



January 19, 2015

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4

Dear Ms. Walli:

**RE: 2015 ELECTRICITY DISTRIBUTION RATE APPLICATION FOR ALGOMA POWER INC.
("API") – EB-2014-0055
DRAFT RATE ORDER**

Pursuant to the Board's Decision and Order, dated January 8, 2015, please find accompanying this letter, two (2) copies of the API's Draft Rate Order. Co-incidentally with this submission, an electronic copy of the Draft Rate Order and all accompanying electronic files have been filed via the Board's Regulatory Electronic Submission System.

If you have any questions in connection with the above matter, please do not hesitate to contact the undersigned at (905) 994-3634.

Yours truly,

Original Signed By:

Douglas R. Bradbury
Director, Regulatory Affairs

Enclosures

ONTARIO ENERGY BOARD

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

AND IN THE MATTER OF an Application by Algoma Power
Inc. for an Order or Orders pursuant to Section 78 of the
Ontario Energy Board Act, 1998 approving or fixing just and
reasonable rates and other service charges for the distribution
of electricity.

DRAFT RATE ORDER

BACKGROUND

Algoma Power Inc. ("API") filed a cost of service application with the Ontario Energy Board (the "Board") on May 12, 2014, under section 78 of the Ontario Energy Board Act, 1998, S.O. 1998,c.15 (Schedule B), seeking approval for changes to the rates that API charges for electricity distribution, to be effective January 1, 2015.

The Board assigned the application file number EB-2014-0055 and issued a Notice of Application and Hearing dated June 3, 2014. The Board approved intervention requests from three parties: the Energy Probe Research Foundation ("Energy Probe"), the Vulnerable Energy Consumers Coalition ("VECC") and Algoma Coalition.

Procedural Order No.1, dated June 30, 2014, provided for written interrogatories and the convening of a Technical Conference and a Settlement Conference which were respectively to be held on August 26 & 27, 2014 and September 8, 2014.

Pursuant to Procedural Order No.2, the Board scheduled the Technical Conference on August 20, 2010 and August 21, 2014. The Settlement Conference was scheduled to be convened on September 8, 2014.

1 Procedural Order No. 3, dated October 16, 2014 indicated that the technical conference was
2 held on August 20, 2014 and a settlement conference commenced on September 29, 2014.
3 Settlement discussions between the parties' concluded on October 8, 2014.

4
5 API filed a proposed partial settlement agreement between itself and the intervenors on October
6 10, 2014. Board staff participated in the settlement conference and supported the settlement
7 proposal. The Settlement Proposal indicated that the parties to the Settlement agreed on all but
8 three issues. The three unresolved issues were:

- 9
10 A. API's proposal to seek recovery of the RRRP funding variance from the 2002 to 2007
11 period;
12 B. The appropriate revenue-to-cost ratios; and
13 C. The appropriate fixed/variable ratio.

14
15 Procedural Order No. 3, dated October 16, 2014, set out the procedural steps for the three
16 unresolved issues. The Parties have proposed that the unsettled issues be heard by the Board
17 in an oral hearing. The Board granted this request and scheduled the oral hearing for October
18 20, 2014. In addition to this, the Board declared API's current Board-approved Tariff of Rates
19 and Charges interim effective January 1, 2015.

20
21 As outlined in Procedural Order No. 4, at the conclusion of the oral hearing on October 20,
22 2014, Board Panel provided a procedural order which established the following schedule for
23 submissions of arguments:

- 24
25 A. API to file its Argument-in-Chief by October 27, 2014
26 B. Board staff and intervenors to file their submissions by November 3, 2014; and
27 C. API to file its Reply submission by November 10, 2014.

28
29 In accordance with the Board's Order, API filed its Argument-in-Chief on October 24, 2014,
30 followed by submissions from Board staff, Energy Probe and VECC on November 3, 2014. API
31 filed its Reply submission on November 10, 2014.

1 In the Board's Decision and Order dated January 8, 2015, the Board accepted the Settlement
2 Proposal in its entirety and accepted the combined rate effects as reasonable.

3
4 The Board's decision outlined the following with respect to the unresolved issues:

5
6 **RRRP Funding Variance**

7
8 API was seeking to recover a variance of \$173,534 that accrued between 2002 and 2007.
9 During 2002 – 2007, Great Lakes Power Limited, Algoma's predecessor, was the distributor
10 licenced to provide service to customers in the geographic area served by API today. API was
11 asking the Board to allow it to recover the \$173,534 from the RRRP variance account
12 administered by Hydro One.

13
14 API indicated that the \$173,534 variance was related to two factors. First, its billing system
15 allocated the \$28.50 credit on a 30-day basis. During months with 31 days, the credits were
16 issued for \$29.45, or \$1.05 higher than the Board approved amount. As a result, over the 2002
17 to 2007 period, customers were given credits exceeding the approved amount by \$188,001.

18
19 Second, the number of eligible customers to receive the RRRP credit declined from 2002 to
20 2007. The RRRP payments received from Hydro One were based on a formula which assumed
21 a fixed number of customers. As a result, over the 2002 to 2007 period, funding received from
22 Hydro One exceeded payments made to customers by \$14,467. The result of these two factors
23 was a net overpayment to customers of \$173,534.

24
25 The Board indicated that it will not provide a determination that recovery from Hydro One's
26 RRRP variance account is appropriate.

27
28 **Revenue-to-Cost Ratios**

29
30 The issue of revenue-to-cost ratios for API differs in scope from those of other distributors as a
31 consequence of its eligibility for the RRRP. Unlike other distributors, any distribution rate
32 increase for API's R1 and R2 classes is capped by regulation at the provincial average rate

increase (the RRRP Adjustment Factor). Any remaining cost from API's R1 and R2 classes is collected through RRRP. In addition, if the Seasonal and Street Lighting rate classes have ratios lower than 100%, the difference is also collected from all Ontario electricity customers who fund RRRP.

API reported several issues with the Board's revenue-to-cost ratio model given its unique customer density and system configuration. API submitted that individual rate classes may not have the appropriate level of allocated costs and the use of its 2011 cost allocation model to underpin revenue-to-cost ratios "is somewhat misleading". API proposed that the Board allow for one year's grace to work with Board staff and intervenors to reconfigure its cost allocation methodology in time for its 2016 incentive rate making (IRM) application.

In its Decision and Order the Board approved API's revised ratios from 2015 to 2019, as in the Table below, as the class-specific ratios gradually increase toward the ranges in the Filing Guidelines.

Proposed Revenue-to-Cost Ratios in subsequent IRM period

	2015	2016	2017	2018	2019
Seasonal	60%	66%	72%	78%	85%
Street Lighting	25.04%	10% Bill Impact			

API has revised its proposed revenue to cost ratios for the 2015 Test Year according to those in the table above. In its Cost Allocation design, API has allowed the Residential – R1 and Residential – R2 to benefit equally from the changes to the allocated costs.

The Board also encouraged API to proceed with a cost allocation study given its unique service area and to involve the intervenors and Board staff in the process. API is to consider and propose the appropriate form of application to enable a Board review of any new cost allocation and rate design proposals.

Fixed/Variable Rate Splits

API proposed to increase the fixed and variable charges for its R1 class by the RRRP Adjustment Factor, thereby maintaining the current fixed-variable split. For its R2 class, API proposed to maintain the monthly service charge at \$596.12 throughout the subsequent IRM period. For the Seasonal and Street Lighting classes, API proposed to maintain the monthly service charge at the 2014 approved amount of \$26.75 and \$0.98, respectively.

API submitted that its rate design proposals are consistent with the approach agreed to in its previous cost of service application (EB-2009-0278) and used throughout the intervening IRM period from 2013 – 2014. API indicated that a conscious effort was made to limit the increases in the fixed monthly service charge while allowing increases to the variable volumetric component. API stated that the rationale was to give the individual consumers more ability to influence their overall costs.

In its Decision and Order the Board increased the fixed and variable rates for the R1 and R2 classes to the RRRP Adjustment Factor for 2015. The Board indicated that as both R1 and R2 receive the RRRP adjustment, it is appropriate that both rate classes receive increases to commensurate with the average increase for non-RRRP eligible customers in Ontario.

The Board indicated that it was appropriate to maintain the current fixed –variable splits in 2015 for the Seasonal and Street Lighting classes. The Board does not agree that test year rate design should be based on previous settlement considerations and negotiations, especially given a potential four year subsequent IRM period. In addition, the Board indicated that they do not support maintaining fixed rates at current levels as a means to lower total bills for low-volume Seasonal and Street Lighting customers. The Board directed API to maintain the current fixed-variable splits for the Seasonal and Street Lighting rate classes until a new cost allocation study is complete and rate designs are proposed.

API has complied with the Board's direction in this matter.

IMPACT OF DECISION

The Board's decision dated January 8, 2015 in which it approved the Settlement Agreement reduces API's applied-for service revenue requirement by \$610,251, from \$23,426,431 to \$22,816,180.

Table 1. Contributions to Change to Revenue Requirement

	Applied-for		Draft Rate Order		Change	
	%	\$	%	\$	%	\$
1 Rate Base		99,266,498		98,071,831	-	1,194,666
2 Cost of Capital	6.71%		6.69%		-0.02%	
3 Return on Rate Base		6,663,164		6,561,397	-	101,768
4 OM&A Expenses		12,812,679		12,412,679	-	400,000
5 Amortization		3,947,009		3,899,209	-	47,800
6 Income Taxes (including other tax credits)		440,336		409,653	-	30,683
7 2015 Service Revenue Requirement		23,863,189		23,282,938	-	580,251
8 Less Miscellaneous Revenue		436,758		466,758		30,000
9 2015 Base Revenue Requirement		23,426,431		22,816,180	-	610,251

The impact of the Decision and Order on API's 2015 revenue requirement is a reduction of \$610,251. The Settlement Agreement accepted by the Board in its Decision and Order reduces API's amortization expense by \$47,800 in 2015. Detailed accounting of this change is provided in the Revenue Requirement Workform provided in Appendix D of this Draft Rate Order.

The revenue requirement and rate adjustments arising from this Decision and Order will allow API to make the necessary investments to serve customers, maintain the integrity of the distribution system, to maintain and improve the quality of its service and to meet all compliance requirements during 2015. While API has filed budgets for the Test Year that are illustrative of how it would achieve these goals, as is always the case with forward test year cost of service cases, the actual decisions as to how to allocate resources, and in what areas to spend the agreed upon capital and operations, are ones that must be made by the utility during the course of the year, subject to the Board's normal review in subsequent proceedings.

CAPITAL EXPENDITURES

In the Settlement Agreement accepted by the Board, the parties agreed with the 2015 capital expenditures for the purpose of calculating 2015 revenue requirement to be \$12,304,879. API has maintained these agreed amounts in the determination of its 2015 revenue requirement.

WORKING CAPITAL ALLOWANCE (WCA)

API had used the standard methodology for calculating the WCA as 13% of the sum of controllable expenses and the cost of power. In the Settlement Agreement the parties agreed to a reduction in the WCA from 13% to 10% of the revised working capital requirement. In the Settlement Agreement accepted by the Board, the parties agreed that the 2015 WCA for the purpose of calculating 2015 revenue requirement is \$3,548,160, down from the applied for amount of \$4,647,574. API has used the agreed amount of \$3,548,160 in the determination of its 2015 revenue requirement.

RATE BASE

The Settlement Agreement accepted by the Board established 2015 Rate base for the purpose of calculating 2015 revenue requirement to be \$98,071,831. API has maintained this agreed amount in the determination of its 2015 revenue requirement.

CUSTOMER AND LOAD FORECAST

In the Settlement Agreement accepted by the Board, the parties accepted the API's proposed customer and load forecast as presented in its response to undertakings JT1.6, JT1.7 and JT1.8 arising from the Technical Conference of this proceeding, held on August 20, 2014. API has used the following tables for its customer and load forecast for the purposes of calculating electricity distribution rates in this Draft Rate Order.

Table 2 Revised Test Year Forecast

Algoma Power Inc. Test Year Load Forecast			
	Per Undertakings	Per Application	Change
	2015 CDM Adjusted Load Forecast	2015 CDM Adjusted Load Forecast	
Retail kWh			
Residential - R1	105,791,701	104,826,589	965,112
Seasonal	7,731,414	7,680,066	51,348
Residential - R2	83,288,188	83,171,116	117,072
Street Lights	804,705	804,690	15
Total Customer (kWh)	<u>197,616,007</u>	<u>196,482,461</u>	<u>1,133,546</u>
	2015 CDM Adjusted Load Forecast	2015 CDM Adjusted Load Forecast	
kW			
Residential - R1	-		
Seasonal	-		
Residential - R2	198,901	198,897	4
Street Lights	2,380	2,380	0
Total Customer (kW)	<u>201,281</u>	<u>201,277</u>	<u>4</u>

Table 3 provides a clear definition of the test year forecast with respect of the adjustments made for CDM for each customer classification.

Table 3 Class Specific Adjustments to Load Forecast

**Adjustment To Load Forecast
Algoma Power Inc.**

Retail kWh	Weather Normalized 2015F (Elenchus) A	C = A / B	CDM Load Forecast Adjustment E = D * C	2015 CDM Adjusted Load Forecast F = A - E
R1 (kWh)	106,126,288	54%	334,587	105,791,701
Seasonal (kWh)	7,755,866	4%	24,452	7,731,414
R2 (kW)	83,551,603	42%	263,415	83,288,188
Street Lights (kW)	807,250	0%	2,545	804,705
Total Customer (kWh)	198,241,007	100%	625,000	197,616,007
	B		D	

kW	Weather Normalized 2015F (Elenchus) G	I = G / H	CDM Load Forecast Adjustment * J = G / A * E	2015 CDM Adjusted Load Forecast K = G - J
R1 (kWh)	-	0%		-
Seasonal (kWh)	-	0%		-
R2 (kW)	199,530	99%	629	198,901
Street Lights (kW)	2,388	1%	8	2,380
Total Customer (kW)	201,918	100%	637	201,281

Finally Table 4 is the detailed test year weather normalized customer and load forecast used for the rate design in the Proposed Settlement.

Table 4 Test Year Customer and Load Forecast

2015 Test Year Normalized Customer and Load Forecast Information

<i>Customer Class Name</i>	<i>2010 Actual</i>	<i>2011 Actual</i>	<i>2012 Actual</i>	<i>2013 Year End</i>	<i>2013 Normalized</i>	<i>Bridge Year 2014 Normalized</i>	<i>Test Year 2015 Normalized</i>
<i>Customers and Connections</i>							
<i>Residential - R1</i>	8,031	8,082	8,166	8,306	8,306	8,432	8,559
<i>Seasonal</i>	3,538	3,453	3,405	3,298	3,298	3,191	3,084
<i>Residential - R2</i>	43	46	49	50	50	50	50
<i>Street Lighting (# of Connections)</i>	1,052	1,052	1,018	1,018	1,018	1,018	1,018
TOTAL	12,664	12,633	12,638	12,672	12,672	12,691	12,711
<i>Volumes in kWh</i>							
	<i>2010 Actual</i>	<i>2011 Actual</i>	<i>2012 Actual</i>	<i>2013 Year End</i>	<i>2013 Normalized</i>	<i>Bridge Year 2014 Normalized</i>	<i>Test Year 2015 Normalized</i>
<i>Residential - R1</i>	98,515,494	103,344,412	103,512,450	106,250,425	104,788,841	104,839,037	105,791,701
<i>Seasonal</i>	11,130,245	10,087,145	10,136,343	8,458,860	8,342,500	8,025,496	7,731,414
<i>Residential - R2</i>	70,938,155	75,394,032	79,423,076	83,700,857	83,416,121	83,425,900	83,288,188
<i>Street Lighting</i>	721,376	523,958	728,404	807,250	807,250	807,250	804,705
TOTAL	181,305,270	189,349,547	193,800,273	199,217,392	197,354,712	197,097,683	197,616,008
<i>Volumes in kW</i>							
	<i>2010 Actual</i>	<i>2011 Actual</i>	<i>2012 Actual</i>	<i>2013 Year End</i>	<i>2013 Normalized</i>	<i>Bridge Year 2014 Normalized</i>	<i>Test Year 2015 Normalized</i>
<i>Residential - R1</i>							
<i>Seasonal</i>							
<i>Residential - R2</i>	163,570	176,514	185,948	199,530	199,530	199,530	198,901
<i>Street Lighting</i>	<i>Note: Street Lighting revenue in API is based on kWh.</i>						
TOTAL	163,570	176,514	185,948	199,530	199,530	199,530	198,901
	N/a	2011 Actual	2012 Actual	2013 Actual		2014 Actual	2015 Board Calculation
RRRP Adjustment Factor		2.500%	2.810%	3.750%		3.760%	0.790%
Transformer Ownership Allowance							
kW		115,523	118,393	123,494		123,494	123,494
\$		69,314	71,036	74,096		74,096	74,096

OPERATIONS, MAINTENANCE AND ADMINISTRATIVE COSTS (OM&A COSTS)

In the Settlement Agreement accepted by the Board, the parties agreed to a reduction of \$400,000 in the 2015 Test Year OM&A costs yielding an agreed to amount of \$12,304,879. The Parties agreed on the adjustment based on an “envelope” approach, so that any determination of potential budget reductions to reflect the Board-approved 2015 OM&A will be at the discretion of API. API has maintained this agreed to amount of \$12,304,879 in the determination of the electricity distribution rates in this Draft Rate Order.

INCOME TAXES

In the Application, API had included income taxes in the amount of \$440,336. Arising from the reduction in the WCA, increase in cost of power of \$131,033, the reduction of \$400,000 in OM&A expenses, a decrease to amortization expense in the Test Year of \$47,800 as shown in Table 1 previously, income tax has been reduced to \$409,653.

CAPITAL STRUCTURE

API included the capital structure in the Application; 40% equity, 56% long term debt and 4% short term debt.

COST OF CAPITAL

In the Settlement Agreement accepted by the Board, the parties agreed to a cost capital of 5.15% for long term debt, 2.16% for short term debt and 9.3% for return on equity.

Determination of the Cost of Capital

	Weighting	Rate
Return on Equity	40.0%	9.30%
Long Term Debt	56.0%	5.15%
Short Term Debt	4.0%	<u>2.16%</u>
Cost of Capital		6.69%

COST ALLOCATION AND REVENUE TO COST RATIOS

In the Settlement Agreement accepted by the Board, the Board approved the Revenue-to-Cost Ratios outlined in the table below, as the class-specific ratios gradually increase toward the ranges in the Filing Guidelines.

Table5
Proposed Revenue-to-Cost Ratios in subsequent IRM period

	2015	2016	2017	2018	2019
Seasonal	60%	66%	72%	78%	85%
Street Lighting	25.04%	10% Bill Impact			

However, the Board indicated that it finds it necessary to establish a plan for a subsequent IRM period until a new cost allocation study is available. The Board indicated that it encourages API to proceed with its cost allocation study given its unique service area and to involve intervenors and Board staff in the process. API is to consider and propose the appropriate form of application to enable the Board to review any new cost allocation and rate design proposals.

Table 6 Approved Revenue-to-Cost Ratios used in Draft Rate Order Rate Design

Customer Class	2011 Board Approved Revenue to Cost Ratios	Settlement Revenue to Cost Ratios	Draft Rate Order Revenue to Cost Ratios Used in Rate Design
Residential – R1	114.1%	111.62%	110.63%
Residential – R2	59.8%	111.73%	110.74%
Seasonal	115.0%	54.96%	60%
Street Lighting	43.0%	25.04%	25.04%

The proposed revenue to cost ratios specified in the Table 6, above, have been used in the rate design provided with the Draft Rate Order. The Cost Allocation Model consistent with the Settlement Agreement and the Board's Decision accompanies this Draft Rate Order. Output Sheet O1, Revenue to Cost Summary Worksheet, of this Cost Allocation Model is provided in Appendix E to this Draft Rate Order.

RRRP ADJUSTMENT FACTOR

In accordance with the Board's Decision and Order, the RRRP adjustment factor to be applied to API's Residential R-1 and R-2 rates to establish the rates effective January 1, 2015 is 0.79%.

API acknowledges that the Board intends to calculate an RRRP adjustment factor annually for API, with rates and the RRRP amount for the rate year affected accordingly. Every year the Board will communicate the RRRP adjustment factor to API to ensure that it is reflected in API's rates application. Should API not file either an IRM or a cost of service application, the Board will on its own motion initiate a proceeding in this regard.

RATE DESIGN

A detailed electricity distribution rate design has been provided in Appendix B to this Draft Rate Order. The rate design is premised on the base revenue requirement of \$22,816,180 as agreed to in the Settlement Agreement accepted by the Board. The customer and load forecast for the 2015 Test Year is that accepted in the Settlement Agreement and described previously. The class specific revenue requirement shares are those derived from the class specific revenue to cost ratios for the Seasonal and Street Lighting classes accepted by the Board in its Decision and Order dated January 8, 2015.

Table 7 summarizes the cost allocation to the customer classes to achieve a 60% Revenue to Cost Ratio for the Seasonal Class and a 25.04% Revenue to Cost Ratio for the Street Lighting class. The Residential – R1 and Residential – R2 classes have been allowed to benefit from the re-allocation of distribution revenue in proportion to each class' share of the overall revenue requirement. This approach allows both of these class' to benefit equitably.

Table 7 Revenue to Cost Ratios Used in the Rate Design

Setting Target Revenue to Cost Ratios						
	Allocation of Revenue Requirement Including Net Income	Misc. Revenue	Allocation of Distribution Revenue Requirement Including Net Income	Distribution Revenue at Status Quo Equivalent Rates	Target Revenue to Cost Ratio	Adjusted Distribution Revenue to Achieve Target Revenue to Cost Ratios
Residential - R1	15,134,936	292,845	14,842,091	16,601,471	110.63%	16,451,085
Residential - R2	3,731,937	75,827	3,656,111	4,093,854	110.74%	4,056,974
Seasonal	3,719,751	79,308	3,640,443	1,965,214	60.00%	2,152,542
Street Lighting	696,314	18,778	677,536	155,642	25.04%	155,579
	23,282,938	466,758	22,816,181	22,816,181		22,816,181

Table 8, below, demonstrates the application of the RRRP Adjustment Factor to the Residential – R1 and Residential – R2 classes with the resultant fixed to variable ratios remaining dependent only on the RRRP Adjustment Factor as stipulated in the Board's Decision, dated January 8, 2015.

Table 8 Fixed to Variable Splits for R1 & R2 Used in the Rate Design

Determination of Residential R1 & R2 2015 Electricity Distribution Rates and RRRP Funding

2015 Distribution Base Rate Determination											
Customer Class	Metric	Average # of Customers	Billing Determinant		F/V Split		Distribution Rates		Revenues		
			kWh	kW	Fixed Allocation	Variable Allocation	Monthly Service Charge	Variable Charge	Fixed	Variable	Total Revenue
Residential - R1	kWh	8496	105,791,701		13.6%	86.4%	22.02	0.1343	2,245,034	14,206,051	16,451,085
Residential - R2	kW	50		198,901	12.0%	88.0%	812.05	17.9473	487,230	3,569,744	4,056,974
									2,732,264	17,775,795	20,508,059
2015 Application of Rate Indexing Methodology											
Delivery Charges Indexed by Simple Average of Other LDC Increases in Current Year											
Simple Average Increase in Delivery Charge for 2015 using the 2014 Board Approved RRRP Adjustment Factor											0.79%
Customer Class	Metric	Average # of Customers	Billing Determinant		F/V Split		Distribution Rates		Revenues		
			kWh	kW	Fixed Allocation	Variable Allocation	Monthly Service Charge	Variable Charge	Fixed	Variable	Total Revenue
Residential - R1	kWh	8496	105,791,701		40.7%	59.3%	23.34	0.0328	2,379,862	3,465,392	5,845,254
Residential - R2	kW	50		198,901	36.8%	63.2%	600.83	3.1131	360,498	619,199	979,696
Transformer Ownership Allowance - Allocated to the Residential - R2 class										74,096	74,096
The Rural and Remote Rate Protection Amount Required for 2015											\$13,757,205

Table 8 also calculates the RRRP funding amount for the 2015 Test Year to be \$13,757,205.

Table 9, below, demonstrates the calculation of the Seasonal and Street Lighting distribution rates on the basis of the costs allocated to these classes in Table 7 above. The fixed to variable

split for each class as remained consisted with the fixed to variable ratios achieved from the existing 2014 approved distribution rates as stipulated in the Board's Decision, dated January 8, 2015.

Table 9 Fixed to Variable Splits for Seasonal & Street Lighting Used in the Rate Design

Determination of Seasonal and Street Lighting Distribution Rates

2014 Distribution Base Rate Determination											
Customer Class	Metric	Average # of Customers	Billing Determinant		F/V Split		Distribution Rates		Revenues		
			kWh	kW	Fixed Allocation	Variable Allocation	Monthly Service Charge	Variable Charge	Fixed	Variable	Total Revenue
Seasonal	kWh	3138	7,731,414		47.5%	52.5%	27.15	0.1462	1,022,458	1,130,085	2,152,542
Street Lighting	kWh	1018	804,705		8.6%	91.4%	1.10	0.1767	13,380	142,199	155,579
									1,035,837	1,272,284	2,308,121

A live version of the Excel Model used to design the electricity distribution rates accompanies this Draft Rate Order.

MICROFIT GENERATOR SERVICE CLASSIFICATION AND RATE

Ontario's Feed-In Tariff (FIT) program for renewable energy generation was established in the Green Energy and Green Economy Act, 2009. The program includes a stream called microFIT, which is designed to encourage homeowners, businesses and others to generate renewable energy with projects of 10 kilowatts (kW) or less.

In its EB-2009-0326 Decision and Order, issued February 23, 2010, the Board approved the following service classification definition, which is to be used by all licensed distributors:

microFIT Generator:

This classification applies to an electricity generation facility contracted under the Ontario Power Authority's microFIT program and connected to the distributor's distribution system.

On September 12, 2012, the Board approved a province-wide fixed service charge increase to \$5.40 per month for all electricity distributors, effective with the implementation of their 2013 cost of service based or incentive regulation based applications.

The microFIT Generator service classification and the service charge are included in the Draft Tariff of Rates and Charges provided in Appendix A of this Draft Rate Order.

RETAIL TRANSMISSION SERVICE RATES (“RTSR”)

In the Application, API had undertaken a review of its RTSR in a manner consistent with the Board's Guideline: *Electricity Retail Service Rates, Guideline G-2008-0001, October 22, 2008* (“the Board's Guideline”) as revised June 28, 2012. API proposed to adjust its RTSRs in this Application.

API currently has two sets of RTSRs for its Residential – R2 customer class; including one for interval metered customers with demands greater than 1000 kVA and one for non-interval metered customers. API proposed to harmonize these two sets of rates in this Application. Harmonization of the rates is completed after the existing rates have been adjusted in accordance with the Board's Guideline.

Table 7

Schedule of Proposed Retail Transmission Service Rates			
Residential – R1	Metric	Existing	2015 Adjusted
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0070	0.0072
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0051	0.0052
Residential – R2			
Retail Transmission Rate - Network Service Rate	\$/kW	N/a	2.7770
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	N/a	1.9539
Seasonal			
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0070	0.0072
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0051	0.0052
Street Lighting			
Retail Transmission Rate - Network Service Rate	\$/kW	1.9503	2.0109
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.3906	1.4094

These Retail Transmission Service Rates are included in the Proposed Tariff of Rates and Charges provided in Appendix A of this Draft Rate Order.

1 **OTHER CHARGES**

2
3 The Specific Service Charges, Allowances and Retail Service Charges are those proposed in
4 the Application and are specified in the Proposed Tariff of Rates and Charges provided in
5 Appendix A of this Draft Rate Order.

6
7 **DEFERRAL AND VARIANCE ACCOUNTS**

8
9 In the Application, API sought to recover its Group 1 regulatory deferral and variance account
10 ("DVA") balances as at December 31, 2013, with projected interest to December 31, 2014. The
11 total of Group 1 accounts requested for disposition is a credit of \$452,421. API also sought
12 recovery of selected Group 2 and other DVA accounts including: a debit of \$18,864 for
13 OEB1568, LRAM Variance Account; a debit of \$760,467 for OEB 1574, Deferred Rate Impact
14 Amounts; a credit of \$1,850,564 for OEB 1576, Accounting Changes under CGAAP; and a
15 credit of \$446,778 for OEB 1592, PILs and Tax Variance for 2006 and Subsequent Years. These
16 amounts, as well as their disposition timeframes were agreed to by all parties in the Settlement
17 Agreement.

18
19 Outlined below are the calculations for the deferral and variance account and LRAMVA
20 balances based on a February 1, 2015 implementation date.

Rate Rider Calculation for Deferral / Variance Accounts Balances (excluding Global Adjustment) REVISED RATE RECOVERY PERIOD:

Rate Class (Enter Rate Classes in cells below)	Units	kW / kWh / # of Customers	Allocated Balance (excluding 1589)	Rate Rider for Deferral/Variance Accounts	11 months kw/kWhs (11 months)	Deferral/Variance Accounts
Residential R1	kWh	104,826,589	-\$ 1,354,626	- 0.0129	\$/kWh 96,091,040	(0.0141) \$/kWh
Residential R2	kW	198,897	-\$ 1,074,551	- 5.4026	\$/kW 182,322	(5.8937) \$/kW
Seasonal	kWh	7,680,066	-\$ 99,322	- 0.0129	\$/kWh 7,040,061	(0.0141) \$/kWh
Street Lighting	kWh	804,690	-\$ 10,370	- 0.0129	\$/kWh 737,633	(0.0141) \$/kWh
Total			-\$ 2,538,870		104,051,055	

Rate Rider Calculation for RSVA - Power - Global Adjustment

REVISED RATE RECOVERY PERIOD:

Rate Class (Enter Rate Classes in cells below)	Units	Non-RPP kW / kWh / # of Customers	Balance of RSVA - Power - Global Adjustment	Rate Rider for RSVA - Power - Global Adjustment	11 months Pro-rate kw/kWhs (11 months)	Rate Rider for RSVA - Power - Global Adjustment
Residential R1	kWh	3,123,832	\$ 62,829	0.0201	\$/kWh 2,863,513	0.0219 \$/kWh
Residential R2	kW	185,452	\$ 1,559,720	8.4104	\$/kW 169,997	9.1750 \$/kW
Seasonal	kWh	46,080	\$ 927	0.0201	\$/kWh 42,240	0.0219 \$/kWh
Street Lighting	kWh	804,690	\$ 16,185	0.0201	\$/kWh 737,633	0.0219 \$/kWh
Total			\$ 1,639,661		3,813,382	

Rate Rider Calculation for Accounts 1575 and 1576

Please indicate the Rate Rider Recovery Period (in years) 5

REVISED RATE RECOVERY PERIOD:

Rate Class (Enter Rate Classes in cells below)	Units	kW / kWh / # of Customers	Balance of Accounts 1575 and 1576	Rate Rider for Accounts 1575 and 1576	59 months Rate Rider for Accounts 1575 and
Residential R1	kWh	104,826,589	-\$ 987,306	- 0.0019	\$/kWh (0.0019) \$/kWh
Residential R2	kW	198,897	-\$ 783,344	- 0.7877	\$/kW (0.8010) \$/kW
Seasonal	kWh	7,680,066	-\$ 72,334	- 0.0019	\$/kWh (0.0019) \$/kWh
Street Lighting	kWh	804,690	-\$ 7,579	- 0.0019	\$/kWh (0.0019) \$/kWh
Total			-\$ 1,850,564		

Calculation of Stranded Meter Rate Rider

	Total	Residential - R1	Seasonal
Value of Meters Allocated per 2011 Rebase Application	1,952,374	1,343,673	608,701
% Allocation Based on Value of Meters		68.8%	31.2%
Stranded Meter Costs			
Scenario A	\$ 238,308		
Scenario B	\$ 39,718		
	\$ 278,026	\$ 191,345	\$ 86,682
Average Metered Customers for 2015 Test Year		8,496	3,138
Recovery Period in Months		11	11
Stranded Meter Disposition Rate Rider		\$ 2.05	\$ 2.51

Note:

Number of meters installed taken from Schedule 2 of Schedule B within API's 2013 IRM EB-2012-0104 submitted October 22, 2012.

Calculation of LRAMVA

2014 Distribution Price Indexed Electricity Distribution Rates											
Customer Class	Metric	Average # of Customers	Billing Determinant		F/V Split		Distribution Rates		Revenues		
			kWh	kW	Fixed Allocation	Variable Allocation	Monthly Service Charge	Variable Charge	Fixed	Variable	Total Revenue
Residential - R1	kWh	8496	96,091,040		0.0%	100.0%	-	0.0002	-	18,279	18,279
Residential - R2	kWh	50		182,322	0.0%	100.0%	-	0.0032	-	585	585
									-	18,864	18,864

LOSS ADJUSTMENT FACTORS

In the Application, the Total Loss Factor proposed by API¹ was 1.0917 for secondary metered customers and 1.0808 for primary metered customers. These figures were approved by the Board.

RURAL AND REMOTE RATE PROTECTION

In the Settlement Agreement accepted by the Board, the parties agreed with API's determination of the Rural and Remote Rate Protection ("RRRP"), being \$13,757,205 for the 2015 rate year, i.e. January 1, 2015 through December 31, 2015. The derivation of the RRRP is on the basis of the matters agreed to in the Settlement Agreement and is detailed in the Rate Design Model provided in Appendix B of which a Live Excel Model accompanies this Draft Rate Order.

TARIFF OF RATES AND CHARGES

The proposed Tariff of Rates and Charges effective January 1, 2015 and Implemented February 1, 2015, is provided in Appendix A to this Draft Rate Order.

BILL IMPACTS

A copy of the Bill Impacts is provided in Appendix C to this Draft Rate Order. Shown below is a summary of total bill impacts for each customer class.

¹ API Application EB-2014-0055, Exhibit 8 Tab 2 Schedule 8

Table 8 Summary of Bill Impacts

Summary of Bill Impacts						
Customer Class	Type	Usage kWh	Demand kW	Total Bill		
				Includes OCEB (if applicable)		
				Current	Proposed	%
Residential - R1	RPP-TOU	250		63.04	61.44	-2.55%
		800		147.58	137.48	-6.84%
		1,500		255.18	234.24	-8.20%
		2,000		332.03	303.37	-8.63%
		5,000		793.16	718.10	-9.46%
		10,000		1,561.71	1,409.33	-9.76%
		15,000		2,330.26	2,100.55	-9.86%
Residential - R2	Non-RPP	30,000	50	4,694.57	4,878.08	3.91%
		81,000	160	11,753.29	12,320.26	4.82%
		90,000	225	13,406.62	14,188.13	5.83%
		4,100,000	6,000	542,714.15	564,387.09	3.99%
R2, Interval	Non-RPP	90,000	225	13,502.27	14,188.13	5.08%
Seasonal	RPP-TOU	287		110.32	117.70	6.86%
		1,000		292.68	323.51	10.53%
Street Lighting	Non-RPP	150	1	50.17	54.97	9.56%
		19,056	62	6,364.05	7,001.57	10.02%

REVENUE REQUIREMENT WORKFORM

A print copy of the completed Revenue Requirement Workform is provided in Appendix D to this Draft Rate Order and a live Excel version accompanies this Draft Rate Order.

LISTING OF APPENDICES

Appendix

Content

- A** Draft – Tariff of Rates and Charges per Board’s Decision and Order
- B** Rate Design Model
Accompanying Excel Model – *API_DRO_2015EDR_RateDesign_20150109.xlsx*
- C** Bill Impact Sheet per Board’s Decision and Order
Accompanying Excel Model – *API_2015EDR_Bill_Impact_DRO_20150109.xlsx*
- D** Revenue Requirement Workform
Accompanying Excel Model –
API2014_Rev_Reqt_Work_Form_V4_DRO_20150109.xlsm
- E** Cost Allocation Model
Accompanying Excel Model - *API_2015_Cost_Allocation_Model_V3 1 – DRO_20150109.xlsm*

All of Which is Respectfully Submitted

APPENDIX A

Draft Tariff of Rates and Charges

Algoma Power Inc.

TARIFF OF RATES AND CHARGES

Effective Date January 1, 2015
Implementation Date February 1, 2015

**This schedule supersedes and replaces all previously
approved schedules of Rates, Charges and Loss Factors**

EB-2014-0055

RESIDENTIAL SERVICE CLASSIFICATION

For the purposes of rates and charges, a residential service is defined in two ways:

- i) a dwelling occupied as a residence continuously for at least eight months of the year and, where the residential premises is located on a farm, includes other farm premises associated with the residential electricity meter, and
- ii) consumers who are treated as residential-rate class customers under Ontario Regulation 445/07 (Reclassifying Certain Classes of Consumers as Residential-Rate Class Customers: Section 78 of the *Ontario Energy Board Act, 1998*) made under the *Ontario Energy Board Act, 1998*.

RESIDENTIAL – R1

This classification refers to a Residential service with a demand of less than, or is forecast to be less than, 50 kilowatts, and which is billed on an energy basis. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES – Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	23.34
Rate Rider for Smart Metering Entity Change – effective until October 31, 2018	\$/kWh	0.79
Distribution Volumetric Rate	\$/kWh	0.0328
Foregone Revenue Recovery (2015) – effective until December 31, 2015	\$/kWh	0.0001
Rate Rider for Recovery of Stranded Meter Assets (2014) – effective until December 31, 2015	\$	2.05
Rate Rider for the Disposition of Deferral/Variance Accounts (2014) – effective until December 31, 2015	\$/kWh	(0.0141)
Rate Rider for the Disposition of Global Adjustment Sub-Account (2014) – effective until December 31, 2015	\$/kWh	0.0219
Rate Rider for the Recovery of Lost Revenue Adjustment (LRAM) – effective until December 31, 2015	\$/kWh	0.0002
Rate Rider for the Disposition of Account 1575 & 1576 - effective until December 31, 2019	\$/kWh	(0.0019)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0072
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0052

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0044
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administration Charge (if applicable)	\$	0.25

Algoma Power Inc.

TARIFF OF RATES AND CHARGES

Effective Date January 1, 2015
Implementation Date February 1, 2015

**This schedule supersedes and replaces all previously
approved schedules of Rates, Charges and Loss Factors**

EB-2014-0055

RESIDENTIAL – R2

This classification refers to a Residential service with a demand equal to or greater than, or is forecast to be equal to or greater than, 50 kilowatts, and which is billed on a demand basis. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

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MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	600.83
Distribution Volumetric Rate	\$/kW	3.1131
Rate Rider for the Disposition of Deferral/Variance Accounts (2014) – effective until December 31, 2015	\$/kW	(5.8937)
Rate Rider for the Disposition of Global Adjustment Sub-Account (2014) – effective until December 31, 2015	\$/kW	9.1750
Rate Rider for the Recovery of Lost Revenue Adjustment (LRAM) – effective until December 31, 2015	\$/kW	0.0032
Rate Rider for the Disposition of Account 1575 & 1576 – effective until December 31, 2019	\$/kW	(0.8010)
Retail Transmission Rate – Network Service Rate	\$/kW	2.7770
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.9539

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0044
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administration Charge (if applicable)	\$	0.25

Algoma Power Inc.

TARIFF OF RATES AND CHARGES

Effective Date January 1, 2015
Implementation Date February 1, 2015

**This schedule supersedes and replaces all previously
approved schedules of Rates, Charges and Loss Factors**

EB-2014-0055

SEASONAL CUSTOMERS SERVICE CLASSIFICATION

This classification includes all services supplied to single-family dwelling units for domestic purposes, which are occupied on a seasonal/intermittent basis. A service is defined as Seasonal if occupancy is for a period of less than eight months of the year. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

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It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	27.15
Rate Rider for Smart Metering Entity Charge – effective until October 31, 2018	\$	0.79
Distribution Volumetric Rate	\$/kWh	0.1462
Foregone Revenue Recovery (2015) – effective until December 31, 2015	\$/kWh	0.0041
Smart Meter Deferred Revenue Rate Rider – effective until December 31, 2016	\$	3.57
Rate Rider for Stranded Meter Assets (2014) – effective until December 31, 2015	\$	2.51
Rate Rider for the Disposition of Deferral/Variance Accounts – effective until June 30, 2019	\$/kWh	0.0307
Rate Rider for the Disposition of Deferral/Variance Accounts (2014) – effective until December 31, 2015	\$/kWh	(0.0141)
Rate Rider for the Disposition of Global Adjustment Sub-Account (2014) – effective until December 31, 2015	\$/kWh	0.0219
Rate Rider for the Disposition of Account 1575 & 1576 – effective until December 31, 2019	\$/kWh	(0.0019)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0072
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0052

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0044
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administration Charge (if applicable)	\$	0.25

Algoma Power Inc.

TARIFF OF RATES AND CHARGES

Effective Date January 1, 2015
Implementation Date February 1, 2015

**This schedule supersedes and replaces all previously
approved schedules of Rates, Charges and Loss Factors**

EB-2014-0055

STREET LIGHTING SERVICE CLASSIFICATION

This classification refers to an account for roadway lighting. The consumption for these unmetered accounts will be based on the calculated connection load times the calculated hours of use established in the approved OEB street lighting load shape template. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

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It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge (per connection)	\$	1.10
Distribution Volumetric Rate	\$/kWh	0.1767
Rate Rider for the Disposition or Deferral/Variance Accounts (2014) – effective until December 31, 2015	\$/kWh	(0.0141)
Rate Rider for the Disposition of Global Adjustment Sub-Account (2014) – effective until December 31, 2015	\$/kWh	0.0219
Rate Rider for the Disposition of Account 1575 & 1576 – effective until December 31, 2019	\$/kWh	(0.0019)
Retail Transmission Rate – Network Service Rate	\$/kW	2.0109
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.4094

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0044
Rural Rate Protection Charge –	\$/kWh	0.0013
Standard Supply Service – Administration Charge (if applicable)	\$	0.25

Algoma Power Inc.
TARIFF OF RATES AND CHARGES
Effective Date January 1, 2015
Implementation Date February 1, 2015

**This schedule supersedes and replaces all previously
 approved schedules of Rates, Charges and Loss Factors**

EB-2014-0055

microFIT GENERATOR SERVICE CLASSIFICATION

This classification applies to an electricity generation facility contracted under the Ontario Power Authority's microFIT program and connected to the distributor's distribution system. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	5.40
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Algoma Power Inc.

TARIFF OF RATES AND CHARGES

Effective Date January 1, 2015
Implementation Date February 1, 2015

**This schedule supersedes and replaces all previously
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EB-2014-0055

ALLOWANCES

Transformer Allowance for Ownership – per kW of billing demand/month	\$/kW	(0.60)
Primary Metering Allowance for transformer losses – applied to measured demand and energy	%	(1.00)

SPECIFIC SERVICE CHARGES

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

Customer Administration		
Arrears certificate (credit reference)	\$	15.00
Statement of Account	\$	15.00
Pulling Post Dated Cheques	\$	15.00
Duplicate Invoices for previous billing	\$	15.00
Request for other billing information	\$	15.00
Easement Letter	\$	15.00
Income Tax Letter	\$	15.00
Notification charge	\$	15.00
Account History	\$	15.00
Credit Reference/credit check (plus credit agency costs)	\$	15.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	\$	30.00
Returned cheque charge (plus bank charges)	\$	15.00
Charge to certify cheques	\$	15.00
Legal letter charge	\$	15.00
Special meter reads	\$	30.00
Meter dispute charge plus Measurement Canada fees (if meter found correct)	\$	30.00
Non-Payment of Account		
Late Payment - per month	%	1.50
Late Payment - per annum	%	19.56
Collection of account charge – no disconnection - during regular business hours	\$	30.00
Collection of account charge - no disconnection - after regular hours	\$	165.00
Disconnect/Reconnect Charges - at meter during regular hours	\$	65.00
Disconnect/Reconnect Charges - at meter after regular hours	\$	185.00
Disconnect/Reconnect Charges at Pole - during regular hours	\$	185.00
Disconnect/Reconnect at pole – after regular hours	\$	415.00
Install/Remove load control device – during regular hours	\$	65.00
Install/Remove load control device - after regular hours	\$	185.00
Specific Charge for Access to the Power Poles \$/pole/year	\$	22.35
Service Call - customer owned equipment	\$	30.00
Service Call - after regular hours	\$	165.00
Temporary service install & remove - overhead - no transformer	\$	500.00
Temporary service install & remove - underground - no transformer	\$	300.00
Temporary service install & remove - overhead - with transformer	\$	1000.00

Algoma Power Inc.

TARIFF OF RATES AND CHARGES

Effective Date January 1, 2015
Implementation Date February 1, 2015

**This schedule supersedes and replaces all previously
approved schedules of Rates, Charges and Loss Factors**

EB-2014-0055

RETAIL SERVICE CHARGES (if applicable)

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

Retail Service Charges refer to services provided by Algoma Power Inc. to retailers or customers related to the supply of competitive electricity and are defined in the 2006 Electricity Distribution Rate Handbook.

One-time charge, per retailer, to establish the service agreement between the distributor and the retailer	\$	100.00
Monthly Fixed Charge, per retailer	\$	20.00
Monthly Variable Charge, per customer, per retailer	\$/cust.	0.50
Distributor-consolidated billing monthly charge, per customer, per retailer	\$/cust.	0.30
Retailer-consolidated billing monthly credit, per customer, per retailer	\$/cust.	(0.30)
Service Transaction Requests (STR)		
Request fee, per request, applied to the requesting party	\$	0.25
Processing fee, per request, applied to the requesting party	\$	0.50
Request for customer information as outlined in Section 10.6.3 and Chapter 11 of the Retail Settlement Code directly to retailers and customers, if not delivered electronically through the Electronic Business Transaction (EBT) system, applied to the requesting party		
Up to twice a year		no charge
More than twice a year, per request (plus incremental delivery costs)	\$	2.00

LOSS FACTORS

If the distributor is not capable of prorating changed loss factors jointly with distribution rates, the revised loss factors will be implemented upon the first subsequent billing for each billing cycle.

Total Loss Factor – Secondary Metered Customer	1.0917
Total Loss Factor – Primary Metered Customer	1.0808

APPENDIX B

Rate Design Model



**Algoma Power Inc.
2015 Electricity Distribution Rate Application
Cost of Service**

**Rate Design Model
Draft Rate Order
EB-2014-0055**

January 9, 2015

Proposed Distribution Charges and RRRP Funding for 2015 Test Year

			Approved	2015 EDR
			EB-2013-0110	EB-2014-0055
Distribution Charges			Delivery Charges	Proposed Distribution Charges
Monthly Rates and Charges	Metric		Effective January 1, 2014 Implemented March 1,	Effective January 1, 2015
Residential - R1				
Monthly Service Charge	\$		23.16	23.34
Distribution Volumetric Rate	\$/kWh		0.0325	0.0328
Residential - R2				
Monthly Service Charge	\$		596.12	600.83
Distribution Volumetric Rate	\$/kW		3.0887	3.1131
Seasonal				
Monthly Service Charge	\$		26.75	27.15
Distribution Volumetric Rate	\$/kWh		0.1029	0.1462
Street Lighting				
Monthly Service Charge	\$		0.98	1.10
Distribution Volumetric Rate	\$/kWh		0.1579	0.1767
Rural and Remote Rate Protection	\$		12,117,516	13,757,205

2015 Test Year Normalized Customer and Load Forecast Information

<i>Customer Class Name</i>	<i>2010 Actual</i>	<i>2011 Actual</i>	<i>2012 Actual</i>	<i>2013 Year End</i>	<i>2013 Normalized</i>	<i>Bridge Year 2014 Normalized</i>	<i>Test Year 2015 Normalized</i>
<i>Customers and Connections</i>							
<i>Residential - R1</i>	8,031	8,082	8,166	8,306	8,306	8,432	8,559
<i>Seasonal</i>	3,538	3,453	3,405	3,298	3,298	3,191	3,084
<i>Residential - R2</i>	43	46	49	50	50	50	50
<i>Street Lighting (# of Connections)</i>	1,052	1,052	1,018	1,018	1,018	1,018	1,018
<i>TOTAL</i>	12,664	12,633	12,638	12,672	12,672	12,691	12,711
<i>Volumes in kWh</i>							
	<i>2010 Actual</i>	<i>2011 Actual</i>	<i>2012 Actual</i>	<i>2013 Year End</i>	<i>2013 Normalized</i>	<i>Bridge Year 2014 Normalized</i>	<i>Test Year 2015 Normalized</i>
<i>Residential - R1</i>	98,515,494	103,344,412	103,512,450	106,250,425	104,788,841	104,839,037	105,791,701
<i>Seasonal</i>	11,130,245	10,087,145	10,136,343	8,458,860	8,342,500	8,025,496	7,731,414
<i>Residential - R2</i>	70,938,155	75,394,032	79,423,076	83,700,857	83,416,121	83,425,900	83,288,188
<i>Street Lighting</i>	721,376	523,958	728,404	807,250	807,250	807,250	804,705
<i>TOTAL</i>	181,305,270	189,349,547	193,800,273	199,217,392	197,354,712	197,097,683	197,616,008
<i>Volumes in kW</i>							
	<i>2010 Actual</i>	<i>2011 Actual</i>	<i>2012 Actual</i>	<i>2013 Year End</i>	<i>2013 Normalized</i>	<i>Bridge Year 2014 Normalized</i>	<i>Test Year 2015 Normalized</i>
<i>Residential - R1</i>							
<i>Seasonal</i>							
<i>Residential - R2</i>	163,570	176,514	185,948	199,530	199,530	199,530	198,901
<i>Street Lighting</i>	<i>Note: Street Ligting revenue in API is based on kWh.</i>						
<i>TOTAL</i>	163,570	176,514	185,948	199,530	199,530	199,530	198,901
	<i>N/a</i>	<i>2011 Actual</i>	<i>2012 Actual</i>	<i>2013 Actual</i>		<i>2014 Actual</i>	<i>2015 Board Calculation</i>
RRRP Adjustment Factor		2.500%	2.810%	3.750%		3.760%	0.790%
Transformer Ownership Allowance							
kW		115,523	118,393	123,494		123,494	123,494
\$		69,314	71,036	74,096		74,096	74,096

EB-2014-0055**Sheet 01 Revenue to Cost Summary Worksheet - Final Run**

		1	2	7	12
		R1	R2	Street Light	Seasonal
Rate Base Assets		Total			
crev	Distribution Revenue at Existing Rates	\$20,478,676	\$14,900,660	\$3,674,441	\$139,697
mi	Miscellaneous Revenue (mi)	\$466,758	\$292,845	\$75,827	\$18,778
Miscellaneous Revenue Input equals Output					
Total Revenue at Existing Rates		\$20,945,434	\$15,193,505	\$3,750,267	\$158,475
Factor required to recover deficiency (1 + D)		1.1141			
Distribution Revenue at Status Quo Rates		\$22,816,181	\$16,601,471	\$4,093,854	\$155,642
Miscellaneous Revenue (mi)		\$466,758	\$292,845	\$75,827	\$18,778
Total Revenue at Status Quo Rates		\$23,282,938	\$16,894,316	\$4,169,680	\$174,420
Expenses					
di	Distribution Costs (di)	\$5,795,694	\$3,667,982	\$1,069,577	\$204,323
cu	Customer Related Costs (cu)	\$2,036,392	\$1,507,778	\$36,644	\$9,141
ad	General and Administration (ad)	\$4,580,592	\$3,023,163	\$653,756	\$125,799
dep	Depreciation and Amortization (dep)	\$3,899,209	\$2,504,649	\$680,360	\$123,962
INPUT	PILs (INPUT)	\$409,653	\$260,409	\$75,901	\$13,697
INT	Interest	\$2,913,126	\$1,851,818	\$539,746	\$97,405
Total Expenses		\$19,634,666	\$12,815,799	\$3,055,983	\$574,328
Direct Allocation		\$0	\$0	\$0	\$0
NI	Allocated Net Income (NI)	\$3,648,272	\$2,319,137	\$675,954	\$121,986
Revenue Requirement (includes NI)		\$23,282,938	\$15,134,936	\$3,731,937	\$696,314
Revenue Requirement Input equals Output					
Rate Base Calculation					
Net Assets					
dp	Distribution Plant - Gross	\$122,555,751	\$78,199,286	\$22,170,419	\$4,091,600
gp	General Plant - Gross	\$39,239,754	\$24,948,139	\$7,260,204	\$1,313,178
accum dep	Accumulated Depreciation	(\$66,750,600)	(\$42,719,078)	(\$11,845,258)	(\$2,224,052)
co	Capital Contribution	(\$521,234)	(\$339,031)	(\$77,846)	(\$19,514)
Total Net Plant		\$94,523,671	\$60,089,316	\$17,507,520	\$3,161,211
Directly Allocated Net Fixed Assets		\$0	\$0	\$0	\$0
COP	Cost of Power (COP)	\$23,068,924	\$12,366,017	\$9,676,700	\$100,839
OM&A Expenses		\$12,412,679	\$8,198,923	\$1,759,976	\$339,264
Directly Allocated Expenses		\$0	\$0	\$0	\$0
Subtotal		\$35,481,603	\$20,564,939	\$11,436,676	\$440,103
Working Capital		\$3,548,160	\$2,056,494	\$1,143,668	\$44,010
Total Rate Base		\$98,071,831	\$62,145,810	\$18,651,187	\$3,205,222
Rate Base Input equals Output					
Equity Component of Rate Base		\$39,228,732	\$24,858,324	\$7,460,475	\$1,282,089
Net Income on Allocated Assets		\$3,446,937	\$4,078,517	\$1,113,697	(\$399,908)
Net Income on Direct Allocation Assets		\$0	\$0	\$0	\$0
Net Income		\$3,446,937	\$4,078,517	\$1,113,697	(\$399,908)
RATIOS ANALYSIS					
REVENUE TO EXPENSES STATUS QUO%		100.00%	111.62%	111.73%	25.05%
EXISTING REVENUE MINUS ALLOCATED COSTS		(\$2,337,504)	\$58,569	\$18,330	(\$537,839)
Deficiency Input Does Not Equal Output					
STATUS QUO REVENUE MINUS ALLOCATED COSTS		(\$0)	\$1,759,380	\$437,743	(\$521,894)
RETURN ON EQUITY COMPONENT OF RATE BASE		8.79%	16.41%	14.93%	-31.19%

Board Approved EB-2009-0278

2011 Cost Allocation Results									
	Cost Allocation Revenue Requirement	Revenue Requirement Allocation Percentage	Cost Allocation Misc.	Cost Allocation Misc. Percentage	2011 Service Revenue Requirement	2011 Misc. Revenue	2011 Base Revenue Requirement		
Residential - R1	12,066,293	63.7%	217,490	63.4%	12,876,371	234,623	12,641,748		
Residential - R2	4,569,290	24.1%	88,133	25.7%	4,876,052	95,076	4,780,976		
Seasonal	1,995,675	10.5%	32,431	9.5%	2,129,656	34,986	2,094,670		
Street Lighting	296,807	1.6%	5,003	1.5%	316,733	5,397	311,336		
	18,928,065	100.0%	343,057	100.0%	20,198,813	370,082	19,828,731		
2011 Base Distribution Rate Cost Allocation Design									
	2011 Approved Revenue @ 100% R/C	Revenue Proportions @ 100% R/C	Approved Proportion of Revenue	Base Revenue @ Approved Proportion	Over/(Under) Contributing	Approved Revenue to Cost Ratio	2011 Cost Allocation R/C	Board's Guideline	Target R/C Ratio
Residential - R1	12,641,748	63.8%	72.8%	14,426,980	1,785,232	114.1%	116.70%	85-115%	Beneficiary
Residential - R2	4,780,976	24.1%	14.4%	2,859,067	(1,921,909)	59.8%	39.50%	80-180%	59.8%
Seasonal	2,094,670	10.6%	12.1%	2,408,811	314,141	115.0%	149.90%	85-115%	115.0%
Street Lighting	311,336	1.6%	0.7%	133,872	(177,464)	43.0%	15.90%	70-120%	43.0%
	19,828,731	100.0%	100.0%	19,828,731					

Test Year Revenue To Cost Ratios as Determined by the Cost Allocation Study

2015 Cost Allocation Results							
	Allocation of Revenue Requirement Including Net Income	Revenue Deficiency Factor	Distribution Revenue at Status Quo Equivalent Rates	Misc. Revenue	Revenue to Cost Ratio		Board's Policy Range %
Residential - R1	15,134,936	1.1141	16,601,471	292,845	111.62%		85 - 115
Residential - R2	3,731,937	1.1141	4,093,854	75,827	111.73%		80 - 120
Seasonal	3,719,751	1.1141	1,965,214	79,308	54.96%		85 - 115
Street Lighting	696,314	1.1141	155,642	18,778	25.05%		70 - 120
	23,282,938		22,816,181	466,758			

Balanced ? YES

Setting Target Revenue to Cost Ratios

	Allocation of Revenue Requirement Including Net Income	Misc. Revenue	Allocation of Distribution Revenue Requirement Including Net Income	Distribution Revenue at Status Quo Equivalent Rates	Target Revenue to Cost Ratio	Adjusted Distribution Revenue to Achieve Target Revenue to Cost Ratios
Residential - R1	15,134,936	292,845	14,842,091	16,601,471	110.63%	16,451,085
Residential - R2	3,731,937	75,827	3,656,111	4,093,854	110.74%	4,056,974
Seasonal	3,719,751	79,308	3,640,443	1,965,214	60.00%	2,152,542
Street Lighting	696,314	18,778	677,536	155,642	25.04%	155,579
	23,282,938	466,758	22,816,181	22,816,181		22,816,181

Check

YES

Board Approved EB-2013-0110 Equivalent Distribution Rates												
2014 Distribution Price Indexed Electricity Distribution Rates												
Customer Class	Metric	Average # of Customer s	Billing Determinant		F/V Split		Distribution Rates		Revenues			
			kWh	kW	Fixed Allocation	Variable Allocation	Monthly Service Charge	Variable Charge	Fixed	Variable	Total Revenue	Reconciliation
Residential - R1	kWh	8039	106,119,297		13.6%	86.4%	20.96	0.1205	2,021,594	12,792,178	14,813,772	-
Residential - R2	kW	48		151,952	12.0%	88.0%	612.10	16.9998	352,571	2,583,149	2,935,720	-
Seasonal	kWh	3660	12,622,297		43.8%	56.2%	24.64	0.1102	1,082,266	1,391,126	2,473,392	-
Street Lighting	kWh	1052	791,996		0.0%	100.0%	-	0.1736	-	137,462	137,462	-
									3,456,431	16,903,914	20,360,345	

Equivalent Distribution Rates Required to Recover the Proposed 2015 Base Revenue Requirement at the Target Revenue to Cost Ratios Excluding Transformer Ownership Allowance												
2015 Proposed Equivalent Electricity Distribution Rates												
Customer Class	Metric	Average # of Customer s	Billing Determinant		F/V Split		Distribution Rates		Revenues			
			kWh	kW	Fixed Allocation	Variable Allocation	Monthly Service Charge	Variable Charge	Fixed	Variable	Total Revenue	Reconciliation
Residential - R1	kWh	8496	105,791,701		13.6%	86.4%	22.02	0.1343	2,245,034	14,206,051	16,451,085	-
Residential - R2	kW	50		198,901	12.0%	88.0%	812.05	17.9473	487,230	3,569,744	4,056,974	-
Seasonal	kWh	3138	7,731,414		43.8%	56.2%	25.01	0.1566	941,874	1,210,668	2,152,542	-
Street Lighting	kWh	1018	804,705		0.0%	100.0%	-	0.1933	-	155,579	155,579	-
									3,674,138	19,142,043	22,816,181	-

Balanced ? YES

Determination of Residential R1 & R2 2015 Electricity Distribution Rates and RRRP Funding

2015 Distribution Base Rate Determination											
Customer Class	Metric	Average # of Customers	Billing Determinant		F/V Split		Distribution Rates		Revenues		
			kWh	kW	Fixed Allocation	Variable Allocation	Monthly Service Charge	Variable Charge	Fixed	Variable	Total Revenue
Residential - R1	kWh	8496	105,791,701		13.6%	86.4%	22.02	0.1343	2,245,034	14,206,051	16,451,085
Residential - R2	kW	50		198,901	12.0%	88.0%	812.05	17.9473	487,230	3,569,744	4,056,974
									2,732,264	17,775,795	20,508,059
2015 Application of Rate Indexing Methodology											
Delivery Charges Indexed by Simple Average of Other LDC Increases in Current Year											
Simple Average Increase in Delivery Charge for 2015 using the 2014 Board Approved RRRP Adjustment Factor											0.79%
Customer Class	Metric	Average # of Customers	Billing Determinant		F/V Split		Distribution Rates		Revenues		
			kWh	kW	Fixed Allocation	Variable Allocation	Monthly Service Charge	Variable Charge	Fixed	Variable	Total Revenue
Residential - R1	kWh	8496	105,791,701		40.7%	59.3%	23.34	0.0328	2,379,862	3,465,392	5,845,254
Residential - R2	kW	50		198,901	36.8%	63.2%	600.83	3.1131	360,498	619,199	979,696
Transformer Ownership Allowance - Allocated to the Residential - R2 class										74,096	74,096
The Rural and Remote Rate Protection Amount Required for 2015											\$ 13,757,205

Balanced ? YES

Determination of Seasonal and Street Lighting Distribution Rates

2014 Distribution Base Rate Determination											
Customer Class	Metric	Average # of Customers	Billing Determinant		F/V Split		Distribution Rates		Revenues		
			kWh	kW	Fixed Allocation	Variable Allocation	Monthly Service Charge	Variable Charge	Fixed	Variable	Total Revenue
Seasonal	kWh	3138	7,731,414		47.5%	52.5%	27.15	0.1462	1,022,458	1,130,085	2,152,542
Street Lighting	kWh	1018	804,705		8.6%	91.4%	1.10	0.1767	13,380	142,199	155,579
									1,035,837	1,272,284	2,308,121

Balanced ? YES

Reconciliation of 2015 Proposed Distribution Revenue including Transformer Ownership Allowance

	No. of Customers	Charge Determinant	2015 Monthly Service Charge	2015 Volumetric Distribution Charge	2015 Monthly Service Charge Revenue	2015 Volumetric Distribution Revenue	Total Service Revenue	Proposed 2015 RRRP	Total Service Revenue plus RRRP
Residential - R1	8,496	105,791,701	23.34	0.0328	2,379,862	3,465,392	5,845,254		
Residential - R2	50	198,901	600.83	3.1131	360,498	619,199	979,696		
Seasonal	3,138	7,731,414	27.15	0.1462	1,022,458	1,130,085	2,152,542		
Street Lighting	1,018	804,705	1.10	0.1767	13,380	142,199	155,579		
					3,776,197	5,356,875	9,133,072	13,757,205	22,890,277

Balanced? YES

Determination of Foregone Revenue for the Period of January 1, 2015 to January 31, 2015

Customer Class	Metric	Number of Customers	Charge Determinant	2014 Board Approved Rates		2015 Draft Rate Order		Foregone Revenue for One Month	
				MSC	Vol.	MSC	Vol.	MSC	Vol.
Residential - R1	kWh	8,496	105,791,701	23.16	0.0325	23.34	0.0328	6,218	2,264
Residential - R2	kW	50	198,901	596.12	3.0887	600.83	3.1131	235	404
Seasonal	kWh	3,138	7,731,414	26.75	0.1029	27.15	0.1462	1,263	27,877
Street Lighting	kWh	1,018	804,705	0.98	0.1579	1.10	0.1767	117	1,261
Foregone Revenue								\$ 7,834	<u>\$ 31,806</u>
									\$ 39,640

Foregone Revenue Rate Riders Effective February 1, 2015 to December 31, 2015

Customer Class	Metric	Number of Customers	Charge Determinant	Foregone Revenue for One Month		Foregone Revenue Rate Rider	
				MSC	Vol.	MSC	Vol.
Residential - R1	kWh	8,496	105,791,701	6,218	2,264		0.0001
Residential - R2	kW	50	198,901	235	404		0.0035
Seasonal	kWh	3,138	7,731,414	1,263	27,877		0.0041
Street Lighting	kWh	1,018	804,705	117	1,261		0.0019

Reconciliation of Foregone Revenue

Customer Class	Metric	Number of Customers	Charge Determinant	Foregone Revenue Rate Rider		Foregone Revenue Collected Over 11	
				MSC	Vol.	MSC	Vol.
Residential - R1	kWh	8,496	105,791,701		0.0001		8,481
Residential - R2	kW	50	198,901		0.0035		640
Seasonal	kWh	3,138	7,731,414		0.0041		29,140
Street Lighting	kWh	1,018	804,705		0.0019		1,379
							<u>\$ 39,640</u>

APPENDIX C

Bill Impact Model

**Algoma Power Inc.
2015 Electricity Distribution Rate Application
Cost of Service**

**Bill Impact Model
Draft Rate Order
EB-2014-0055**

January 9, 2015

	UOM	Current Approved Rates	Proposed Rates
Monthly Rates and Charges			
Residential - R1			
Monthly Service Charge	\$	23.16	23.34
Distribution Volumetric Rate	\$/kWh	0.0325	0.0328
Rate Rider for Recovery of Stranded Meter Assets (2014) - effective until December 31, 2015	\$		2.05
Foregone Revenue Recovery (2013) - effective until December 31, 2014 (2014)	\$/kWh	0.0004	-
Foregone Revenue Recovery (2014) - effective until December 31, 2014 (2014)	\$/kWh	0.0004	-
Foregone Revenue Recovery (2015) - effective until December 31, 2015 (2015)	\$/kWh		0.0001
Tax Changes - effective until December 31, 2014	\$/kWh	(0.0001)	-
Rate Rider for the Disposition of Deferral/Variance Accounts (2014) - effective until December 31, 2015	\$/kWh		(0.0141)
Rate Rider for the Disposition of Global Adjustment Sub-Account (2014) - effective until December 31, 2015	\$/kWh		0.0219
Rate Rider for the Recovery of Lost Revenue Adjustment (LRAM) - effective until December 31, 2015	\$/kWh		0.0002
Rate Rider for the Disposition of Account 1575 & 1576 - effective until December 31, 2019	\$/kWh		(0.0019)
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0070	0.0072
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0051	0.0052
Wholesale Market Service Rate	\$/kWh	0.0044	0.0044
Rural Rate Protection Charge	\$/kWh	0.0013	0.0013
Smart Meter Entity Charge - effective May 1, 2013 until October 31, 2018	\$	0.79	0.79
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25	0.25
Residential - R2			
Monthly Service Charge	\$	596.12	600.83
Distribution Volumetric Rate	\$/kW	3.0887	3.1131
Foregone Revenue Recovery (2013) - effective until December 31, 2014 (2014)	\$/kW	0.0373	-
Foregone Revenue Recovery (2014) - effective until December 31, 2014 (2014)	\$/kW	0.0388	-
Foregone Revenue Recovery (2015) - effective until December 31, 2015 (2015)	\$/kW		0.0035
Tax Changes - effective until December 31, 2014	\$/kW	(0.0148)	-
Rate Rider for the Disposition of Deferral/Variance Accounts (2014) - effective until December 31, 2015	\$/kW		(5.8937)
Rate Rider for the Disposition of Global Adjustment Sub-Account (2014) - effective until December 31, 2015	\$/kW		9.1750
Rate Rider for the Recovery of Lost Revenue Adjustment (LRAM) - effective until December 31, 2015	\$/kW		0.0032
Rate Rider for the Disposition of Account 1575 & 1576 - effective until December 31, 2019	\$/kW		(0.8010)
Retail Transmission Rate - Network Service Rate	\$/kW	2.5861	2.7770
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.7988	1.9539
Retail Transmission Rate - Network Service Rate - Interval Meter > 1,000 kW	\$/kW	2.7433	2.7770
Retail Transmission Rate - Line and Transformation Connection Service Rate - Interval > 1,000 kW	\$/kW	1.9879	1.9539
Wholesale Market Service Rate	\$/kWh	0.0044	0.0044
Rural Rate Protection Charge	\$/kWh	0.0013	0.0013
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25	0.25
Seasonal			
Monthly Service Charge	\$	26.75	27.15
Distribution Volumetric Rate	\$/kWh	0.1029	0.1462
Foregone Revenue Recovery (2013) - effective until December 31, 2014 (2014)	\$/kWh	0.0003	-
Foregone Revenue Recovery (2014) - effective until December 31, 2014 (2014)	\$/kWh	0.0005	-
Foregone Revenue Recovery (2015) - effective until December 31, 2015 (2015)	\$/kWh		0.0041
Deferral/Variance Account Disposition - effective until June 30, 2019	\$/kWh	0.0307	0.0307
SME - Net Deferred Revenue Requirement, effective until December 31, 2016	\$	3.57	3.57
SME - Incremental Revenue Requirement, effective until December 31, 2014	\$	4.69	-
Rate Rider for Recovery of Stranded Meter Assets (2014) - effective until December 31, 2015	\$		2.51
Tax Changes - effective until December 31, 2014	\$/kWh	(0.0006)	-
Rate Rider for the Disposition of Deferral/Variance Accounts (2014) - effective until December 31, 2015	\$/kWh		(0.0141)
Rate Rider for the Disposition of Global Adjustment Sub-Account (2014) - effective until December 31, 2015	\$/kWh		0.0219
Rate Rider for the Recovery of Lost Revenue Adjustment (LRAM) - effective until December 31, 2015	\$/kWh		-
Rate Rider for the Disposition of Account 1575 & 1576 - effective until December 31, 2019	\$/kWh		(0.0019)
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0070	0.0072
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0051	0.0052
Wholesale Market Service Rate	\$/kWh	0.0044	0.0044
Rural Rate Protection Charge	\$/kWh	0.0013	0.0013
Smart Meter Entity Charge - effective May 1, 2013 until October 31, 2018	\$	0.79	0.79
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25	0.25

Street Lighting

Monthly Service Charge	\$	0.98	1.10
Distribution Volumetric Rate	\$/kWh	0.1579	0.1767
Foregone Revenue Recovery (2013) - effective until December 31, 2014 (2014)	\$/kWh	0.0003	-
Foregone Revenue Recovery (2014) - effective until December 31, 2014 (2014)	\$/kWh	0.0005	-
Foregone Revenue Recovery (2015) - effective until December 31, 2015 (2015)	\$/kWh		0.0019
Tax Changes - effective until December 31, 2014	\$/kWh	(0.0005)	-
Rate Rider for the Disposition of Deferral/Variance Accounts (2014) - effective until December 31, 2015	\$/kWh		(0.0141)
Rate Rider for the Disposition of Global Adjustment Sub-Account (2014) - effective until December 31, 2015	\$/kWh		0.0219
Rate Rider for the Recovery of Lost Revenue Adjustment (LRAM) - effective until December 31, 2015	\$/kWh		-
Rate Rider for the Disposition of Account 1575 & 1576 - effective until December 31, 2019	\$/kWh		(0.0019)
Retail Transmission Rate - Network Service Rate	\$/kW	1.9503	2.0109
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.3906	1.4094
Wholesale Market Service Rate	\$/kWh	0.0044	0.0044
Rural Rate Protection Charge	\$/kWh	0.0013	0.0013
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25	0.25

Other

Debt Retirement Charge	\$/kWh	0.0020	0.0020
Energy - First Tier	\$/kWh	0.0830	0.0830
Energy - Second Tier	\$/kWh	0.0970	0.0970

Loss Factor

Total Loss Factor	%	0.0864	0.0917
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TOU

TOU - Off Peak	\$/kWh	0.072	0.072
TOU - Mid Peak	\$/kWh	0.109	0.109
TOU - On Peak	\$/kWh	0.129	0.129

Energy Price Non - RPP	\$/kWh	0.08949	0.08949
Energy Price RPP	\$/kWh	0.08899	0.08899

Appendix 2-W
Bill Impacts

Customer Class: Residential - R1 [RPP]									
TOU / non-TOU: TOU									
Consumption800 kWh									
	Charge Unit	Current Board-Approved			Proposed			Impact	
		Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	Monthly	\$ 23.1600	1	\$ 23.16	\$ 23.3400	1	\$ 23.34	\$ 0.18	0.78%
Smart Meter Rate Adder			1	\$ -		1	\$ -	\$ -	
Rate Rider for Recovery of Stranded Meter Assets (2014) - effective until December 31, 2015	Monthly		1	\$ -	\$ 2.0500	1	\$ 2.05	\$ 2.05	
			1	\$ -		1	\$ -	\$ -	
			1	\$ -		1	\$ -	\$ -	
			1	\$ -		1	\$ -	\$ -	
Distribution Volumetric Rate	per kWh	\$ 0.0325	800	\$ 26.00	\$ 0.0328	800	\$ 26.24	\$ 0.24	0.92%
Smart Meter Disposition Rider			800	\$ -		800	\$ -	\$ -	
Rate Rider for the Recovery of Lost Revenue Adjustment (LRAM) - effective until December 31, 2015	per kWh	\$ -	800	\$ -	\$ 0.0002	800	\$ 0.16	\$ 0.16	
Foregone Revenue Recovery (2013) - effective until December 31, 2014 (2014)	per kWh	\$ 0.0004	800	\$ 0.32	\$ -	800	\$ -	-\$ 0.32	-100.00%
Foregone Revenue Recovery (2014) - effective until December 31, 2014 (2014)	per kWh	\$ 0.0004	800	\$ 0.32	\$ -	800	\$ -	-\$ 0.32	-100.00%
Foregone Revenue Recovery (2015) - effective until December 31, 2015 (2015)	per kWh				\$ 0.0001	800	\$ 0.08	\$ 0.08	
Tax Changes - effective until December 31, 2014	per kWh	-\$ 0.0001	800	-\$ 0.08	\$ -	800	\$ -	\$ 0.08	-100.00%
Rate Rider for the Disposition of Account 1575 & 1576 - effective until December 31, 2019	per kWh	\$ -	800	\$ -	-\$ 0.0019	800	-\$ 1.52	-\$ 1.52	
			800	\$ -		800	\$ -	\$ -	
			800	\$ -		800	\$ -	\$ -	
			800	\$ -		800	\$ -	\$ -	
			800	\$ -		800	\$ -	\$ -	
Sub-Total A (excluding pass through)				\$ 49.72			\$ 50.35	\$ 0.63	1.27%
Rate Rider for the Disposition of Deferral/Variance Accounts (2014) - effective until December 31, 2015	per kWh	\$ -	800	\$ -	-\$ 0.0141	800	-\$ 11.28	-\$ 11.28	
Rate Rider for the Disposition of Global Adjustment Sub-Account (2014) - effective until December 31, 2015	per kWh	\$ -	800	\$ -	\$ -	800	\$ -	\$ -	
			800	\$ -		800	\$ -	\$ -	
			800	\$ -		800	\$ -	\$ -	
			800	\$ -		800	\$ -	\$ -	
Low Voltage Service Charge	per kWh	\$ 0.0889	69.12	\$ 6.15	\$ 0.0889	73.36	\$ 6.52	\$ 0.38	6.13%
Line Losses on Cost of Power	per kWh								
Smart Meter Entity Charge	Monthly	\$ 0.7900	1	\$ 0.79	\$ 0.7900	1	\$ 0.79	\$ -	
Sub-Total B - Distribution (includes Sub-Total A)				\$ 56.66			\$ 46.38	-\$ 10.27	-18.13%
RTSR - Network	per kWh	\$ 0.0070	869	\$ 6.08	\$ 0.0072	873	\$ 6.29	\$ 0.20	3.36%
RTSR - Line and Transformation Connection	per kWh	\$ 0.0051	869	\$ 4.43	\$ 0.0052	873	\$ 4.54	\$ 0.11	2.46%
Sub-Total C - Delivery (including Sub-Total B)				\$ 67.17			\$ 57.21	-\$ 9.96	-14.83%
Wholesale Market Service Charge (WMSC)	per kWh	\$ 0.0044	869	\$ 3.82	\$ 0.0044	873	\$ 3.84	\$ 0.02	0.49%
Rural and Remote Rate Protection (RRRP)	per kWh	\$ 0.0013	869	\$ 1.13	\$ 0.0013	873	\$ 1.14	\$ 0.01	0.49%
Standard Supply Service Charge	Monthly	\$ 0.2500	1	\$ 0.25	\$ 0.2500	1	\$ 0.25	\$ -	0.00%
Debt Retirement Charge (DRC)	per kWh	\$ 0.0020	800	\$ 1.60	\$ 0.0020	800	\$ 1.60	\$ -	0.00%
TOU - Off Peak	per kWh	\$ 0.0720	512	\$ 36.86	\$ 0.0720	512	\$ 36.86	\$ -	0.00%
TOU - Mid Peak	per kWh	\$ 0.1090	144	\$ 15.70	\$ 0.1090	144	\$ 15.70	\$ -	0.00%
TOU - On Peak	per kWh	\$ 0.1290	144	\$ 18.58	\$ 0.1290	144	\$ 18.58	\$ -	0.00%
Energy - RPP - Tier 1	per kWh	\$ 0.0830	600	\$ 49.80	\$ 0.0830	600	\$ 49.80	\$ -	0.00%
Energy - RPP - Tier 2	per kWh	\$ 0.0970	200	\$ 19.40	\$ 0.0970	200	\$ 19.40	\$ -	0.00%
Total Bill on TOU (before Taxes)				\$ 145.11			\$ 135.18	-\$ 9.94	-6.85%
HST		13%		\$ 18.86		13%	\$ 17.57	-\$ 1.29	-6.85%
Total Bill (including HST)				\$ 163.98			\$ 152.75	-\$ 11.23	-6.85%
Ontario Clean Energy Benefit ¹				-\$ 16.40			-\$ 15.27	\$ 1.13	-6.89%
Total Bill on TOU (including OCEB)				\$ 147.58			\$ 137.48	-\$ 10.10	-6.84%
Total Bill on RPP (before Taxes)				\$ 143.18			\$ 133.24	-\$ 9.94	-6.94%
HST		13%		\$ 18.61		13%	\$ 17.32	-\$ 1.29	-6.94%
Total Bill (including HST)				\$ 161.79			\$ 150.56	-\$ 11.23	-6.94%
Ontario Clean Energy Benefit ¹				-\$ 16.18			-\$ 15.06	\$ 1.12	-6.92%
Total Bill on RPP (including OCEB)				\$ 145.61			\$ 135.50	-\$ 10.11	-6.94%
Loss Factor (%)			8.64%				9.17%		

Appendix 2-W

Bill Impacts

Customer Class:

Residential - R1 [Non-RPP]

TOU / non-TOU:

TOU

Consumption

800

kWh

	Charge Unit	Current Board-Approved			Proposed			Impact	
		Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	Monthly	\$ 23.1600	1	\$ 23.16	\$ 23.3400	1	\$ 23.34	\$ 0.18	0.78%
Smart Meter Rate Adder			1	\$ -		1	\$ -	\$ -	
Rate Rider for the Disposition of Stranded Meter Costs - effective until December 31, 2015	Monthly		1	\$ -	\$ 2.0500	1	\$ 2.05	\$ 2.05	
			1	\$ -		1	\$ -	\$ -	
			1	\$ -		1	\$ -	\$ -	
			1	\$ -		1	\$ -	\$ -	
Distribution Volumetric Rate	per kWh	\$ 0.0325	800	\$ 26.00	\$ 0.0328	800	\$ 26.24	\$ 0.24	0.92%
Smart Meter Disposition Rider			800	\$ -		800	\$ -	\$ -	
Rate Rider for the Recovery of Lost Revenue Adjustment (LRAM) - effective until December 31, 2015	per kWh	\$ -	800	\$ -	\$ 0.0002	800	\$ 0.16	\$ 0.16	
Foregone Revenue Recovery (2013) - effective until December 31, 2014 (2014)	per kWh	\$ 0.0004	800	\$ 0.32	\$ -	800	\$ -	-\$ 0.32	-100.00%
Foregone Revenue Recovery (2014) - effective until December 31, 2014 (2014)	per kWh	\$ 0.0004	800	\$ 0.32	\$ -	800	\$ -	-\$ 0.32	-100.00%
Foregone Revenue Recovery (2015) - effective until December 31, 2015 (2015)	per kWh				\$ 0.0001	800	\$ 0.08	\$ 0.08	
Tax Changes - effective until December 31, 2014	per kWh	-\$ 0.0001	800	-\$ 0.08	\$ -	800	\$ -	\$ 0.08	-100.00%
Rate Rider for the Disposition of Account 1575 & 1576 - effective until December 31, 2019	per kWh	\$ -	800	\$ -	-\$ 0.0019	800	-\$ 1.52	-\$ 1.52	
			800	\$ -		800	\$ -	\$ -	
			800	\$ -		800	\$ -	\$ -	
			800	\$ -		800	\$ -	\$ -	
			800	\$ -		800	\$ -	\$ -	
Sub-Total A (excluding pass through)				\$ 49.72			\$ 50.35	\$ 0.63	1.27%
Rate Rider for the Disposition of Deferral/Variance Accounts (2014) - effective until December 31, 2015	per kWh	\$ -	800	\$ -	-\$ 0.0141	800	-\$ 11.28	-\$ 11.28	
Rate Rider for the Disposition of Global Adjustment Sub-Account (2014) - effective until December 31, 2015	per kWh	\$ -	800	\$ -	\$ 0.0219	800	\$ 17.52	\$ 17.52	
			800	\$ -		800	\$ -	\$ -	
			800	\$ -		800	\$ -	\$ -	
			800	\$ -		800	\$ -	\$ -	
Low Voltage Service Charge			800	\$ -		800	\$ -	\$ -	
Line Losses on Cost of Power	per kWh	\$ 0.0890	69.12	\$ 6.15	\$ 0.0890	73.36	\$ 6.53	\$ 0.38	6.13%
Smart Meter Entity Charge	Monthly	\$ 0.7900	1	\$ 0.79	\$ 0.7900	1	\$ 0.79	\$ -	
Sub-Total B - Distribution (includes Sub-Total A)				\$ 56.66			\$ 63.91	\$ 7.25	12.79%
RTSR - Network	per kWh	\$ 0.0070	869	\$ 6.08	\$ 0.0072	873	\$ 6.29	\$ 0.20	3.36%
RTSR - Line and Transformation Connection	per kWh	\$ 0.0051	869	\$ 4.43	\$ 0.0052	873	\$ 4.54	\$ 0.11	2.46%
Sub-Total C - Delivery (including Sub-Total B)				\$ 67.18			\$ 74.74	\$ 7.56	11.25%
Wholesale Market Service Charge (WMSC)	per kWh	\$ 0.0044	869	\$ 3.82	\$ 0.0044	873	\$ 3.84	\$ 0.02	0.49%
Rural and Remote Rate Protection (RRRP)	per kWh	\$ 0.0013	869	\$ 1.13	\$ 0.0013	873	\$ 1.14	\$ 0.01	0.49%
Standard Supply Service Charge	Monthly	\$ 0.2500	1	\$ 0.25	\$ 0.2500	1	\$ 0.25	\$ -	0.00%
Debt Retirement Charge (DRC)	per kWh	\$ 0.0020	800	\$ 1.60	\$ 0.0020	800	\$ 1.60	\$ -	0.00%
Cost of Power Non-RPP	per kWh	\$ 0.0895	800	\$ 71.59	\$ 0.0895	800	\$ 71.59	\$ -	0.00%
Total Bill (before Taxes)				\$ 145.57			\$ 153.16	\$ 7.58	5.21%
HST		13%		\$ 18.92	13%		\$ 19.91	\$ 0.99	5.21%
Total Bill (including HST)				\$ 164.50			\$ 173.07	\$ 8.57	5.21%
Ontario Clean Energy Benefit ¹				-\$ 16.45			-\$ 17.31	-\$ 0.86	5.23%
Total Bill on TOU (including OCEB)				\$ 148.05			\$ 155.76	\$ 7.71	5.21%

Loss Factor (%)

8.64%

9.17%

Appendix 2-W
Bill Impacts

Customer Class: Residential - R2 (Non - RPP)

		Consumption4,100,000 kWh			Billing Demand6,000 kW				
	Charge Unit	Current Board-Approved			Proposed			Impact	
		Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	Monthly	\$ 596.1200	1	\$ 596.12	\$ 600.8300	1	\$ 600.83	\$ 4.71	0.79%
Smart Meter Rate Adder			1	\$ -		1	\$ -	\$ -	
			1	\$ -		1	\$ -	\$ -	
			1	\$ -		1	\$ -	\$ -	
			1	\$ -		1	\$ -	\$ -	
			1	\$ -		1	\$ -	\$ -	
			1	\$ -		1	\$ -	\$ -	
Distribution Volumetric Rate	per kW	\$ 3.0887	6,000	\$ 18,532.20	\$ 3.1131	6,000	\$ 18,678.60	\$ 146.40	0.79%
Smart Meter Disposition Rider			6000	\$ -		6000	\$ -	\$ -	
Rate Rider for the Recovery of Lost Revenue Adjustment (LRAM) - effective until December 31, 2015	per kW	\$ -	6000	\$ -	\$ 0.0032	6000	\$ 19.20	\$ 19.20	
Foregone Revenue Recovery (2013) - effective until December 31, 2014 (2014)	per kW	\$ 0.0373	6000	\$ 223.80	\$ -	6000	\$ -	-\$ 223.80	-100.00%
Foregone Revenue Recovery (2014) - effective until December 31, 2014 (2014)	per kW	\$ 0.0388	6000	\$ 232.80	\$ -	6000	\$ -	-\$ 232.80	-100.00%
Foregone Revenue Recovery (2015) - effective until December 31, 2015 (2015)	per kW				\$ 0.0035	6000	\$ 21.00	\$ 21.00	
Tax Changes - effective until December 31, 2014	per kW	-\$ 0.0148	6000	-\$ 88.80	\$ -	6000	\$ -	\$ 88.80	-100.00%
Rate Rider for the Disposition of Account 1575 & 1576 - effective until December 31, 2019	per kW	\$ -	6000	\$ -	-\$ 0.8010	6000	-\$ 4,806.00	-\$ 4,806.00	
			6000	\$ -		6000	\$ -	\$ -	
			6000	\$ -		6000	\$ -	\$ -	
			6000	\$ -		6000	\$ -	\$ -	
			6000	\$ -		6000	\$ -	\$ -	
Sub-Total A (excluding pass through)				\$ 19,496.12			\$ 14,513.63	-\$ 4,982.49	-25.56%
Rate Rider for the Disposition of Deferral/Variance Accounts (2014) - effective until December 31, 2015	per kW	\$ -	6000	\$ -	-\$ 5.8937	6000	-\$ 35,362.20	-\$ 35,362.20	
Rate Rider for the Disposition of Global Adjustment Sub-Account (2014) - effective until December 31, 2015	per kW	\$ -	6000	\$ -	\$ 9.1750	6000	\$ 55,050.00	\$ 55,050.00	
			6000	\$ -		6000	\$ -	\$ -	
			6000	\$ -		6000	\$ -	\$ -	
			6000	\$ -		6000	\$ -	\$ -	
			6000	\$ -		6000	\$ -	\$ -	
Low Voltage Service Charge									
Line Losses on Cost of Power	per kWh	\$ 0.08949	354240	\$ 31,700.94	\$ 0.08949	375970	\$ 33,645.56	\$ 1,944.62	6.13%
Smart Meter Entity Charge	Monthly		1	\$ -		1	\$ -	\$ -	
Sub-Total B - Distribution (includes Sub-Total A)				\$ 51,197.06			\$ 67,846.99	\$ 16,649.93	32.52%
RTSR - Network	per kW	\$ 2.5861	6518	\$ 16,857.23	\$ 2.7770	6550	\$ 18,189.91	\$ 1,332.67	7.91%
RTSR - Line and Transformation Connection	per kW	\$ 1.7988	6518	\$ 11,725.30	\$ 1.9539	6550	\$ 12,798.44	\$ 1,073.14	9.15%
Sub-Total C - Delivery (including Sub-Total B)				\$ 79,779.59			\$ 98,835.33	\$ 19,055.74	23.89%
Wholesale Market Service Charge (WMSC)	per kWh	\$ 0.0044	4454240	\$ 19,598.66	\$ 0.0044	4475970	\$ 19,694.27	\$ 95.61	0.49%
Rural and Remote Rate Protection (RRRP)	per kWh	\$ 0.0013	4454240	\$ 5,790.51	\$ 0.0013	4475970	\$ 5,818.76	\$ 28.25	0.49%
Standard Supply Service Charge	Monthly	\$ 0.2500	1	\$ 0.25	\$ 0.2500	1	\$ 0.25	\$ -	0.00%
Debt Retirement Charge (DRC)	per kWh	\$ 0.0020	4100000	\$ 8,200.00	\$ 0.0020	4100000	\$ 8,200.00	\$ -	0.00%
Cost of Power (Non-RPP)	per kWh	\$ 0.08949	4100000	\$ 366,909.00	\$ 0.08949	4100000	\$ 366,909.00	\$ -	0.00%
Total Bill (before Taxes)				\$ 480,278.01			\$ 499,457.61	\$ 19,179.60	3.99%
HST		13%		\$ 62,436.14	13%		\$ 64,929.49	\$ 2,493.35	3.99%
Total Bill (including HST)				\$ 542,714.15			\$ 564,387.09	\$ 21,672.95	3.99%
Loss Factor (%)		8.64%			9.17%				

Appendix 2-W
Bill Impacts

Customer Class: Residential - R2 (formerly Interval) (Non - RPP)

		Consumption90,000 kWh			Billing Demand225 kW				
	Charge Unit	Current Board-Approved			Proposed			Impact	
		Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	Monthly	\$ 596.1200	1	\$ 596.12	\$ 600.8300	1	\$ 600.83	\$ 4.71	0.79%
Smart Meter Rate Adder			1	\$ -		1	\$ -	\$ -	
			1	\$ -		1	\$ -	\$ -	
			1	\$ -		1	\$ -	\$ -	
			1	\$ -		1	\$ -	\$ -	
			1	\$ -		1	\$ -	\$ -	
			1	\$ -		1	\$ -	\$ -	
Distribution Volumetric Rate	per kW	\$ 3.0887	225	\$ 694.96	\$ 3.1131	225	\$ 700.45	\$ 5.49	0.79%
Smart Meter Disposition Rider			225	\$ -		225	\$ -	\$ -	
Rate Rider for the Recovery of Lost Revenue Adjustment (LRAM) - effective until December 31, 2015	per kW	\$ -	225	\$ -	\$ 0.0032	225	\$ 0.72	\$ 0.72	
Foregone Revenue Recovery (2013) - effective until December 31, 2014 (2014)	per kW	\$ 0.0373	225	\$ 8.39	\$ -	225	\$ -	-\$ 8.39	-100.00%
Foregone Revenue Recovery (2014) - effective until December 31, 2014 (2014)	per kW	\$ 0.0388	225	\$ 8.73	\$ -	225	\$ -	-\$ 8.73	-100.00%
Foregone Revenue Recovery (2015) - effective until December 31, 2015 (2015)	per kW				\$ 0.0035	225	\$ 0.79	\$ 0.79	
Tax Changes - effective until December 31, 2014	per kW	-\$ 0.0148	225	-\$ 3.33	\$ -	225	\$ -	\$ 3.33	-100.00%
Rate Rider for the Disposition of Account 1575 & 1576 - effective until December 31, 2019	per kW	\$ -	225	\$ -	-\$ 0.8010	225	-\$ 180.23	-\$ 180.23	
			225	\$ -		225	\$ -	\$ -	
			225	\$ -		225	\$ -	\$ -	
			225	\$ -		225	\$ -	\$ -	
			225	\$ -		225	\$ -	\$ -	
Sub-Total A (excluding pass through)				\$ 1,304.87			\$ 1,122.56	-\$ 182.31	-13.97%
Rate Rider for the Disposition of Deferral/Variance Accounts (2014) - effective until December 31, 2015	per kW	\$ -	225	\$ -	-\$ 5.8937	225	-\$ 1,326.08	-\$ 1,326.08	
Rate Rider for the Disposition of Global Adjustment Sub-Account (2014) - effective until December 31, 2015	per kW	\$ -	225	\$ -	\$ 9.1750	225	\$ 2,064.38	\$ 2,064.38	
			225	\$ -		225	\$ -	\$ -	
			225	\$ -		225	\$ -	\$ -	
Low Voltage Service Charge			225	\$ -		225	\$ -	\$ -	
Line Losses on Cost of Power	per kWh	\$ 0.08949	7776	\$ 695.87	\$ 0.08949	8253	\$ 738.56	\$ 42.69	6.13%
Smart Meter Entity Charge	Monthly		1	\$ -		1	\$ -	\$ -	
Sub-Total B - Distribution (includes Sub-Total A)				\$ 2,000.74			\$ 2,599.41	\$ 598.67	29.92%
RTSR - Network	per kW	\$ 2.7433	244	\$ 670.57	\$ 2.7770	246	\$ 682.12	\$ 11.55	1.72%
RTSR - Line and Transformation Connection	per kW	\$ 1.9879	244	\$ 485.92	\$ 1.9539	246	\$ 479.94	-\$ 5.98	-1.23%
Sub-Total C - Delivery (including Sub-Total B)				\$ 3,157.24			\$ 3,761.48	\$ 604.24	19.14%
Wholesale Market Service Charge (WMSC)	per kWh	\$ 0.0044	97776	\$ 430.21	\$ 0.0044	98253	\$ 432.31	\$ 2.10	0.49%
Rural and Remote Rate Protection (RRRP)	per kWh	\$ 0.0013	97776	\$ 127.11	\$ 0.0013	98253	\$ 127.73	\$ 0.62	0.49%
Standard Supply Service Charge	Monthly	\$ 0.2500	1	\$ 0.25	\$ 0.2500	1	\$ 0.25	\$ -	0.00%
Debt Retirement Charge (DRC)	per kWh	\$ 0.0020	90000	\$ 180.00	\$ 0.0020	90000	\$ 180.00	\$ -	0.00%
Cost of Power (Non-RPP)	per kWh	\$ 0.08949	90000	\$ 8,054.10	\$ 0.08949	90000	\$ 8,054.10	\$ -	0.00%
Total Bill (before Taxes)				\$ 11,948.91			\$ 12,555.87	\$ 606.96	5.08%
HST		13%		\$ 1,553.36	13%		\$ 1,632.26	\$ 78.90	5.08%
Total Bill (including HST)				\$ 13,502.27			\$ 14,188.13	\$ 685.86	5.08%
Loss Factor (%)			8.64%			9.17%			

Appendix 2-W
Bill Impacts

Customer Class: Residential - R2 (Non - RPP)

		Consumption	90,000	kWh	Billing Demand	225	kW		
		Current Board-Approved			Proposed			Impact	
		Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	Monthly	\$ 596.1200	1	\$ 596.12	\$ 600.8300	1	\$ 600.83	\$ 4.71	0.79%
Smart Meter Rate Adder			1	\$ -		1	\$ -	\$ -	
			1	\$ -		1	\$ -	\$ -	
			1	\$ -		1	\$ -	\$ -	
			1	\$ -		1	\$ -	\$ -	
			1	\$ -		1	\$ -	\$ -	
			1	\$ -		1	\$ -	\$ -	
Distribution Volumetric Rate	per kW	\$ 3.0887	225	\$ 694.96	\$ 3.1131	225	\$ 700.45	\$ 5.49	0.79%
Smart Meter Disposition Rider			225	\$ -		225	\$ -	\$ -	
Rate Rider for the Recovery of Lost Revenue Adjustment (LRAM) - effective until December 31, 2015	per kW	\$ -	225	\$ -	\$ 0.0032	225	\$ 0.72	\$ 0.72	
Foregone Revenue Recovery (2013) - effective until December 31, 2014 (2014)	per kW	\$ 0.0373	225	\$ 8.39	\$ -	225	\$ -	-\$ 8.39	-100.00%
Foregone Revenue Recovery (2014) - effective until December 31, 2014 (2014)	per kW	\$ 0.0388	225	\$ 8.73	\$ -	225	\$ -	-\$ 8.73	-100.00%
Foregone Revenue Recovery (2015) - effective until December 31, 2015 (2015)	per kW				\$ 0.0035	225	\$ 0.79	\$ 0.79	
Tax Changes - effective until December 31, 2014	per kW	-\$ 0.0148	225	-\$ 3.33	\$ -	225	\$ -	\$ 3.33	-100.00%
Rate Rider for the Disposition of Account 1575 & 1576 - effective until December 31, 2019	per kW	\$ -	225	\$ -	-\$ 0.8010	225	-\$ 180.23	-\$ 180.23	
			225	\$ -		225	\$ -	\$ -	
			225	\$ -		225	\$ -	\$ -	
			225	\$ -		225	\$ -	\$ -	
			225	\$ -		225	\$ -	\$ -	
Sub-Total A (excluding pass through)				\$ 1,304.87			\$ 1,122.56	-\$ 182.31	-13.97%
Rate Rider for the Disposition of Deferral/Variance Accounts (2014) - effective until December 31, 2015	per kW	\$ -	225	\$ -	-\$ 5.8937	225	-\$ 1,326.08	-\$ 1,326.08	
Rate Rider for the Disposition of Global Adjustment Sub-Account (2014) - effective until December 31, 2015	per kW	\$ -	225	\$ -	\$ -	225	\$ -	\$ -	
			225	\$ -		225	\$ -	\$ -	
			225	\$ -		225	\$ -	\$ -	
Low Voltage Service Charge			225	\$ -		225	\$ -	\$ -	
Line Losses on Cost of Power	per kWh	\$ 0.08899	7776	\$ 691.99	\$ 0.08899	8253	\$ 734.43	\$ 42.45	6.13%
Smart Meter Entity Charge	Monthly		1	\$ -		1	\$ -	\$ -	
Sub-Total B - Distribution (includes Sub-Total A)				\$ 1,996.86			\$ 530.91	-\$ 1,465.94	-73.41%
RTSR - Network	per kW	\$ 2.5861	244	\$ 632.15	\$ 2.7770	246	\$ 682.12	\$ 49.98	7.91%
RTSR - Line and Transformation Connection	per kW	\$ 1.7988	244	\$ 439.70	\$ 1.9539	246	\$ 479.94	\$ 40.24	9.15%
Sub-Total C - Delivery (including Sub-Total B)				\$ 3,068.70			\$ 1,692.97	-\$ 1,375.73	-44.83%
Wholesale Market Service Charge (WMSC)	per kWh	\$ 0.0044	97776	\$ 430.21	\$ 0.0044	98253	\$ 432.31	\$ 2.10	0.49%
Rural and Remote Rate Protection (RRRP)	per kWh	\$ 0.0013	97776	\$ 127.11	\$ 0.0013	98253	\$ 127.73	\$ 0.62	0.49%
Standard Supply Service Charge	Monthly	\$ 0.2500	1	\$ 0.25	\$ 0.2500	1	\$ 0.25	\$ -	0.00%
Debt Retirement Charge (DRC)	per kWh	\$ 0.0020	90000	\$ 180.00	\$ 0.0020	90000	\$ 180.00	\$ -	0.00%
Cost of Power (Non-RPP)	per kWh	\$ 0.08949	90000	\$ 8,054.10	\$ 0.08949	90000	\$ 8,054.10	\$ -	0.00%
Total Bill (before Taxes)				\$ 11,860.37			\$ 10,487.37	-\$ 1,373.01	-11.58%
HST		13%		\$ 1,541.85	13%		\$ 1,363.36	-\$ 178.49	-11.58%
Total Bill (including HST)				\$ 13,402.22			\$ 11,850.72	-\$ 1,551.50	-11.58%
Loss Factor (%)			8.64%			9.17%			

Appendix 2-W
Bill Impacts

Customer Class: Seasonal [RPP]

TOU / non-TOU: TOU

Consumption1,000 kWh

	Charge Unit	Current Board-Approved			Proposed			Impact	
		Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	Monthly	\$ 26.7500	1	\$ 26.75	\$ 27.1500	1	\$ 27.15	\$ 0.40	1.50%
Smart Meter Rate Adder			1	\$ -		1	\$ -	\$ -	
SME - Net Deferred Revenue Requirement, effective until December 31, 2016	Monthly	\$ 3.5700	1	\$ 3.57	\$ 3.5700	1	\$ 3.57	\$ -	0.00%
SME - Incremental Revenue Requirement, effective until December 31, 2014	Monthly	\$ 4.6900	1	\$ 4.69	\$ -	1	\$ -	-\$ 4.69	-100.00%
Rate Rider for Recovery of Stranded Meter Assets (2014) - effective until December 31, 2015	Monthly	\$ -	1	\$ -	\$ 2.5100	1	\$ 2.51	\$ 2.51	
			1	\$ -		1	\$ -	\$ -	
Distribution Volumetric Rate	per kWh	\$ 0.1029	1000	\$ 102.90	\$ 0.1462	1000	\$ 146.20	\$ 43.30	42.08%
Smart Meter Disposition Rider			1000	\$ -		1000	\$ -	\$ -	
LRAM & SSM Rate Rider			1000	\$ -		1000	\$ -	\$ -	
Foregone Revenue Recovery (2013) - effective until December 31, 2014 (2014)	per kWh	\$ 0.0003	1000	\$ 0.30	\$ -	1000	\$ -	-\$ 0.30	-100.00%
Foregone Revenue Recovery (2014) - effective until December 31, 2014 (2014)	per kWh	\$ 0.0005	1000	\$ 0.50	\$ -	1000	\$ -	-\$ 0.50	-100.00%
Foregone Revenue Recovery (2015) - effective until December 31, 2015 (2015)	per kWh				\$ 0.0041	1000	\$ 4.10	\$ 4.10	
Tax Changes - effective until December 31, 2014	per kWh	-\$ 0.0006	1000	-\$ 0.60	\$ -	1000	\$ -	\$ 0.60	-100.00%
Deferral/Variance Account Disposition - effective until June 30, 2019	per kWh	\$ 0.0307	1000	\$ 30.70	\$ 0.0307	1000	\$ 30.70	\$ -	0.00%
Rate Rider for the Disposition of Account 1575 & 1576 - effective until December 31, 2019	per kWh	\$ -	1000	\$ -	-\$ 0.0019	1000	-\$ 1.90	-\$ 1.90	
			1000	\$ -		1000	\$ -	\$ -	
			1000	\$ -		1000	\$ -	\$ -	
			1000	\$ -		1000	\$ -	\$ -	
Sub-Total A (excluding pass through)				\$ 168.81			\$ 212.33	\$ 43.52	25.78%
Rate Rider for the Disposition of Deferral/Variance Accounts (2014) - effective until December 31, 2015	per kWh	\$ -	1000	\$ -	-\$ 0.0141	1000	-\$ 14.10	-\$ 14.10	
Rate Rider for the Disposition of Global Adjustment Sub-Account (2014) - effective until December 31, 2015	per kWh	\$ -	1000	\$ -	\$ -	1000	\$ -	\$ -	
			1000	\$ -		1000	\$ -	\$ -	
			1000	\$ -		1000	\$ -	\$ -	
			1000	\$ -		1000	\$ -	\$ -	
Low Voltage Service Charge			1000	\$ -		1000	\$ -	\$ -	
Line Losses on Cost of Power	per kWh	\$ 0.0889	86.4	\$ 7.68	\$ 0.0889	91.7	\$ 8.15	\$ 0.47	6.13%
Smart Meter Entity Charge	Monthly	\$ 0.7900	1	\$ 0.79	\$ 0.7900	1	\$ 0.79	\$ -	
Sub-Total B - Distribution (includes Sub-Total A)				\$ 177.28			\$ 207.17	\$ 29.89	16.86%
RTSR - Network	per kWh	\$ 0.0070	1086	\$ 7.60	\$ 0.0072	1092	\$ 7.86	\$ 0.26	3.36%
RTSR - Line and Transformation Connection	per kWh	\$ 0.0051	1086	\$ 5.54	\$ 0.0052	1092	\$ 5.68	\$ 0.14	2.46%
Sub-Total C - Delivery (including Sub-Total B)				\$ 190.43			\$ 220.71	\$ 30.28	15.90%
Wholesale Market Service Charge (WMSC)	per kWh	\$ 0.0044	1086	\$ 4.78	\$ 0.0044	1092	\$ 4.80	\$ 0.02	0.49%
Rural and Remote Rate Protection (RRRP)	per kWh	\$ 0.0013	1086	\$ 1.41	\$ 0.0013	1092	\$ 1.42	\$ 0.01	0.49%
Standard Supply Service Charge	Monthly	\$ 0.2500	1	\$ 0.25	\$ 0.2500	1	\$ 0.25	\$ -	0.00%
Debt Retirement Charge (DRC)	per kWh	\$ 0.0020	1000	\$ 2.00	\$ 0.0020	1000	\$ 2.00	\$ -	0.00%
TOU - Off Peak	per kWh	\$ 0.0720	640	\$ 46.08	\$ 0.0720	640	\$ 46.08	\$ -	0.00%
TOU - Mid Peak	per kWh	\$ 0.1090	180	\$ 19.62	\$ 0.1090	180	\$ 19.62	\$ -	0.00%
TOU - On Peak	per kWh	\$ 0.1290	180	\$ 23.22	\$ 0.1290	180	\$ 23.22	\$ -	0.00%
Energy - RPP - Tier 1	per kWh	\$ 0.0830	600	\$ 49.80	\$ 0.0830	600	\$ 49.80	\$ -	0.00%
Energy - RPP - Tier 2	per kWh	\$ 0.0970	400	\$ 38.80	\$ 0.0970	400	\$ 38.80	\$ -	0.00%
Total Bill on TOU (before Taxes)				\$ 287.79			\$ 318.10	\$ 30.31	10.53%
HST		13%		\$ 37.41	13%		\$ 41.35	\$ 3.94	10.53%
Total Bill (including HST)				\$ 325.20			\$ 359.46	\$ 34.25	10.53%
Ontario Clean Energy Benefit ¹				-\$ 32.52			-\$ 35.95	-\$ 3.43	10.55%
Total Bill on TOU (including OCEB)				\$ 292.68			\$ 323.51	\$ 30.82	10.53%
Total Bill on RPP (before Taxes)				\$ 287.47			\$ 317.78	\$ 30.31	10.54%
HST		13%		\$ 37.37	13%		\$ 41.31	\$ 3.94	10.54%
Total Bill (including HST)				\$ 324.84			\$ 359.10	\$ 34.25	10.54%
Ontario Clean Enerav Benefit ¹				-\$ 32.48			-\$ 35.91	-\$ 3.43	10.56%
Total Bill on RPP (including OCEB)				\$ 292.36			\$ 323.19	\$ 30.82	10.54%

Appendix 2-W
Bill Impacts

Customer Class:Seasonal [Non-RPP]

TOU / non-TOU:TOU

Consumption287 kWh

	Charge Unit	Current Board-Approved			Proposed			Impact	
		Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	Monthly	\$ 26.7500	1	\$ 26.75	\$ 27.1500	1	\$ 27.15	\$ 0.40	1.50%
Smart Meter Rate Adder			1	\$ -		1	\$ -	\$ -	
SME - Net Deferred Revenue Requirement, effective until December 31, 2016	Monthly	\$ 3.5700	1	\$ 3.57	\$ 3.5700	1	\$ 3.57	\$ -	0.00%
SME - Incremental Revenue Requirement, effective until December 31, 2014	Monthly	\$ 4.6900	1	\$ 4.69	\$ -	1	\$ -	-\$ 4.69	-100.00%
Rate Rider for Recovery of Stranded Meter Assets (2014) - effective until December 31,	Monthly	\$ -	1	\$ -	\$ 2.5100	1	\$ 2.51	\$ 2.51	
			1	\$ -		1	\$ -	\$ -	
Distribution Volumetric Rate	per kWh	\$ 0.1029	287	\$ 29.53	\$ 0.1462	287	\$ 41.96	\$ 12.43	42.08%
Smart Meter Disposition Rider			287	\$ -		287	\$ -	\$ -	
LRAM & SSM Rate Rider			287	\$ -		287	\$ -	\$ -	
Foregone Revenue Recovery (2013) - effective until December 31, 2014 (2014)	per kWh	\$ 0.0003	287	\$ 0.09	\$ -	287	\$ -	-\$ 0.09	-100.00%
Foregone Revenue Recovery (2014) - effective until December 31, 2014 (2014)	per kWh	\$ 0.0005	287	\$ 0.14	\$ -	287	\$ -	-\$ 0.14	-100.00%
Foregone Revenue Recovery (2015) - effective until December 31, 2015 (2015)	per kWh				\$ 0.0041	287	\$ 1.18	\$ 1.18	
Tax Changes - effective until December 31, 2014	per kWh	-\$ 0.0006	287	-\$ 0.17	\$ -	287	\$ -	\$ 0.17	-100.00%
Deferral/Variance Account Disposition - effective until June 30, 2019	per kWh	\$ 0.0307	287	\$ 8.81	\$ 0.0307	287	\$ 8.81	\$ -	0.00%
Rate Rider for the Disposition of Account 1575 & 1576 - effective until December 31, 2019	per kWh	\$ -	287	\$ -	-\$ 0.0019	287	-\$ 0.55	-\$ 0.55	
			287	\$ -		287	\$ -	\$ -	
			287	\$ -		287	\$ -	\$ -	
			287	\$ -		287	\$ -	\$ -	
Sub-Total A (excluding pass through)				\$ 73.41			\$ 84.63	\$ 11.22	15.29%
Rate Rider for the Disposition of Deferral/Variance Accounts (2014) - effective until December 31, 2015	per kWh	\$ -	287	\$ -	-\$ 0.0141	287	-\$ 4.05	-\$ 4.05	
Rate Rider for the Disposition of Global Adjustment Sub-Account (2014) - effective until December 31, 2015	per kWh	\$ -	287	\$ -	\$ 0.0219	287	\$ 6.29	\$ 6.29	
			287	\$ -		287	\$ -	\$ -	
			287	\$ -		287	\$ -	\$ -	
			287	\$ -		287	\$ -	\$ -	
Low Voltage Service Charge			287	\$ -		287	\$ -	\$ -	
Line Losses on Cost of Power	per kWh	\$ 0.0895	24.7968	\$ 2.22	\$ 0.0895	26.3179	\$ 2.36	\$ 0.14	6.13%
Smart Meter Entity Charge	Monthly	\$ 0.7900	1	\$ 0.79	\$ 0.7900	1	\$ 0.79	\$ -	
Sub-Total B - Distribution (includes Sub-Total A)				\$ 76.42			\$ 90.02	\$ 13.60	17.79%
RTSR - Network	per kWh	\$ 0.0070	312	\$ 2.18	\$ 0.0072	313	\$ 2.26	\$ 0.07	3.36%
RTSR - Line and Transformation Connection	per kWh	\$ 0.0051	312	\$ 1.59	\$ 0.0052	313	\$ 1.63	\$ 0.04	2.46%
Sub-Total C - Delivery (including Sub-Total B)				\$ 80.19			\$ 93.90	\$ 13.71	17.09%
Wholesale Market Service Charge (WMSC)	per kWh	\$ 0.0044	312	\$ 1.37	\$ 0.0044	313	\$ 1.38	\$ 0.01	0.49%
Rural and Remote Rate Protection (RRRP)	per kWh	\$ 0.0013	312	\$ 0.41	\$ 0.0013	313	\$ 0.41	\$ 0.00	0.49%
Standard Supply Service Charge	Monthly	\$ 0.2500	1	\$ 0.25	\$ 0.2500	1	\$ 0.25	\$ -	0.00%
Debt Retirement Charge (DRC)	per kWh	\$ 0.0020	287	\$ 0.57	\$ 0.0020	287	\$ 0.57	\$ -	0.00%
Cost of Power Non-RPP	per kWh	\$ 0.0895	287	\$ 25.68	\$ 0.0895	287	\$ 25.68	\$ -	0.00%
Total Bill (before Taxes)				\$ 108.48			\$ 122.19	\$ 13.72	12.64%
HST		13%		\$ 14.10	13%		\$ 15.89	\$ 1.78	12.64%
Total Bill (including HST)				\$ 122.58			\$ 138.08	\$ 15.50	12.64%
Ontario Clean Energy Benefit ¹				-\$ 12.26			-\$ 13.81	-\$ 1.55	12.64%
Total Bill on TOU (including OCEB)				\$ 110.32			\$ 124.27	\$ 13.95	12.65%

Appendix 2-W
Bill Impacts

Customer Class: Street Lighting (Non - RPP)

		Consumption19,056 kWh			Billing Demand62 kW				
	Charge Unit	Current Board-Approved			Proposed			Impact	
		Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	Monthly	\$ 0.9800	391	\$ 383.18	\$ 1.1000	391	\$ 430.10	\$ 46.92	12.24%
Smart Meter Rate Adder			1	\$ -		1	\$ -	\$ -	
			1	\$ -		1	\$ -	\$ -	
			1	\$ -		1	\$ -	\$ -	
			1	\$ -		1	\$ -	\$ -	
			1	\$ -		1	\$ -	\$ -	
			1	\$ -		1	\$ -	\$ -	
Distribution Volumetric Rate	per kWh	\$ 0.1579	19,056	\$ 3,008.94	\$ 0.1767	19,056	\$ 3,367.20	\$ 358.25	11.91%
Smart Meter Disposition Rider			62	\$ -		62	\$ -	\$ -	
LRAM & SSM Rate Rider			62	\$ -		62	\$ -	\$ -	
Foregone Revenue Recovery (2013) - effective until December 31, 2014 (2014)	per kWh	\$ 0.0003	19,056	\$ 5.72	\$ -	19,056	\$ -	-\$ 5.72	-100.00%
Foregone Revenue Recovery (2014) - effective until December 31, 2014 (2014)	per kWh	\$ 0.0005	19,056	\$ 9.53	\$ -	19,056	\$ -	-\$ 9.53	-100.00%
Foregone Revenue Recovery (2015) - effective until December 31, 2015 (2015)	per kWh				\$ 0.0019	19,056	\$ 36.21	\$ 36.21	
Tax Changes - effective until December 31, 2014	per kWh	-\$ 0.0005	19,056	-\$ 9.53	\$ -	19,056	\$ -	\$ 9.53	-100.00%
Rate Rider for the Disposition of Account 1575 & 1576 - effective until December 31, 2019	per kWh	\$ -	19,056	\$ -	-\$ 0.0019	19,056	-\$ 36.21	-\$ 36.21	
			62	\$ -		62	\$ -	\$ -	
			62	\$ -		62	\$ -	\$ -	
			62	\$ -		62	\$ -	\$ -	
			62	\$ -		62	\$ -	\$ -	
Sub-Total A (excluding pass through)				\$ 3,397.84			\$ 3,797.30	\$ 399.46	11.76%
Rate Rider for the Disposition of Deferral/Variance Accounts (2014) - effective until December 31, 2015	per kWh	\$ -	19,056	\$ -	-\$ 0.0141	19,056	-\$ 268.69	-\$ 268.69	
Rate Rider for the Disposition of Global Adjustment Sub-Account (2014) - effective until December 31, 2015	per kWh	\$ -	19,056	\$ -	\$ 0.0219	19,056	\$ 417.33	\$ 417.33	
			62	\$ -		62	\$ -	\$ -	
			62	\$ -		62	\$ -	\$ -	
			62	\$ -		62	\$ -	\$ -	
Low Voltage Service Charge									
Line Losses on Cost of Power	per kWh	\$ 0.08949	1646.44	\$ 147.34	\$ 0.08949	1747.44	\$ 156.38	\$ 9.04	6.13%
Smart Meter Entity Charge	Monthly		1	\$ -		1	\$ -	\$ -	
Sub-Total B - Distribution (includes Sub-Total A)				\$ 3,545.18			\$ 4,102.31	\$ 557.13	15.72%
RTSR - Network	per kW	\$ 1.9503	67	\$ 131.37	\$ 2.0109	68	\$ 136.11	\$ 4.74	3.61%
RTSR - Line and Transformation Connection	per kW	\$ 1.3906	67	\$ 93.67	\$ 1.4094	68	\$ 95.40	\$ 1.73	1.85%
Sub-Total C - Delivery (including Sub-Total B)				\$ 3,770.21			\$ 4,333.81	\$ 563.60	14.95%
Wholesale Market Service Charge (WMSC)	per kWh	\$ 0.0044	20702	\$ 91.09	\$ 0.0044	20803	\$ 91.54	\$ 0.44	0.49%
Rural and Remote Rate Protection (RRRP)	per kWh	\$ 0.0013	20702	\$ 26.91	\$ 0.0013	20803	\$ 27.04	\$ 0.13	0.49%
Standard Supply Service Charge	Monthly	\$ 0.2500	1	\$ 0.25	\$ 0.2500	1	\$ 0.25	\$ -	0.00%
Debt Retirement Charge (DRC)	per kWh	\$ 0.0020	19056	\$ 38.11	\$ 0.0020	19056	\$ 38.11	\$ -	0.00%
Cost of Power (Non-RPP)	per kWh	\$ 0.08949	19056	\$ 1,705.32	\$ 0.08949	19056	\$ 1,705.32	\$ -	0.00%
Total Bill (before Taxes)				\$ 5,631.90			\$ 6,196.08	\$ 564.18	10.02%
HST		13%		\$ 732.15	13%		\$ 805.49	\$ 73.34	10.02%
Total Bill (including HST)				\$ 6,364.05			\$ 7,001.57	\$ 637.52	10.02%

Appendix 2-W

Bill Impacts

Customer Class:

Street Lighting (Non - RPP)

		Consumption150 kWh			Billing Demand1 kW				
	Charge Unit	Current Board-Approved			Proposed			Impact	
		Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	Monthly	\$0.9800	1	\$0.98	\$1.1000	1	\$1.10	\$0.12	12.24%
Smart Meter Rate Adder			1	\$-		1	\$-	\$-	
			1	\$-		1	\$-	\$-	
			1	\$-		1	\$-	\$-	
			1	\$-		1	\$-	\$-	
			1	\$-		1	\$-	\$-	
			1	\$-		1	\$-	\$-	
Distribution Volumetric Rate	per kWh	\$0.1579	150	\$23.69	\$0.1767	150	\$26.51	\$2.82	11.91%
Smart Meter Disposition Rider			1	\$-		1	\$-	\$-	
LRAM & SSM Rate Rider			1	\$-		1	\$-	\$-	
Foregone Revenue Recovery (2013) - effective until December 31, 2014 (2014)	per kWh	\$0.0003	150	\$0.05	\$-	150	\$-	-\$0.05	-100.00%
Foregone Revenue Recovery (2014) - effective until December 31, 2014 (2014)	per kWh	\$0.0005	150	\$0.08	\$-	150	\$-	-\$0.08	-100.00%
Foregone Revenue Recovery (2015) - effective until December 31, 2015 (2015)	per kWh				\$0.0019	150	\$0.29	\$0.29	
Tax Changes - effective until December 31, 2014	per kWh	-\$0.0005	150	-\$0.08	\$-	150	\$-	\$0.08	-100.00%
Rate Rider for the Disposition of Account 1575 & 1576 - effective until December 31, 2019	per kWh	\$-	150	\$-	-\$0.0019	150	-\$0.29	-\$0.29	
			1	\$-		1	\$-	\$-	
			1	\$-		1	\$-	\$-	
			1	\$-		1	\$-	\$-	
			1	\$-		1	\$-	\$-	
Sub-Total A (excluding pass through)				\$24.71			\$27.61	\$2.90	11.72%
Rate Rider for the Disposition of Deferral/Variance Accounts (2014) - effective until December 31, 2015	per kWh	\$-	150	\$-	-\$0.0141	150	-\$2.12	-\$2.12	
Rate Rider for the Disposition of Global Adjustment Sub-Account (2014) - effective until December 31, 2015	per kWh	\$-	150	\$-	\$0.0219	150	\$3.29	\$3.29	
			1	\$-		1	\$-	\$-	
			1	\$-		1	\$-	\$-	
Low Voltage Service Charge			1	\$-		1	\$-	\$-	
Line Losses on Cost of Power	per kWh	\$0.08949	12.96	\$1.16	\$0.08949	13.755	\$1.23	\$0.07	6.13%
Smart Meter Entity Charge	Monthly		1	\$-		1	\$-	\$-	
Sub-Total B - Distribution (includes Sub-Total A)				\$25.87			\$30.01	\$4.14	15.99%
RTSR - Network	per kW	\$1.9503	1	\$2.12	\$2.0109	1	\$2.20	\$0.08	3.61%
RTSR - Line and Transformation Connection	per kW	\$1.3906	1	\$1.51	\$1.4094	1	\$1.54	\$0.03	1.85%
Sub-Total C - Delivery (including Sub-Total B)				\$29.50			\$33.74	\$4.24	14.38%
Wholesale Market Service Charge (WMSC)	per kWh	\$0.0044	163	\$0.72	\$0.0044	164	\$0.72	\$0.00	0.49%
Rural and Remote Rate Protection (RRRP)	per kWh	\$0.0013	163	\$0.21	\$0.0013	164	\$0.21	\$0.00	0.49%
Standard Supply Service Charge	Monthly	\$0.2500	1	\$0.25	\$0.2500	1	\$0.25	\$-	0.00%
Debt Retirement Charge (DRC)	per kWh	\$0.0020	150	\$0.30	\$0.0020	150	\$0.30	\$-	0.00%
Cost of Power (Non-RPP)	per kWh	\$0.08949	150	\$13.42	\$0.08949	150	\$13.42	\$-	0.00%
Total Bill (before Taxes)				\$44.40			\$48.65	\$4.25	9.56%
HST		13%		\$5.77	13%		\$6.32	\$0.55	9.56%
Total Bill (including HST)				\$50.17			\$54.97	\$4.80	9.56%

APPENDIX D

Revenue Requirement Workform



Version 4.00

Utility Name	Algoma Power Inc.
Service Territory	
Assigned EB Number	EB-2014-0055
Name and Title	Douglas Bradbury
Phone Number	(905) 994 3634
Email Address	doug.bradbury@fortisontario.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.



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 ⁽¹⁾

	Initial Application	(2)	Adjustments	Settlement Agreement	(6)	Adjustments	Per Board Decision
1	<u>Rate Base</u>						
	Gross Fixed Assets (average)	\$161,684,641		\$ 161,239,377			\$161,239,377
	Accumulated Depreciation (average)	(\$67,065,717)	(5)	(\$66,715,707)			(\$66,715,707)
	Allowance for Working Capital:						
	Controllable Expenses	\$12,812,679		\$ 12,412,679			\$12,412,679
	Cost of Power	\$22,937,890		\$ 23,068,923			\$23,068,923
	Working Capital Rate (%)	13.00%	(9)	10.00%	(9)		10.00% (9)
2	<u>Utility Income</u>						
	Operating Revenues:						
	Distribution Revenue at Current Rates	\$20,640,736		\$20,640,736		\$0	\$20,640,736
	Distribution Revenue at Proposed Rates	\$23,426,430		\$22,816,181		\$0	\$22,816,181
	Other Revenue:						
	Specific Service Charges	\$52,180		\$52,180		\$0	\$52,180
	Late Payment Charges	\$89,000		\$89,000		\$0	\$89,000
	Other Distribution Revenue	\$285,578	\$30,000	\$315,578		\$0	\$315,578
	Other Income and Deductions	\$10,000	\$0	\$10,000		\$0	\$10,000
	Total Revenue Offsets	\$436,758	(7)	\$466,758		\$0	\$466,758
	Operating Expenses:						
	OM+A Expenses	\$12,704,879		\$ 12,304,879			\$12,304,879
	Depreciation/Amortization	\$3,947,009		\$ 3,899,209			\$3,899,209
	Property taxes	\$107,800		\$ 107,800			\$107,800
	Other expenses						
3	<u>Taxes/PILs</u>						
	Taxable Income:						
		(\$149,869)	(3)	(\$749,114)			(\$749,114)
	Adjustments required to arrive at taxable income						
	Utility Income Taxes and Rates:						
	Income taxes (not grossed up)	\$323,647		\$301,095			\$301,095
	Income taxes (grossed up)	\$440,336		\$409,653			\$409,653
	Federal tax (%)	15.00%		15.00%			15.00%
	Provincial tax (%)	11.50%		11.50%			11.50%
	Income Tax Credits			(\$7,425)			(\$7,425)
4	<u>Capitalization/Cost of Capital</u>						
	Capital Structure:						
	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%
	Cost of Capital						
	Long-term debt Cost Rate (%)	5.15%		5.15%			5.15%
	Short-term debt Cost Rate (%)	2.11%		2.16%			2.16%
	Common Equity Cost Rate (%)	9.36%		9.30%			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	Adjustments	Settlement Agreement	Adjustments	Per Board Decision
1	Gross Fixed Assets (average) (3)		\$161,684,641	(\$445,264)	\$161,239,377	\$ -	\$161,239,377
2	Accumulated Depreciation (average) (3)		(\$67,065,717)	\$350,010	(\$66,715,707)	\$ -	(\$66,715,707)
3	Net Fixed Assets (average) (3)		\$94,618,924	(\$95,254)	\$94,523,670	\$ -	\$94,523,670
4	Allowance for Working Capital (1)		\$4,647,574	(\$1,099,414)	\$3,548,160	\$ -	\$3,548,160
5	Total Rate Base		\$99,266,498	(\$1,194,668)	\$98,071,830	\$ -	\$98,071,830

(1) Allowance for Working Capital - Derivation

6	Controllable Expenses	\$12,812,679		(\$400,000)		\$12,412,679		\$ -		\$12,412,679
7	Cost of Power	\$22,937,890		\$131,033		\$23,068,923		\$ -		\$23,068,923
8	Working Capital Base	\$35,750,569		(\$268,967)		\$35,481,602		\$ -		\$35,481,602
9	Working Capital Rate %	(2) 13.00%		-3.00%		10.00%		0.00%		10.00%
10	Working Capital Allowance	\$4,647,574		(\$1,099,414)		\$3,548,160		\$ -		\$3,548,160

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.



Utility Income

Line No.	Particulars	Initial Application	Adjustments	Settlement Agreement	Adjustments	Per Board Decision
	Operating Revenues:					
1	Distribution Revenue (at Proposed Rates)	\$23,426,430	(\$610,249)	\$22,816,181	\$ -	\$22,816,181
2	Other Revenue (1)	\$436,758	\$30,000	\$466,758	\$ -	\$466,758
3	Total Operating Revenues	\$23,863,188	(\$580,249)	\$23,282,939	\$ -	\$23,282,939
	Operating Expenses:					
4	OM+A Expenses	\$12,704,879	(\$400,000)	\$12,304,879	\$ -	\$12,304,879
5	Depreciation/Amortization	\$3,947,009	(\$47,800)	\$3,899,209	\$ -	\$3,899,209
6	Property taxes	\$107,800	\$ -	\$107,800	\$ -	\$107,800
7	Capital taxes	\$ -	\$ -	\$ -	\$ -	\$ -
8	Other expense	\$ -	\$ -	\$ -	\$ -	\$ -
9	Subtotal (lines 4 to 8)	\$16,759,688	(\$447,800)	\$16,311,888	\$ -	\$16,311,888
10	Deemed Interest Expense	\$2,946,627	(\$33,501)	\$2,913,126	\$ -	\$2,913,126
11	Total Expenses (lines 9 to 10)	\$19,706,315	(\$481,301)	\$19,225,014	\$ -	\$19,225,014
12	Utility income before income taxes	\$4,156,873	(\$98,948)	\$4,057,925	\$ -	\$4,057,925
13	Income taxes (grossed-up)	\$440,336	(\$30,683)	\$409,653	\$ -	\$409,653
14	Utility net income	\$3,716,537	(\$68,265)	\$3,648,272	\$ -	\$3,648,272

Notes

Other Revenues / Revenue Offsets

(1)	Specific Service Charges	\$52,180	\$ -	\$52,180	\$ -	\$52,180
	Late Payment Charges	\$89,000	\$ -	\$89,000	\$ -	\$89,000
	Other Distribution Revenue	\$285,578	\$30,000	\$315,578	\$ -	\$315,578
	Other Income and Deductions	\$10,000	\$ -	\$10,000	\$ -	\$10,000
	Total Revenue Offsets	\$436,758	\$30,000	\$466,758	\$ -	\$466,758



Revenue Requirement Workform

Taxes/PILs

Line No.	Particulars	Application	Settlement Agreement	Per Board Decision
<u>Determination of Taxable Income</u>				
1	Utility net income before taxes	\$3,716,538	\$3,648,272	\$3,648,272
2	Adjustments required to arrive at taxable utility income	(\$149,869)	(\$749,114)	(\$749,114)
3	Taxable income	<u>\$3,566,669</u>	<u>\$2,899,158</u>	<u>\$2,899,158</u>
<u>Calculation of Utility income Taxes</u>				
4	Income taxes	<u>\$323,647</u>	<u>\$301,095</u>	<u>\$301,095</u>
6	Total taxes	<u>\$323,647</u>	<u>\$301,095</u>	<u>\$301,095</u>
7	Gross-up of Income Taxes	<u>\$116,689</u>	<u>\$108,558</u>	<u>\$108,558</u>
8	Grossed-up Income Taxes	<u>\$440,336</u>	<u>\$409,653</u>	<u>\$409,653</u>
9	PILs / tax Allowance (Grossed-up Income taxes + Capital taxes)	<u>\$440,336</u>	<u>\$409,653</u>	<u>\$409,653</u>
10	Other tax Credits	\$ -	(\$7,425)	(\$7,425)
<u>Tax Rates</u>				
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
		Initial Application			
		(%)	(\$)	(%)	(\$)
	Debt				
1	Long-term Debt	56.00%	\$55,589,239	5.15%	\$2,862,846
2	Short-term Debt	4.00%	\$3,970,660	2.11%	\$83,781
3	Total Debt	60.00%	\$59,559,899	4.95%	\$2,946,627
	Equity				
4	Common Equity	40.00%	\$39,706,599	9.36%	\$3,716,538
5	Preferred Shares	0.00%	\$ -	0.00%	\$ -
6	Total Equity	40.00%	\$39,706,599	9.36%	\$3,716,538
7	Total	100.00%	\$99,266,498	6.71%	\$6,663,164
		Settlement Agreement			
		(%)	(\$)	(%)	(\$)
	Debt				
1	Long-term Debt	56.00%	\$54,920,225	5.15%	\$2,828,392
2	Short-term Debt	4.00%	\$3,922,873	2.16%	\$84,734
3	Total Debt	60.00%	\$58,843,098	4.95%	\$2,913,126
	Equity				
4	Common Equity	40.00%	\$39,228,732	9.30%	\$3,648,272
5	Preferred Shares	0.00%	\$ -	0.00%	\$ -
6	Total Equity	40.00%	\$39,228,732	9.30%	\$3,648,272
7	Total	100.00%	\$98,071,830	6.69%	\$6,561,398
		Per Board Decision			
		(%)	(\$)	(%)	(\$)
	Debt				
8	Long-term Debt	56.00%	\$54,920,225	5.15%	\$2,828,392
9	Short-term Debt	4.00%	\$3,922,873	2.16%	\$84,734
10	Total Debt	60.00%	\$58,843,098	4.95%	\$2,913,126
	Equity				
11	Common Equity	40.00%	\$39,228,732	9.30%	\$3,648,272
12	Preferred Shares	0.00%	\$ -	0.00%	\$ -
13	Total Equity	40.00%	\$39,228,732	9.30%	\$3,648,272
14	Total	100.00%	\$98,071,830	6.69%	\$6,561,398

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		Settlement Agreement		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		\$3,631,300		\$2,800,964		\$2,800,964
2	Distribution Revenue	\$20,640,736	\$19,795,130	\$20,640,736	\$20,015,217	\$20,640,736	\$20,015,217
3	Other Operating Revenue	\$436,758	\$436,758	\$466,758	\$466,758	\$466,758	\$466,758
	Offsets - net						
4	Total Revenue	<u>\$21,077,494</u>	<u>\$23,863,188</u>	<u>\$21,107,494</u>	<u>\$23,282,939</u>	<u>\$21,107,494</u>	<u>\$23,282,939</u>
5	Operating Expenses	\$16,759,688	\$16,759,688	\$16,311,888	\$16,311,888	\$16,311,888	\$16,311,888
6	Deemed Interest Expense	\$2,946,627	\$2,946,627	\$2,913,126	\$2,913,126	\$2,913,126	\$2,913,126
8	Total Cost and Expenses	<u>\$19,706,315</u>	<u>\$19,706,315</u>	<u>\$19,225,014</u>	<u>\$19,225,014</u>	<u>\$19,225,014</u>	<u>\$19,225,014</u>
9	Utility Income Before Income Taxes	\$1,371,179	\$4,156,873	\$1,882,480	\$4,057,925	\$1,882,480	\$4,057,925
10	Tax Adjustments to Accounting Income per 2013 PILs model	(\$149,869)	(\$149,869)	(\$749,114)	(\$749,114)	(\$749,114)	(\$749,114)
11	Taxable Income	<u>\$1,221,310</u>	<u>\$4,007,004</u>	<u>\$1,133,366</u>	<u>\$3,308,811</u>	<u>\$1,133,366</u>	<u>\$3,308,811</u>
12	Income Tax Rate	26.50%	26.50%	26.50%	26.50%	26.50%	26.50%
13	Income Tax on Taxable Income	\$323,647	\$1,061,856	\$300,342	\$876,835	\$300,342	\$876,835
14	Income Tax Credits	\$ -	\$ -	(\$7,425)	(\$7,425)	(\$7,425)	(\$7,425)
15	Utility Net Income	<u>\$1,047,532</u>	<u>\$3,716,537</u>	<u>\$1,589,563</u>	<u>\$3,648,272</u>	<u>\$1,589,563</u>	<u>\$3,648,272</u>
16	Utility Rate Base	\$99,266,498	\$99,266,498	\$98,071,830	\$98,071,830	\$98,071,830	\$98,071,830
17	Deemed Equity Portion of Rate Base	\$39,706,599	\$39,706,599	\$39,228,732	\$39,228,732	\$39,228,732	\$39,228,732
18	Income/(Equity Portion of Rate Base)	2.64%	9.36%	4.05%	9.30%	4.05%	9.30%
19	Target Return - Equity on Rate Base	9.36%	9.36%	9.30%	9.30%	9.30%	9.30%
20	Deficiency/Sufficiency in Return on Equity	-6.72%	0.00%	-5.25%	0.00%	-5.25%	0.00%
21	Indicated Rate of Return	4.02%	6.71%	4.59%	6.69%	4.59%	6.69%
22	Requested Rate of Return on Rate Base	6.71%	6.71%	6.69%	6.69%	6.69%	6.69%
23	Deficiency/Sufficiency in Rate of Return	-2.69%	0.00%	-2.10%	0.00%	-2.10%	0.00%
24	Target Return on Equity	\$3,716,538	\$3,716,538	\$3,648,272	\$3,648,272	\$3,648,272	\$3,648,272
25	Revenue Deficiency/(Sufficiency)	\$2,669,006	(\$0)	\$2,058,709	\$0	\$2,058,709	\$0
26	Gross Revenue Deficiency/(Sufficiency)	<u>\$3,631,300 (1)</u>		<u>\$2,800,964 (1)</u>		<u>\$2,800,964 (1)</u>	

Notes:

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



Revenue Requirement

Line No.	Particulars	Application		Settlement Agreement		Per Board Decision	
1	OM&A Expenses	\$12,704,879		\$12,304,879		\$12,304,879	
2	Amortization/Depreciation	\$3,947,009		\$3,899,209		\$3,899,209	
3	Property Taxes	\$107,800		\$107,800		\$107,800	
5	Income Taxes (Grossed up)	\$440,336		\$409,653		\$409,653	
6	Other Expenses	\$ -					
7	Return						
	Deemed Interest Expense	\$2,946,627		\$2,913,126		\$2,913,126	
	Return on Deemed Equity	\$3,716,538		\$3,648,272		\$3,648,272	
8	Service Revenue Requirement (before Revenues)	<u>\$23,863,188</u>		<u>\$23,282,939</u>		<u>\$23,282,939</u>	
9	Revenue Offsets	\$436,758		\$466,758		\$466,758	
10	Base Revenue Requirement (excluding Tranformer Owership Allowance credit adjustment)	<u>\$23,426,430</u>		<u>\$22,816,181</u>		<u>\$22,816,181</u>	
11	Distribution revenue	\$23,426,430		\$22,816,181		\$22,816,181	
12	Other revenue	<u>\$436,758</u>		<u>\$466,758</u>		<u>\$466,758</u>	
13	Total revenue	<u>\$23,863,188</u>		<u>\$23,282,939</u>		<u>\$23,282,939</u>	
14	Difference (Total Revenue Less Distribution Revenue Requirement before Revenues)	<u><u>(\$0)</u></u>	(1)	<u><u>\$0</u></u>	(1)	<u><u>\$0</u></u>	(1)

Notes							
(1)	Line 11 - Line 8						

APPENDIX E

Cost Allocation Model



2014 Cost Allocation Model

EB-2014-0055

Sheet O1 Revenue to Cost Summary Worksheet - Final Run

Instructions:
Please see the first tab in this workbook for detailed instructions

Class Revenue, Cost Analysis, and Return on Rate Base

		Total	1	2	7	12
Rate Base Assets			R1	R2	Street Light	Seasonal
crev mi	Distribution Revenue at Existing Rates	\$20,478,676	\$14,900,660	\$3,674,441	\$139,697	\$1,763,879
	Miscellaneous Revenue (mi)	\$466,758	\$292,845	\$75,827	\$18,778	\$79,308
Miscellaneous Revenue Input equals Output						
Total Revenue at Existing Rates		\$20,945,434	\$15,193,505	\$3,750,267	\$158,475	\$1,843,187
Factor required to recover deficiency (1 + D)		1.1141				
Distribution Revenue at Status Quo Rates		\$22,816,181	\$16,601,471	\$4,093,854	\$155,642	\$1,965,214
Miscellaneous Revenue (mi)		\$466,758	\$292,845	\$75,827	\$18,778	\$79,308
Total Revenue at Status Quo Rates		\$23,282,938	\$16,894,316	\$4,169,680	\$174,420	\$2,044,522
Expenses						
di	Distribution Costs (di)	\$5,795,694	\$3,667,982	\$1,069,577	\$204,323	\$853,813
cu	Customer Related Costs (cu)	\$2,036,392	\$1,507,778	\$36,644	\$9,141	\$482,829
ad	General and Administration (ad)	\$4,580,592	\$3,023,163	\$653,756	\$125,799	\$777,874
dep	Depreciation and Amortization (dep)	\$3,899,209	\$2,504,649	\$680,360	\$123,962	\$590,238
INPUT	PILs (INPUT)	\$409,653	\$260,409	\$75,901	\$13,697	\$59,646
INT	Interest	\$2,913,126	\$1,851,818	\$539,746	\$97,405	\$424,156
Total Expenses		\$19,634,666	\$12,815,799	\$3,055,983	\$574,328	\$3,188,556
Direct Allocation		\$0	\$0	\$0	\$0	\$0
NI	Allocated Net Income (NI)	\$3,648,272	\$2,319,137	\$675,954	\$121,986	\$531,195
Revenue Requirement (includes NI)		\$23,282,938	\$15,134,936	\$3,731,937	\$696,314	\$3,719,751
Revenue Requirement Input equals Output						
Rate Base Calculation						
Net Assets						
dp	Distribution Plant - Gross	\$122,555,751	\$78,199,286	\$22,170,419	\$4,091,600	\$18,094,446
gp	General Plant - Gross	\$39,239,754	\$24,948,139	\$7,260,204	\$1,313,178	\$5,718,233
accum dep	Accumulated Depreciation	(\$66,750,600)	(\$42,719,078)	(\$11,845,258)	(\$2,224,052)	(\$9,962,213)
co	Capital Contribution	(\$521,234)	(\$339,031)	(\$77,846)	(\$19,514)	(\$84,842)
Total Net Plant		\$94,523,671	\$60,089,316	\$17,507,520	\$3,161,211	\$13,765,624
Directly Allocated Net Fixed Assets		\$0	\$0	\$0	\$0	\$0
COP	Cost of Power (COP)	\$23,068,924	\$12,366,017	\$9,676,700	\$100,839	\$925,368
	OM&A Expenses	\$12,412,679	\$8,198,923	\$1,759,976	\$339,264	\$2,114,516
	Directly Allocated Expenses	\$0	\$0	\$0	\$0	\$0
Subtotal		\$35,481,603	\$20,564,939	\$11,436,676	\$440,103	\$3,039,885
Working Capital		\$3,548,160	\$2,056,494	\$1,143,668	\$44,010	\$303,988
Total Rate Base		\$98,071,831	\$62,145,810	\$18,651,187	\$3,205,222	\$14,069,612
Rate Base Input equals Output						
Equity Component of Rate Base		\$39,228,732	\$24,858,324	\$7,460,475	\$1,282,089	\$5,627,845
Net Income on Allocated Assets		\$3,446,937	\$4,078,517	\$1,113,697	(\$399,908)	(\$1,345,369)
Net Income on Direct Allocation Assets		\$0	\$0	\$0	\$0	\$0
Net Income		\$3,446,937	\$4,078,517	\$1,113,697	(\$399,908)	(\$1,345,369)
RATIOS ANALYSIS						
REVENUE TO EXPENSES STATUS QUO%		100.00%	111.62%	111.73%	25.05%	54.96%
EXISTING REVENUE MINUS ALLOCATED COSTS		(\$2,337,504)	\$58,569	\$18,330	(\$537,839)	(\$1,876,564)
Deficiency Input Does Not Equal Output						
STATUS QUO REVENUE MINUS ALLOCATED COSTS		(\$0)	\$1,759,380	\$437,743	(\$521,894)	(\$1,675,229)
RETURN ON EQUITY COMPONENT OF RATE BASE		8.79%	16.41%	14.93%	-31.19%	-23.91%