# REVENUE REQUIREMENT AND SUFFICIENCY / DEFICIENCY

- 2 Toronto Hydro earns the majority of its revenue through the distribution tariff and earns
- other revenues through the provision of non-distribution related activities. These other
- 4 revenues offset the required revenue to be collected from Toronto Hydro's distribution
- 5 service customers.

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- 7 The recovery of Deferral and Variance Accounts is not included in the revenue
- 8 requirement. Deferral and Variance Accounts are recovered through separate rate riders
- 9 as described in Exhibit 9.

10

11 Table 1 below summarizes THESL's 2015 revenue requirement.

12 13

Table 1: 2015 Revenue Requirement (\$ millions)

	2015 Test Year	
OM&A Expenses	265.1	
Amortization/Depreciation	206.5	
Property Taxes	6.5	
Income Taxes (Grossed up)	22.0	
Deemed Interest Expense	80.2	
Return on Deemed Equity	120.8	
Service Revenue Requirement	701.1	
Revenue Offsets	46.1	
Base Revenue Requirement	655.0	

- Full details on the calculation of Revenue Requirement, including the Determination of
- Net Utility Income, Statement of Ratebase, Actual Utility Return on Rate Base, Indicated
- Rate of Return, Requested Rate of Return and the Deficiency in Revenue can be found in
- the Revenue Requirement WorkForm, filed as Exhibit 6, Tab 1, Schedule 2.

### 1. SERVICE REVENUE REQUIREMENT

- 2 Service Revenue Requirement is comprised of operating expenses, cost of capital and
- 3 PILs.

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1

- 5 The operating expenses, including administrative and general, depreciation and
- amortization, and property taxes are explained in further detail in Exhibits 4A and 4B. A
- summary of distribution expenses is contained in Exhibit 4A, Tab 1.

8

- 9 Cost of capital is calculated based on a weighted average of interest expense and return
- on equity. Toronto Hydro's capital structure for ratemaking purposes is determined in
- accordance with the OEB's Cost of Capital guidelines. The cost of capital based on the
- OEB's deemed capital structure is calculated in Exhibit 5, Tab 1.

13 14

Income Taxes and PILs are explained in detail in Exhibit 4B, Tab 2, Schedule 2.

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### 2. REVENUE OFFSETS

- 17 Toronto Hydro earns revenue from its distribution tariff as well as other revenues from
- non-distribution related services, rentals and short term investment income. These other
- revenues are used to offset the revenue requirement to be collected from the distribution
- 20 tariff.

21

- The forecast of other revenues which form the Revenue Offsets are explained in detail in
- Exhibit 3, Tab 2.

24

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### 3. BASE REVENUE REQUIREMENT

- 26 Base Revenue Requirement is Service Revenue Requirement less Revenue Offsets. The
- 27 Base Revenue Requirement is allocated to and collected from the various customer
- classes through distribution rates.

### 4. OVERALL REVENUE DEFICIENCY

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- For the test year, revenue deficiency/sufficiency is the difference between the 2015 test
- 4 year Revenue Requirement and the 2015 test year revenues calculated at current rates
- 5 (before rates are adjusted to recover the 2015 Base Revenue Requirement).

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- 7 The test year revenue at current rates is determined using the 2015 forecast of billing
- 8 units at 2014 approved base distribution rates.

9

Toronto Hydro's revenue deficiency for the 2015 test year is forecast as follows:

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12

**Table 2: Revenue Deficiency (\$ millions)** 

	2015 Test Year
2015 Revenue at Current (2014 approved) Rates	600.9
2015 Service Revenue Requirement	701.1
Gross Revenue Deficiency	(100.2)

/C /C

- Full details of the calculation of Revenue Deficiency are shown in the Revenue
- Requirement Workform tab 8, filed in Exhibit 6, Tab 1, Schedule 2.

15

### **5. CAUSES OF REVENUE DEFICIENCY**

17 The drivers of the revenue deficiency are summarized as follows:

EB-2014-0116 Exhibit 6 Tab 1

Schedule 1 Filed: 2014 Jul 31 Corrected: 2015 Feb 6

Page 4 of 5

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### Table 3: Revenue Deficiency Drivers (\$ millions)

Table 5: Revenue Denc		
	2015 Test	Driver
		Inclusion of ICM and streetlighting capital, plus 2015
Higher Net Fixed Assets	62.2	capital (Exhibit 2A, Tab 1), offset by removal of
		stranded meters (Exhibit 2A, Tab 4)
Lower WCA	-3.4	Increased due to higher COP and expenses offset by
Lower WCA	-3.4	results of lead-lag study (Exhibit 2A, Tab 3)
Lower Cost of Capital	-17.3	Lower debt and equity rates (Exhibit 5, Tab 1)
Higher OMA	33.5	Higher operating expenses (Exhibit 4A, Tabs 1 & 2)
		Higher net fixed assets (Exhibit 2A, Tab 1), plus
Higher Depreciation	67.7	increase due to derecognition amounts (Exhibit 4B,
		Tab 1)
Higher PILS	10.3	Exhibit 4B, Tab 2
Higher Dietribution		Result of 2012-14 IRM funding on base rates (Exhibit
Higher Distribution	-32.7	2A, Tab 1) and load/customer growth (Exhibit 3, Tab
Revenue		1)
Higher Revenue Offsets	-20.1	Higher Revenue Offsets (Exhibit 3, Tab 2)
Total Revenue Deficiency	100.2	

- 2 The revenue deficiency arising from the increase in net fixed assets is primarily due to
- the combination of the additions to fixed assets over the 2012-15 period. Expenditures
- 4 undertaken through the approved ICM programs (see Exhibit 2A, Tab 1, Schedule 1) and
- 5 Streetlighting assets (see Exhibit 2A, Tab 5) are added to ratebase at the beginning of
- 6 2015, with Toronto Hydro's significant capital program (see Exhibit 2B) continuing in
- 7 2015. Partially offsetting the increase in ratebase described above is the removal of the
- 8 Stranded Meter assets, which had been previously included in rate base (see Exhibit 2A,
- 9 Tab 4).

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- A combination of the updated Lead-Lag study (Exhibit 2A, Tab 3, Schedule 2) which has
- resulted in a reduction in the Working Capital Allowance, together with a lower overall
- 13 Cost of Capital (Exhibit 5, Tab 1), results in a reduction in revenue deficiency.

- The revenue deficiency arising from the 2015 OM&A costs is due to the forecast level of
- 2 OM&A, as detailed in Exhibits 4A.

3

- 4 Higher depreciation amounts arise primarily due to the additional capital included in
- 5 ratebase (Exhibit 2A, Tab 1), as well as the requirements related to derecognition of
- 6 assets (Exhibit 4B, Tab 1, Schedule 2)

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- 8 The revenue deficiency is partially offset by higher revenue due to IRM rate increases
- and customer growth over the 2012-14 period (Exhibit 3, Tab 1), as well as higher
- forecasted Revenue Offsets (Exhibit 3, Tab 2).

EB-2014-0116 Exhibit 6 Tab 1

Schedule 2 Filed: 2014 Jul 31 Corrected: 2015 Feb 6

Page 1 of 12



Version 5.00

# Revenue Requirement Workform (RRWF) for 2015 Filers

Ontario Energy Board

Utility Name Toronto Hydro-Electric System Limited

Service Territory

Assigned EB Number EB-2014-0116

Name and Title Anthony Lam, Economist - Rates

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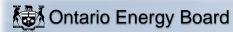
While this model has been provided in Excel format and is required to be filed with the applications, the onus remains on the applicant to ensure the accuracy of the data and the results.

EB-2014-0116

Exhibit 6 Tab 1

Schedule 2 Filed: 2014 Jul 31 Corrected: 2015 Feb 6

Page 2 of 12



# Revenue Requirement Workform (RRWF) for 2015 Filers

1. Info 6. Taxes\_PILs

2. Table of Contents 7. Cost of Capital

3. Data Input Sheet 8. Rev Def Suff

4. Rate Base 9. Rev Regt

5. Utility Income 10. Tracking Sheet

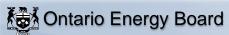
#### Notes:

- (1) Pale green cells represent inputs
- (2) Pale green boxes at the bottom of each page are for additional notes
- (3) Pale yellow cells represent drop-down lists
- (4) Please note that this model uses MACROS. Before starting, please ensure that macros have been enabled.
- (5) Completed versions of the Revenue Requirement Work Form are required to be filed in working Microsoft Excel

EB-2014-0116 Exhibit 6 Tab 1

Schedule 2 Filed: 2014 Jul 31 Corrected: 2015 Feb 6

Page 3 of 12



# Revenue Requirement Workform (RRWF) for 2015 Filers

## Data Input (1)

		Initial Application	(2)		(6)	Per Board Decision	_
1	Rate Base Gross Fixed Assets (average) Accumulated Depreciation (average) Allowance for Working Capital: Controllable Expenses	\$5,777,050,247 (\$2,771,027,667) \$269,529,393	(5)	\$5,777,050,247 (\$2,771,027,667) \$269,529,393		\$5,777,050,247 (\$2,771,027,667) \$269,529,393	
	Cost of Power . Working Capital Rate (%)	\$2,751,934,010 7.99%	(9)	\$2,751,934,010 7.99%	(9)	\$2,751,934,010 7.99%	(9)
2	Utility Income Operating Revenues: Distribution Revenue at Current Rates Distribution Revenue at Proposed Rates Other Revenue: Specific Service Charges Late Payment Charges Other Distribution Revenue Other Income and Deductions	\$554,785,563 \$655,005,726 \$9,877,024 \$4,000,000 \$30,677,670 \$1,540,639					
	Total Revenue Offsets	\$46,095,333	(7)				
	Operating Expenses: OM+A Expenses Depreciation/Amortization Property taxes Other expenses	\$265,067,891 \$206,541,033 \$6,461,502	(10)	\$ 265,067,891 \$ 206,541,033 \$ 6,461,502		\$265,067,891 \$206,541,033 \$6,461,502	

EB-2014-0116 Exhibit 6

Tab 1 Schedule 2 Filed: 2014 Jul 31

Corrected: 2015 Feb 6

Page 4 of 12

#### 3 Taxes/PILs

Taxable Income:		
	(\$50,950,997)	(3)
Adjustments required to arrive at taxable incom-		` ,
Utility Income Taxes and Rates:		
Income taxes (not grossed up)	\$16,214,460	
Income taxes (grossed up)	\$22,045,463	
Federal tax (%)	15.00%	
Provincial tax (%)	11.45%	
Income Tax Credits	(\$2,263,000)	
Capitalization/Cost of Capital		
Capital Structure: Long-term debt Capitalization Ratio (%)	56.0%	
Short-term debt Capitalization Ratio (%)	4.0%	
Common Equity Capitalization Ratio (%)	40.0%	
Prefered Shares Capitalization Ratio (%)	10.070	
	100.0%	
Coat of Conital		
Cost of Capital	4.31%	
Long-term debt Cost Rate (%) Short-term debt Cost Rate (%)	1.38%	
Common Equity Cost Rate (%)		
Prefered Shares Cost Rate (%)	9.30%	
Fieleled Silales Cost Rate (%)		

#### Notes:

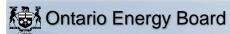
General Data inputs are required on Sheets 3. Data from Sheet 3 will automatically complete calculations on sheets 4 through 9 (Rate Base through Revenue Requirement). Sheets 4 through 9 do not require any inputs except for notes that the Applicant may wish to enter to support the results. Pale green cells are available on sheets 4 through 9 to enter both footnotes beside key cells and the related text for the notes at the bottom of each sheet.

- (1) All inputs are in dollars (\$) except where inputs are individually identified as percentages (%)
  - Data in column E is for Application as originally filed. For updated revenue requirement as a result of interrogatory responses, technical or settlement conferences, etc., use
- (2) colimn 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.
- (10) Investment tax credits of \$2 million reclass to Taxes/PILs

Tab 1
Schedule 2

Filed: 2014 Jul 31 Corrected: 2015 Feb 6

Page 5 of 12



# Revenue Requirement Workform (RRWF) for 2015 Filers

### **Rate Base and Working Capital**

#### **Rate Base**

Line No.	Particulars	_	Initial Application				Per Board Decision
1 2 3	Gross Fixed Assets (average) Accumulated Depreciation (average) Net Fixed Assets (average)	(3) _(3) (3)	\$5,777,050,247 (\$2,771,027,667) \$3,006,022,581	\$ - \$ - \$ -	\$5,777,050,247 (\$2,771,027,667) \$3,006,022,581	\$ - \$ - \$ -	\$5,777,050,247 (\$2,771,027,667) \$3,006,022,581
4	Allowance for Working Capital	(1)	\$241,540,265	\$ -	\$241,540,265	<u> </u>	\$241,540,265
5	Total Rate Base	_	\$3,247,562,846	<u>    \$ -</u>	\$3,247,562,846	<u> </u>	\$3,247,562,846

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

6	Controllable Expenses		\$269,529,393		\$ -	\$269,529,393		\$ -	\$269,529,393
7	Cost of Power		\$2,751,934,010		\$ -	\$2,751,934,010		\$ -	\$2,751,934,010
8	Working Capital Base		\$3,021,463,403		\$ -	\$3,021,463,403		\$ -	\$3,021,463,403
9	Working Capital Rate %	(2)	7.99%	C	.00%	7.99%		0.00%	7.99%
							_		
10	Working Capital Allowance		\$241,540,265		\$ -	\$241,540,265		\$ -	\$241,540,265

#### **Notes**

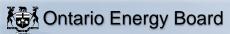
(2) Some Applicants may have a unique rate as a result of a lead-lag study. The default rate for 2014 cost of service applications is 13%.

(3) Average of opening and closing balances for the year.

EB-2014-0116 Exhibit 6

Tab 1 Schedule 2 Filed: 2014 Jul 31

Corrected: 2015 Feb 6 Page 6 of 12



# Revenue Requirement Workform (RRWF) for 2015 Filers

### **Utility Income**

Line No.	Particulars ————————————————————————————————————	Initial Application				Per Board  Decision
1	Operating Revenues: Distribution Revenue (at	\$655,005,726	(\$655,005,726)	\$ -	\$ -	\$ -
•	Proposed Rates)	<b>4000,000,120</b>	(\$000,000,120)	*	•	•
2	Other Revenue	(1) \$46,095,333	(\$46,095,333)	\$ -	<u> </u>	<u> </u>
3	Total Operating Revenues	\$701,101,059	(\$701,101,059)	<u> </u>	\$-	\$ -
	Operating Expenses:					
4	OM+A Expenses	\$265,067,891	\$ -	\$265,067,891	\$ -	\$265,067,891
5	Depreciation/Amortization	\$206,541,033	\$ -	\$206,541,033	\$ -	\$206,541,033
6	Property taxes	\$6,461,502	\$ -	\$6,461,502	\$ -	\$6,461,502
7	Capital taxes	\$ -	\$ -	\$ -	\$ -	\$ -
8	Other expense	<u> </u>	<u> </u>		<u> </u>	
9	Subtotal (lines 4 to 8)	\$478,070,427	\$ -	\$478,070,427	\$ -	\$478,070,427
10	Deemed Interest Expense	\$80,175,832	(\$80,175,832)	\$-	\$-	<u> </u>
11	Total Expenses (lines 9 to 10)	\$558,246,258	(\$80,175,832)	\$478,070,427	\$-	\$478,070,427
12	Utility income before income					
12	taxes	\$142,854,801	(\$620,925,227)	(\$478,070,427)	\$ -	(\$478,070,427)
13	Income taxes (grossed-up)	\$22,045,463	\$ -	\$22,045,463	<u> </u>	\$22,045,463
14	Utility net income	\$120,809,338	(\$620,925,227)	(\$500,115,890)	\$-	(\$500,115,890)

Toronto Hydro-Electric System Limited EB-2014-0116

Exhibit 6 Tab 1 Schedule 2

Filed: 2014 Jul 31 Corrected: 2015 Feb 6

Page 7 of 12

otes	Other Revenues / Revenue	Offsets
1)	Specific Service Charges Late Payment Charges Other Distribution Revenue Other Income and Deductions	\$9,877,024 \$4,000,000 \$30,677,670 \$1,540,639
	Total Revenue Offsets	\$46,095,333

EB-2014-0116 Exhibit 6 Tab 1

Schedule 2 Filed: 2014 Jul 31 Corrected: 2015 Feb 6

# Page 8 of 12

# Ontario Energy Board

# Revenue Requirement Workform (RRWF) for 2015 Filers

#### Taxes/PILs

Line No.	Particulars	Application		Per Board Decision
	<b>Determination of Taxable Income</b>			
1	Utility net income before taxes	\$120,809,338	\$ -	\$ -
2	Adjustments required to arrive at taxable utility income	(\$50,950,997)	\$ -	(\$50,950,997)
3	Taxable income	\$69,858,341	<u>    \$ -</u>	(\$50,950,997)
	Calculation of Utility income Taxes			
4	Income taxes	\$16,214,460	\$16,214,460	\$16,214,460
6	Total taxes	\$16,214,460	\$16,214,460	\$16,214,460
7	Gross-up of Income Taxes	\$5,831,003	\$5,831,003	\$5,831,003
8	Grossed-up Income Taxes	\$22,045,463	\$22,045,463	\$22,045,463
9	PILs / tax Allowance (Grossed-up Income taxes + Capital taxes)	\$22,045,463	\$22,045,463	\$22,045,463
10	Other tax Credits	(\$2,263,000)	(\$2,263,000)	(\$2,263,000)
	Tax Rates			
11 12 13	Federal tax (%) Provincial tax (%) Total tax rate (%)	15.00% 11.45% 26.45%	15.00% 11.45% 26.45%	15.00% 11.45% 26.45%

#### **Notes**

Exhibit 6 Tab 1 Schedule 2

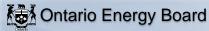
Filed: 2014 Jul 31 Corrected: 2015 Jan 15 Page 9 of 12

# **Capitalization/Cost of Capital**

Line No.	Particulars	Capitaliz	ation Ratio	Cost Rate	Return
		Initial A	pplication		
		(%)	(\$)	(%)	(\$)
	Debt				
1	Long-term Debt	56.00%	\$1,818,635,194	4.31%	\$78,383,177
2	Short-term Debt	4.00%	\$129,902,514	1.38%	\$1,792,655
3	Total Debt	60.00%	\$1,948,537,707	4.11%	\$80,175,832
	Equity				
4	Common Equity	40.00%	\$1,299,025,138	9.30%	\$120,809,338
5	Preferred Shares	0.00%	\$ -	0.00%	\$ -
6	Total Equity	40.00%	\$1,299,025,138	9.30%	\$120,809,338
7	Total	100.00%	\$3,247,562,846	6.19%	\$200,985,169
		(%)	(\$)	(%)	(\$)
	Debt				
1	Long-term Debt	0.00%	\$ -	0.00%	\$ -
2	Short-term Debt	0.00%	<u> </u>	0.00%	<u> </u>
3	Total Debt	0.00%	<u> </u>	0.00%	<u> </u>
	Equity		_		
4	Common Equity	0.00%	\$ -	0.00%	\$ -
5	Preferred Shares	0.00%	<u> </u>	0.00%	\$ -
6	Total Equity	0.00%	<u>\$ -</u>	0.00%	<u> </u>
7	Total	0.00%	\$3,247,562,846	0.00%	\$ -
		Per Boar	d Decision		
		(%)	(\$)	(%)	(\$)
•	Debt Long-term Debt	0.00%	\$ -	4.31%	\$ -
8 9	Short-term Debt	0.00%	\$ - \$ -	1.38%	\$ - \$ -
10	Total Debt	0.00%	\$-	0.00%	\$ -
10	Total Debt	0.0070	Ψ-	0.0076	
	Equity				
11	Common Equity	0.00%	\$ -	9.30%	\$ -
12	Preferred Shares	0.00%	<u> </u>	0.00%	\$ -
13	Total Equity	0.00%	\$ -	0.00%	\$ -
14	Total	0.00%	\$3,247,562,846	0.00%	\$ -

<u>Notes</u> (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 colimn M and Adjustments in column I

Tab 1
Schedule 2
Filed: 2014 Jul 31
Corrected: 2015 Feb 6
Page 10 of 12



# Revenue Requirement Workform (RRWF) for 2015 Filers

### Revenue Deficiency/Sufficiency

Initial Application
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#### Per Board Decision

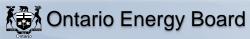
Line No.	Particulars	At Current Approved Rates	At Proposed Rates	At Current Approved Rates	At Proposed Rates	At Current Approved Rates	At Proposed Rates
1 2 3	Revenue Deficiency from Below Distribution Revenue Other Operating Revenue Offsets - net	\$554,785,563 \$46,095,333	\$100,220,163 \$554,785,563 \$46,095,333	\$554,785,563 \$ -	(\$98,114,817) \$753,120,543 \$ -	\$ - \$ -	\$478,070,427 (\$478,070,427) \$ -
4	Total Revenue	\$600,880,896	\$701,101,059	\$554,785,563	\$655,005,726	\$ -	\$ -
5 6 8	Operating Expenses Deemed Interest Expense Total Cost and Expenses	\$478,070,427 \$80,175,832 \$558,246,258	\$478,070,427 \$80,175,832 \$558,246,258	\$478,070,427 \$ - \$478,070,427	\$478,070,427 \$ - \$478,070,427	\$478,070,427 \$- \$478,070,427	\$478,070,427 \$ - \$478,070,427
9	Utility Income Before Income Taxes	\$42,634,637	\$142,854,801	\$76,715,136	\$176,935,299	(\$478,070,427)	(\$478,070,427)
10	Tax Adjustments to Accounting Income per 2013 PILs model	(\$50,950,997)	(\$50,950,997)	(\$50,950,997)	(\$50,950,997)	\$ -	\$ -
11	Taxable Income	(\$8,316,360)	\$91,903,804	\$25,764,139	\$125,984,302	(\$478,070,427)	(\$478,070,427)
12 13	Income Tax Rate Income Tax on Taxable Income	26.45% (\$2,199,669)	26.45% \$24,308,463	26.45% \$6,814,589	26.45% \$33,322,720	26.45% (\$126,449,143)	26.45% (\$126,449,143)
14 15	Income Tax Credits Utility Net Income	(\$2,263,000) \$47,097,306	(\$2,263,000) \$120,809,338	(\$2,263,000) \$72,163,547	(\$2,263,000) (\$500,115,890)	\$ - (\$351,621,284)	\$ - (\$500,115,890)
16	Utility Rate Base	\$3,247,562,846	\$3,247,562,846	\$3,247,562,846	\$3,247,562,846	\$3,247,562,846	\$3,247,562,846
17	Deemed Equity Portion of Rate Base	\$1,299,025,138	\$1,299,025,138	\$ -	\$ -	\$ -	\$ -
18	Income/(Equity Portion of Rate Base)	3.63%	9.30%	0.00%	0.00%	0.00%	0.00%
19	Target Return - Equity on Rate Base	9.30%	9.30%	0.00%	0.00%	0.00%	0.00%
20	Deficiency/Sufficiency in Return on Equity	-5.67%	0.00%	0.00%	0.00%	0.00%	0.00%
21 22	Indicated Rate of Return Requested Rate of Return on Rate Base	3.92% 6.19%	6.19% 6.19%	2.22% 0.00%	0.00% 0.00%	-10.83% 0.00%	0.00% 0.00%
23	Deficiency/Sufficiency in Rate of Return	-2.27%	0.00%	2.22%	0.00%	-10.83%	0.00%
24 25 26	Target Return on Equity Revenue Deficiency/(Sufficiency) Gross Revenue Deficiency/(Sufficiency)	\$120,809,338 \$73,712,032 \$100,220,163 <b>(1)</b>	\$120,809,338 (\$0)	\$ - (\$72,163,547) (\$98,114,817) <b>(1)</b>	\$ - \$ -	\$ - \$351,621,284 \$478,070,427 <b>(1)</b>	\$ - \$ -

#### Notes:

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

Tab 1 Schedule 2 Filed: 2014 Jul 31

Corrected: 2015 Feb 6 Page 11 of 12



# Revenue Requirement Workform (RRWF) for 2015 Filers

## **Revenue Requirement**

Line No.	Particulars	Application				Per Board Decision
1	OM&A Expenses	\$265,067,891		\$265,067,891		\$265,067,891
2	Amortization/Depreciation	\$206,541,033		\$206,541,033		\$206,541,033
3	Property Taxes	\$6,461,502		\$6,461,502		\$6,461,502
5	Income Taxes (Grossed up)	\$22,045,463		\$22,045,463		\$22,045,463
6	Other Expenses	\$ -				
7	Return					
	Deemed Interest Expense	\$80,175,832		\$ -		\$ -
	Return on Deemed Equity	\$120,809,338		\$ -		<u> </u>
•	Service Revenue Requirement					
8	(before Revenues)	\$701,101,059		\$500,115,890		\$500,115,890
9	Revenue Offsets	\$46,095,333		\$-		<u> </u>
10	Base Revenue Requirement	\$655,005,726		\$500,115,890		\$500,115,890
	(excluding Tranformer Owership Allowance credit adjustment)					
11	Distribution revenue	\$655,005,726		\$ -		\$ -
12	Other revenue	\$46,095,333		\$ -		\$ -
13	Total revenue	\$701,101,059		<u>    \$ -</u>		<u> </u>
14	Difference (Total Revenue Less Distribution Revenue Requirement					
	before Revenues)	(\$0)	(1)	(\$500,115,890)	(1)	(\$500,115,890)

**Notes** 

(1) Line 11 - Line 8

Toronto Hydro-Electric System Limited
EB-2014-0116
Exhibit 6
Tab 1
Schedule 2
Filed: 2014 Jul 31
Corrected: 2015 Jan 15
Page 12 of 12

Mario Energy Board

# Revenue Requirement Workform (RRWF) for 2015 Filers

#### Tracking Form

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

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

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

#### Summary of Proposed Changes

Reference (1) tem / Description (2) Regulated Regulated Regulated Rate Base Working Capital Working Capital Amortizati	ortization / Taxes/PILs OM&A	Service Other	Dana Danasana Ossasan dana
Return on Rate of Allowance (\$) Depreciat Return	preciation	Revenue Revenues Requirement	Base Revenue Grossed up Requirement Deficiency / Sufficiency
Original Application         \$ 200,985,169         6.19%         \$3,247,562,846         \$3,021,463,403         \$ 241,540,265         \$ 206,541	206,541,033 \$ 22,045,463 \$ 265,067,891	\$ 701,101,059 \$ 46,095,333	\$ 655,005,726

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