\$850,972 (1)</b>		<b>\$783,915 (1)</b>	

**Notes:**

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



# Revenue Requirement Workform

## Revenue Requirement

Line No.	Particulars	Application		Per Board Decision	
1	OM&A Expenses	\$11,021,095		\$10,821,095	\$10,821,095
2	Amortization/Depreciation	\$9,701,179		\$9,701,179	\$9,701,179
3	Property Taxes	\$238,241		\$238,241	\$238,241
5	Income Taxes (Grossed up)	\$2,115,398		\$2,115,398	\$2,096,469
6	Other Expenses	\$ -		\$ -	\$ -
7	Return				
	Deemed Interest Expense	\$8,605,676		\$8,605,676	\$8,610,052
	Return on Deemed Equity	\$8,190,382		\$8,190,382	\$8,137,880
8	<b>Service Revenue Requirement (before Revenues)</b>	<u>\$39,871,972</u>		<u>\$39,671,972</u>	<u>\$39,604,915</u>
9	Revenue Offsets	\$ -		\$ -	\$ -
10	<b>Base Revenue Requirement (excluding Transformer Ownership Allowance credit adjustment)</b>	<u>\$39,871,972</u>		<u>\$39,671,972</u>	<u>\$39,604,915</u>
11	Distribution revenue	\$39,782,072		\$39,582,072	\$39,515,015
12	Other revenue	\$89,900		\$89,900	\$89,900
13	<b>Total revenue</b>	<u>\$39,871,972</u>		<u>\$39,671,972</u>	<u>\$39,604,915</u>
14	<b>Difference (Total Revenue Less Distribution Revenue Requirement before Revenues)</b>	<u>\$ -</u>	<b>(1)</b>	<u>\$ -</u>	<b>(1)</b>

### Notes

(1) Line 11 - Line 8

**APPENDIX A-1**

**TO DECISION AND ORDER**

**EB-2014-0238**

**Great Lakes Power Transmission LP**

**DATED: December 18, 2014**





# Revenue Requirement Workform



Version 4.00

<b>Utility Name</b>	<input type="text"/>
<b>Service Territory</b>	<input type="text" value="Great Lakes Power Transmission"/>
<b>Assigned EB Number</b>	<input type="text" value="EB-2014-0238"/>
<b>Name and Title</b>	<input type="text" value="Scott Seabrook, Director of Administration"/>
<b>Phone Number</b>	<input type="text" value="(705) 759-7624"/>
<b>Email Address</b>	<input type="text" value="sseabrook@glp.ca"/>

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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.*



# Revenue Requirement Workform

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[3. Data Input Sheet](#)

[4. Rate Base](#)

[5. Utility Income](#)

[6. Taxes PILs](#)

[7. Cost of Capital](#)

[8. Rev Def Suff](#)

[9. Rev Req](#)

**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

## Data Input <sup>(1)</sup>

	Initial Application <sup>(2)</sup>				Per Board Decision	
<b>1 Rate Base</b>						
Gross Fixed Assets (average)	\$259,531,046	\$ -	\$ 259,531,046	\$ -	\$259,531,046	
Accumulated Depreciation (average)	(\$41,366,782) <sup>(5)</sup>	\$ -	(\$41,366,782)	\$ -	(\$41,366,782)	
<b>Allowance for Working Capital:</b>						
Controllable Expenses	\$11,331,876	(\$210,000)	\$ 11,121,876	\$ -	\$11,121,876	
Cost of Power	\$ -	\$ -		\$ -	\$0	
Working Capital Rate (%)	4.32% <sup>(9)</sup>		4.40% <sup>(9)</sup>		4.40% <sup>(9)</sup>	
<b>2 Utility Income</b>						
Operating Revenues:						
Distribution Revenue at Current Rates	\$38,731,100	\$0	\$38,731,100	\$0	\$38,731,100	
Distribution Revenue at Proposed Rates	\$40,230,644	(\$210,000)	\$40,020,644	\$0	\$40,020,644	
<b>Other Revenue:</b>						
Specific Service Charges	\$ -	\$0	\$ -	\$0	\$ -	
Late Payment Charges	\$ -	\$0	\$ -	\$0	\$ -	
Other Distribution Revenue	\$ -	\$0	\$ -	\$0	\$ -	
Other Income and Deductions	\$89,900	\$0	\$89,900	\$0	\$89,900	
Total Revenue Offsets	\$ - <sup>(7)</sup>	\$0	\$ -	\$0	\$ -	
<b>Operating Expenses:</b>						
OM+A Expenses	\$11,331,876	(\$210,000)	\$ 11,121,876	\$ -	\$11,121,876	
Depreciation/Amortization	\$9,771,327	\$ -	\$ 9,771,327	\$ -	\$9,771,327	
Property taxes	\$240,424	\$ -	\$ 240,424	\$ -	\$240,424	
Other expenses	\$ -	\$ -	0	\$ -	\$0	
<b>3 Taxes/PIs</b>						
Taxable Income:	(\$2,115,011) <sup>(3)</sup>		(\$2,115,011)		(\$2,115,011)	
Adjustments required to arrive at taxable income						
<b>Utility Income Taxes and Rates:</b>						
Income taxes (not grossed up)	\$1,608,920		\$1,608,920		\$1,608,920	
Income taxes (grossed up)	\$2,189,007		\$2,189,007		\$2,189,007	
Federal tax (%)	15.00%		15.00%		15.00%	
Provincial tax (%)	11.50%		11.50%		11.50%	
Income Tax Credits	\$ -		\$ -		\$ -	
<b>4 Capitalization/Cost of Capital</b>						
<b>Capital Structure:</b>						
Long-term debt Capitalization Ratio (%)	56.0%		56.0%		56.0%	
Short-term debt Capitalization Ratio (%)	4.0% <sup>(8)</sup>		4.0% <sup>(8)</sup>		4.0% <sup>(8)</sup>	
Common Equity Capitalization Ratio (%)	40.0%		40.0%		40.0%	
Preferred Shares Capitalization Ratio (%)						
	100.0%		100.0%		100.0%	
<b>Cost of Capital</b>						
Long-term debt Cost Rate (%)	6.87%		6.87%		6.87%	
Short-term debt Cost Rate (%)	2.11%		2.11%		2.11%	
Common Equity Cost Rate (%)	9.36%		9.36%		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) 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

## Rate Base and Working Capital

Line No.	Particulars	Initial Application				Per Board Decision
1	Gross Fixed Assets (average) (3)	\$259,531,046	\$ -	\$259,531,046	\$ -	\$259,531,046
2	Accumulated Depreciation (average) (3)	(\$41,366,782)	\$ -	(\$41,366,782)	\$ -	(\$41,366,782)
3	Net Fixed Assets (average) (3)	\$218,164,264	\$ -	\$218,164,264	\$ -	\$218,164,264
4	Allowance for Working Capital (1)	\$489,809	(\$0)	\$489,809	\$ -	\$489,809
5	<b>Total Rate Base</b>	<b>\$218,654,073</b>	<b>(\$0)</b>	<b>\$218,654,073</b>	<b>\$ -</b>	<b>\$218,654,073</b>

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

6	Controllable Expenses	\$11,331,876	(\$210,000)	\$11,121,876	\$ -	\$11,121,876
7	Cost of Power	\$ -	\$ -	\$ -	\$ -	\$ -
8	Working Capital Base	\$11,331,876	(\$210,000)	\$11,121,876	\$ -	\$11,121,876
9	Working Capital Rate % (2)	4.32%	0.08%	4.40%	0.00%	4.40%
10	Working Capital Allowance	\$489,809	(\$0)	\$489,809	\$ -	\$489,809

#### 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

## Utility Income

Line No.	Particulars	Initial Application					Per Board Decision
<b>Operating Revenues:</b>							
1	Distribution Revenue (at Proposed Rates)	\$40,230,644	(\$210,000)	\$40,020,644	\$ -	\$40,020,644	
2	Other Revenue (1)	\$89,900	\$ -	\$89,900	\$ -	\$89,900	
3	<b>Total Operating Revenues</b>	<b>\$40,320,544</b>	<b>(\$210,000)</b>	<b>\$40,110,544</b>	<b>\$ -</b>	<b>\$40,110,544</b>	
<b>Operating Expenses:</b>							
4	OM+A Expenses	\$11,331,876	(\$210,000)	\$11,121,876	\$ -	\$11,121,876	
5	Depreciation/Amortization	\$9,771,327	\$ -	\$9,771,327	\$ -	\$9,771,327	
6	Property taxes	\$240,424	\$ -	\$240,424	\$ -	\$240,424	
7	Capital taxes	\$ -	\$ -	\$ -	\$ -	\$ -	
8	Other expense	\$ -	\$ -	\$ -	\$ -	\$ -	
9	<b>Subtotal (lines 4 to 8)</b>	<b>\$21,343,627</b>	<b>(\$210,000)</b>	<b>\$21,133,627</b>	<b>\$ -</b>	<b>\$21,133,627</b>	
10	Deemed Interest Expense	\$8,601,501	(\$0)	\$8,601,501	\$ -	\$8,601,501	
11	<b>Total Expenses (lines 9 to 10)</b>	<b>\$29,945,128</b>	<b>(\$210,000)</b>	<b>\$29,735,128</b>	<b>\$ -</b>	<b>\$29,735,128</b>	
12	<b>Utility income before income taxes</b>	<b>\$10,375,416</b>	<b>(\$0)</b>	<b>\$10,375,416</b>	<b>\$ -</b>	<b>\$10,375,416</b>	
13	Income taxes (grossed-up)	\$2,189,007	\$ -	\$2,189,007	\$ -	\$2,189,007	
14	<b>Utility net income</b>	<b>\$8,186,408</b>	<b>(\$0)</b>	<b>\$8,186,408</b>	<b>\$ -</b>	<b>\$8,186,408</b>	

### Notes

#### Other Revenues / Revenue Offsets

(1)	Specific Service Charges	\$ -	\$ -	\$ -	\$ -	\$ -
	Late Payment Charges	\$ -	\$ -	\$ -	\$ -	\$ -
	Other Distribution Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
	Other Income and Deductions	\$89,900	\$ -	\$89,900	\$ -	\$89,900
	<b>Total Revenue Offsets</b>	<b>\$89,900</b>	<b>\$ -</b>	<b>\$89,900</b>	<b>\$ -</b>	<b>\$89,900</b>



# Revenue Requirement Workform

## Taxes/PILs

Line No.	Particulars	Application		Per Board Decision
<b><u>Determination of Taxable Income</u></b>				
1	Utility net income before taxes	\$8,186,408	\$8,186,408	\$8,186,408
2	Adjustments required to arrive at taxable utility income	(\$2,115,011)	(\$2,115,011)	(\$2,115,011)
3	Taxable income	<u>\$6,071,397</u>	<u>\$6,071,397</u>	<u>\$6,071,397</u>
<b><u>Calculation of Utility Income Taxes</u></b>				
4	Income taxes	<u>\$1,608,920</u>	<u>\$1,608,920</u>	<u>\$1,608,920</u>
6	Total taxes	<u>\$1,608,920</u>	<u>\$1,608,920</u>	<u>\$1,608,920</u>
7	Gross-up of Income Taxes	<u>\$580,087</u>	<u>\$580,087</u>	<u>\$580,087</u>
8	Grossed-up Income Taxes	<u>\$2,189,007</u>	<u>\$2,189,007</u>	<u>\$2,189,007</u>
9	PILs / tax Allowance (Grossed-up Income taxes + Capital taxes)	<u>\$2,189,007</u>	<u>\$2,189,007</u>	<u>\$2,189,007</u>
10	Other tax Credits	\$ -	\$ -	\$ -
<b><u>Tax Rates</u></b>				
11	Federal tax (%)	15.00%	15.00%	15.00%
12	Provincial tax (%)	<u>11.50%</u>	<u>11.50%</u>	<u>11.50%</u>
13	Total tax rate (%)	<u>26.50%</u>	<u>26.50%</u>	<u>26.50%</u>

## Notes



# Revenue Requirement Workform

## 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%	\$122,446,281	6.87%	\$8,416,957
2	Short-term Debt	4.00%	\$8,746,163	2.11%	\$184,544
3	<b>Total Debt</b>	<b>60.00%</b>	<b>\$131,192,444</b>	<b>6.56%</b>	<b>\$8,601,501</b>
	<b>Equity</b>				
4	Common Equity	40.00%	\$87,461,629	9.36%	\$8,186,408
5	Preferred Shares	0.00%	\$ -	0.00%	\$ -
6	<b>Total Equity</b>	<b>40.00%</b>	<b>\$87,461,629</b>	<b>9.36%</b>	<b>\$8,186,408</b>
7	<b>Total</b>	<b>100.00%</b>	<b>\$218,654,073</b>	<b>7.68%</b>	<b>\$16,787,910</b>
<b>Per Board Decision</b>					
		(%)	(\$)	(%)	(\$)
	<b>Debt</b>				
1	Long-term Debt	56.00%	\$122,446,281	6.87%	\$8,416,957
2	Short-term Debt	4.00%	\$8,746,163	2.11%	\$184,544
3	<b>Total Debt</b>	<b>60.00%</b>	<b>\$131,192,444</b>	<b>6.56%</b>	<b>\$8,601,501</b>
	<b>Equity</b>				
4	Common Equity	40.00%	\$87,461,629	9.36%	\$8,186,408
5	Preferred Shares	0.00%	\$ -	0.00%	\$ -
6	<b>Total Equity</b>	<b>40.00%</b>	<b>\$87,461,629</b>	<b>9.36%</b>	<b>\$8,186,408</b>
7	<b>Total</b>	<b>100.00%</b>	<b>\$218,654,073</b>	<b>7.68%</b>	<b>\$16,787,910</b>
		(%)	(\$)	(%)	(\$)
	<b>Debt</b>				
8	Long-term Debt	56.00%	\$122,446,281	6.87%	\$8,416,957
9	Short-term Debt	4.00%	\$8,746,163	2.11%	\$184,544
10	<b>Total Debt</b>	<b>60.00%</b>	<b>\$131,192,444</b>	<b>6.56%</b>	<b>\$8,601,501</b>
	<b>Equity</b>				
11	Common Equity	40.00%	\$87,461,629	9.36%	\$8,186,408
12	Preferred Shares	0.00%	\$ -	0.00%	\$ -
13	<b>Total Equity</b>	<b>40.00%</b>	<b>\$87,461,629</b>	<b>9.36%</b>	<b>\$8,186,408</b>
14	<b>Total</b>	<b>100.00%</b>	<b>\$218,654,073</b>	<b>7.68%</b>	<b>\$16,787,910</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

## 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		\$1,499,544		\$1,289,544		\$1,289,544
2	Distribution Revenue	\$38,731,100	\$38,731,100	\$38,731,100	\$38,731,100	\$38,731,100	\$38,731,100
3	Other Operating Revenue Offsets - net	\$89,900	\$89,900	\$89,900	\$89,900	\$89,900	\$89,900
4	<b>Total Revenue</b>	<b>\$38,821,000</b>	<b>\$40,320,544</b>	<b>\$38,821,000</b>	<b>\$40,110,544</b>	<b>\$38,821,000</b>	<b>\$40,110,544</b>
5	Operating Expenses	\$21,343,627	\$21,343,627	\$21,133,627	\$21,133,627	\$21,133,627	\$21,133,627
6	Deemed Interest Expense	\$8,601,501	\$8,601,501	\$8,601,501	\$8,601,501	\$8,601,501	\$8,601,501
8	<b>Total Cost and Expenses</b>	<b>\$29,945,128</b>	<b>\$29,945,128</b>	<b>\$29,735,128</b>	<b>\$29,735,128</b>	<b>\$29,735,128</b>	<b>\$29,735,128</b>
9	<b>Utility Income Before Income Taxes</b>	<b>\$8,875,872</b>	<b>\$10,375,416</b>	<b>\$9,085,872</b>	<b>\$10,375,416</b>	<b>\$9,085,872</b>	<b>\$10,375,416</b>
10	Tax Adjustments to Accounting Income per 2013 PILs model	(\$2,115,011)	(\$2,115,011)	(\$2,115,011)	(\$2,115,011)	(\$2,115,011)	(\$2,115,011)
11	<b>Taxable Income</b>	<b>\$6,760,861</b>	<b>\$8,260,405</b>	<b>\$6,970,861</b>	<b>\$8,260,405</b>	<b>\$6,970,861</b>	<b>\$8,260,405</b>
12	Income Tax Rate	26.50%	26.50%	26.50%	26.50%	26.50%	26.50%
13	Income Tax on Taxable Income	\$1,791,628	\$2,189,007	\$1,847,278	\$2,189,007	\$1,847,278	\$2,189,007
14	Income Tax Credits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
15	<b>Utility Net Income</b>	<b>\$7,084,244</b>	<b>\$8,186,408</b>	<b>\$7,238,594</b>	<b>\$8,186,408</b>	<b>\$7,238,594</b>	<b>\$8,186,408</b>
16	<b>Utility Rate Base</b>	<b>\$218,654,073</b>	<b>\$218,654,073</b>	<b>\$218,654,073</b>	<b>\$218,654,073</b>	<b>\$218,654,073</b>	<b>\$218,654,073</b>
17	Deemed Equity Portion of Rate Base	\$87,461,629	\$87,461,629	\$87,461,629	\$87,461,629	\$87,461,629	\$87,461,629
18	Income/(Equity Portion of Rate Base)	8.10%	9.36%	8.28%	9.36%	8.28%	9.36%
19	Target Return - Equity on Rate Base	9.36%	9.36%	9.36%	9.36%	9.36%	9.36%
20	Deficiency/Sufficiency in Return on Equity	-1.26%	0.00%	-1.08%	0.00%	-1.08%	0.00%
21	Indicated Rate of Return	7.17%	7.68%	7.24%	7.68%	7.24%	7.68%
22	Requested Rate of Return on Rate Base	7.68%	7.68%	7.68%	7.68%	7.68%	7.68%
23	Deficiency/Sufficiency in Rate of Return	-0.50%	0.00%	-0.43%	0.00%	-0.43%	0.00%
24	Target Return on Equity	\$8,186,408	\$8,186,408	\$8,186,408	\$8,186,408	\$8,186,408	\$8,186,408
25	Revenue Deficiency/(Sufficiency)	\$1,102,165	\$ -	\$947,815	\$ -	\$947,815	\$ -
26	<b>Gross Revenue Deficiency/(Sufficiency)</b>	<b>\$1,499,544 (1)</b>		<b>\$1,289,544 (1)</b>		<b>\$1,289,544 (1)</b>	

**Notes:**

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





# Revenue Requirement Workform

## Revenue Requirement

Line No.	Particulars	Application		Per Board Decision	
1	OM&A Expenses	\$11,331,876		\$11,121,876	\$11,121,876
2	Amortization/Depreciation	\$9,771,327		\$9,771,327	\$9,771,327
3	Property Taxes	\$240,424		\$240,424	\$240,424
5	Income Taxes (Grossed up)	\$2,189,007		\$2,189,007	\$2,189,007
6	Other Expenses	\$ -		\$ -	\$ -
7	Return				
	Deemed Interest Expense	\$8,601,501		\$8,601,501	\$8,601,501
	Return on Deemed Equity	\$8,186,408		\$8,186,408	\$8,186,408
8	<b>Service Revenue Requirement (before Revenues)</b>	<u>\$40,320,544</u>		<u>\$40,110,544</u>	<u>\$40,110,544</u>
9	Revenue Offsets	\$ -		\$ -	\$ -
10	<b>Base Revenue Requirement (excluding Transformer Ownership Allowance credit adjustment)</b>	<u>\$40,320,544</u>		<u>\$40,110,544</u>	<u>\$40,110,544</u>
11	Distribution revenue	\$40,230,644		\$40,020,644	\$40,020,644
12	Other revenue	\$89,900		\$89,900	\$89,900
13	<b>Total revenue</b>	<u>\$40,320,544</u>		<u>\$40,110,544</u>	<u>\$40,110,544</u>
14	<b>Difference (Total Revenue Less Distribution Revenue Requirement before Revenues)</b>	<u>\$ -</u>	<b>(1)</b>	<u>\$ -</u>	<b>(1)</b>

### Notes

(1) Line 11 - Line 8

**APPENDIX B**

**TO DECISION AND ORDER**

**EB-2014-0238**

**Great Lakes Power Transmission LP**

**DATED: December 18, 2014**

## Appendix B

### Deferral and Variance Account balances for the year ending December 31, 2014

(\$'s)		
Account Number	Account Description	Balance for Disbursal
1595	Three Year Liability Amount (1 Yr Remaining)	(\$699,363)
1508	Legal Claim (Comstock)	2,354,305
1508	IFRS Gains and Losses (2013-2014)	634,138
1508	EWT Variance	451,345
1508	EWT Support Costs	56,967
1575	IFRS-CGAAP Transitional PP&E Amounts	(433,945)
<b>Total Deferral Accounts</b>		<b>\$2,363,448</b>

Account Number	Account Description	Total Disbursal	Annual Disbursal
1595	Three Year Asset Disbursement	\$2,797,393	\$932,464
1575	Three Year Transitional PP&E Disbursement	(433,945)	(144,648)
<b>Total Disbursement</b>		<b>\$2,363,448</b>	<b>\$787,816</b>

**APPENDIX C**

**TO DECISION AND ORDER**

**EB-2014-0238**

**Great Lakes Power Transmission LP**

**DATED: December 18, 2014**

## Appendix C

### Revenue Requirement and Charge Determinant Volumes

<b>Rates- Revenue Requirement for UTR effective Jan 1 2015</b>		
<i>Approved 2015 revenue requirement</i>	A	\$39,515,015
<i>Add D&amp;VA annual disposition</i>	B	\$787,816
<b>2015 Rates- Revenue Requirement</b>	<b>C = A+B</b>	<b>\$40,302,831</b>

<b>2015 Rates- Revenue Requirement allocated to transmission pools</b>				
	Network	Line Connection	Transformation Connection	Total
2015	\$24,611,934	\$5,106,199	\$10,584,698	\$40,302,831

<b>Approved Charge Determinant (MW)</b>			
	Network	Line Connection	Transformation Connection
2015	3,489.236	2,725.624	626.252
2016	3,498.236	2,734.624	635.252

**APPENDIX D**

**TO DECISION AND ORDER**

**EB-2014-0238**

**Great Lakes Power Transmission LP**

**DATED: December 18, 2014**

## ACCOUNTING ORDER

Great Lakes Power Transmission LP ("GLPT") shall establish the following variance accounts effective as of January 1, 2015:

### **1 - Sub-account "In-service Addition Net Cumulative Asymmetrical Variance Account" within Account 1508 – Other Regulatory Assets**

Purpose: To record the revenue requirement impact associated with the net difference between the forecasted and in-service additions for 2015 and 2016, in the event that total cumulative actual in-service additions are lower than total cumulative approved in-service additions for the 2015 and 2016 test years.

### **2 - Sub-account "2015 Revenue Deficiencies" within Account 1574**

Purpose: To record revenue deficiencies incurred from January 1, 2015 until GLPT's proposed 2015 rates are implemented, if necessary.

### **3 - Sub-account "2016 Revenue Deficiencies" within Account 1574**

Purpose: To record revenue deficiencies incurred from January 1, 2016 until GLPT's proposed 2016 rates are implemented, if necessary.

Attachment A provides details on the proposed accounting entries for the above accounts.

*Attachment A - Accounting Entries:*

**1 - Sub-account “In-service Addition Net Cumulative Asymmetrical Variance Account” within Account 1508 – Other Regulatory Assets**

Dr: 4110            Transmission Services Revenue  
Cr: 1508            Other Regulatory Assets – Sub account “In-service Addition Net Cumulative Asymmetrical Variance Account”

To record the revenue requirement impact associated with the net difference between the forecasted and in-service additions for 2015 and 2016, in the event that total cumulative actual in-service additions are lower than total cumulative approved in-service additions for the 2015 and 2016 test years.

Dr: 6035            Other Interest Expense  
Cr: 1508            Other Regulatory Assets – Sub account “In-service Addition Net Cumulative Asymmetrical Variance Account”

To record interest on the principal balance of the “In-service Addition Net Cumulative Asymmetrical Variance Account”.

**2 - Sub-account “2015 Revenue Deficiencies” within Account 1574**

Dr: 1574            Sub-account “2015 Revenue Deficiencies”  
Cr: 4110            Transmission Services Revenue

To record revenue deficiencies incurred from January 1, 2015 until GLPT’s proposed 2015 rates are implemented.

Dr: 1574            Sub-account “2015 Revenue Deficiencies”  
Cr: 6035            Other Interest Expense

To record interest on the principal balance of the “2015 Revenue Deficiencies” account.

**3 - Sub-account “2016 Revenue Deficiencies” within Account 1574**

Dr: 1574            Sub-account “2016 Revenue Deficiencies”  
Cr: 4110            Transmission Services Revenue

To record revenue deficiencies incurred from January 1, 2016 until GLPT’s proposed 2016 rates are implemented.

Dr: 1574            Sub-account “2016 Revenue Deficiencies”  
Cr: 6035            Other Interest Expense

To record interest on the principal balance of the “2016 Revenue Deficiencies” account.