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Cost Allocation Study Requirements

Ex.7/Tab 1/Sch.1 - Overview of Cost Allocation

Wasaga Distribution Inc. ("WDI") has prepared and is filling a cost allocation informational filing consistent with its understanding of the Directions and Policies in the Board's reports of November 28, 2007 Application of Cost Allocation for Electricity Distributors, and March 31, 2011 Review of Electricity Distribution Cost Allocation Policy (EB-2010-0219) (the "Cost Allocation Reports") and all subsequent updates.

The main objectives of the original informational filing in 2006 were to provide information on any apparent cross-subsidization among a distributor's rate classifications and to support future rate applications. As part of its 2012 Cost of Service Rate Application, WDI updated the cost allocation revenue to cost ratios with 2012 base revenue requirement information. The revenue to cost ratios from the 2012 application is presented below.

Table 7.1: Previously Approved Ratios (2012 COS)

Customer Class Name	2012 Approved Revenue to Cost Ratio
Residential	102.29
General Service < 50 kW	92.60%
General Service > 50 to 4999 kW	98.52%
Street Lighting	70.00%
Unmetered Scattered Load	102.29%

The Cost Allocation Study for the 2016 Test Year allocates the 2016 Test Year costs (i.e. the 2016 Test Year forecast revenue requirement) to the various customer classes using allocators that are based on the forecast class loads (kW and kWh) by class, customer counts, etc.

WDI has used the updated OEB-approved Cost Allocation Model and followed the instructions and guidelines issued by the OEB to enter the 2016 Test Year data into this model. All references to sheet I3, I4, I5, I6, I7, O1, and O2 are found in WDI's 2016 Cost Allocation Model.

WDI populated the information on Sheet I3 Trial Balance Data with the 2016 forecasted data, Target Net Income, PILs, Deemed Interest on long term debt, and the targeted Revenue Requirement and Rate Base.

On Sheet I4, Break-out of Assets, WDI updated the allocation of the accounts based on 2016 Test Year values.

On Sheet I5.1, Miscellaneous data, WDI updated the deemed equity component of rate base, kilometer of roads in the service area, working capital allowance, the proportion of pole rental revenue from secondary poles, and the monthly service charges.

As instructed by the Board, in Sheet I5.2, Weighting Factors, WDI has used LDC specific factors rather than continue to use OEB approved default factors. The utility has applied service and billing & collecting weightings for each customer classification.

These weightings are based on a review of time and costs incurred in servicing its customer classes; they are discussed further below:

Table 7.2: Weighting Factors

	Residential	General Service < 50 kW	General Service > 50 to 4999 kW	Street Lighting	Unmetered Scattered Load
Insert Weighting Factor for Services Account 1855	1.0	1.5	3.0	0.0	0.0
Insert Weighting Factor for Billing and Collecting	1.0	1.0	1.5	0.5	0.5

Proposed Services Weighting Factors

Residential:

The Services weighting factor was set to “1”, per Cost Allocation instruction sheet.

General Service less than 50 kW, General Service greater than 50 kW: The proposed Services weighting factor of 1.5 and 3.0 reflects that these customers require greater capacity than do residential customers including increased levels of engineering and planning.

Street Lighting and Unmetered Scattered Load:

The Services weighting factor of 0 is proposed for both customer classes as the costs incurred to provide Services for either of these customer classes are the responsibility of the Town of Wasaga Beach.

Proposed Billing and Collecting Weighting Factors

Residential: the Billing weighting factor is set at "1", per Cost Allocation instruction sheet.

General Service less than 50 kW:

The proposed Billing and Collecting weighting factor is 1.0. WDI feels that equal work is required for billing and collecting when compared to the residential customer class.

General Service greater than 50 kW: The proposed billing and collecting weighting factor is 1.5 as there is less customers to spread the fixed costs associated with the time required to prepare a bill. The collecting costs are higher than those incurred when dealing with General Service < 50 kW customers.

Street Lighting and USL: The proposed weighting factor is 0.5. This customer class does not give rise to Collecting activity and so no Collecting costs have been allocated. The weighting factor reflects the extremely low volume of bills issued.

In Sheet I6.1 Revenue has been populated with the 2016 Test Year forecast data as well as existing rates.

Sheet I6.2 has been updated with the required Bad Debt and Late Payment revenue data as well as customer/connection number information devices.

WDI updated the capital cost meter information on Sheet I7.1 and the meter reading information on I7.2 to reflect its recently completed deployment of smart meters. WDI used similar costs as proposed in WDI's 2012 COS (EB-2011-0103)

The data entered on sheet I8 reflects the findings of the 2004 hour by hour load data being scaled to be consistent with the 2016 Test Year load forecast and the inspection of the scaled data to identify the system peaks and class specific peaks. The scaling factor used by rate class is illustrated in Table 7.3.

WDI demand data from sheet I8 in WDI's 2012 Cost Allocation model has been provided in Appendix A.

Table 7.3: Scaling Factors

Rate Class	2016 Forecast (kWh) [A]	2004 Actual (kWh) [B]	Scaling Factor [A]/[B]
Residential	87,540,339	73,579,335	1.1897
GS <50 kW	17,037,738	20,937,238	0.8138
GS >50 kW	20,902,750	11,837,685	1.7658
Street Lighting	611,285	1,599,766	0.3821
Unmetered Scattered Load	221,022	246,304	0.8974

Unmetered Loads

WDI communicates with unmetered load customers to assist them in understanding the regulatory requirements in which WDI operates within. Since WDI's largest customer in this category is the Town of Wasaga Beach, WDI confirms load and rate impact whenever increases are completed. WDI also communicated the rate increase forecasted for this rate application and the impacts to its customers. Additionally, WDI has had communications with the Town on the conversion to LED and questions have arisen regarding the impact this could have on rates during these conversations.

WDI is currently looking into ways to update business practices to ensure WDI is communicating effectively including investigating new software developments as they become available in the marketplace.

Sheet I6.1 of the Cost Allocation Model

EB-2015-0107

Sheet I6.1 Revenue Worksheet -

Total kWhs from Load Forecast	126,313,135
Total kWs from Load Forecast	53,748
Deficiency/sufficiency (RRWF 8. cell F51)	- 491,503
Miscellaneous Revenue (RRWF 5. cell F48)	474,377

			1	2	3	7	9
	ID	Total	Residential	GS <50	GS>50-Regular	Street Light	Unmetered Scattered Load
Billing Data							
Forecast kWh	CEN	126,313,135	87,540,339	17,037,738	20,902,751	611,285	221,022
Forecast kW	CDEM	53,748			51,946	1,802	
Forecast kW, included in CDEM, of customers receiving line transformer allowance		30,000			30,000		
Optional - Forecast kWh, included in CEN, from customers that receive a line transformation allowance on a kWh basis. In most cases this will not be applicable and will be left blank.		-					
KWh excluding KWh from Wholesale Market Participants	CEN EWMP	122,774,508	87,540,339	17,037,738	17,364,124	611,285	221,022
Existing Monthly Charge			$11.57	$13.54	$31.05	$1.47	$3.91
Existing Distribution kWh Rate			$0.0144	$0.0137			$0.0078
Existing Distribution kW Rate					$4.7118	$0.8798	
Existing TOA Rate					$0.60		
Additional Charges							
Distribution Revenue from Rates		$3,666,698	$2,991,252	$361,614	$258,916	$51,315	$3,601
Transformer Ownership Allowance		$18,000	$0	$0	$18,000	$0	$0
Net Class Revenue	CREV	$3,648,698	$2,991,252	$361,614	$240,916	$51,315	$3,601

Sheet I6.2 of the Cost Allocation Model

EB-2015-0107

Sheet I6.2 Customer Data Worksheet -

			1	2	3	7	9
	ID	Total	Residential	GS <50	GS>50-Regular	Street Light	Unmetered Scattered Load
Billing Data							
Bad Debt 3 Year Historical Average	BDHA	$35,439	$29,451	$5,987	$0	$0	$0
Late Payment 3 Year Historical Average	LPHA	$30,432	$23,569	$5,551	$1,089	$0	$223
Number of Bills	CNB	159,696	149,280	9,468.00	456.00	12.00	480.00
Number of Devices	CDEV					2,819	
Number of Connections (Unmetered)	CCON	2,764				2,764	
Total Number of Customers	CCA	13,308	12,440	789	38	1	40
Bulk Customer Base	CCB	-					
Primary Customer Base	CCP	13,383	12,440	789	34	79	41
Line Transformer Customer Base	CCLT	13,370	12,440	789	21	79	41
Secondary Customer Base	CCS	13,292	12,440	789	21	1	41
Weighted - Services	CWCS	13,687	12,440	1,184	63	-	-
Weighted Meter -Capital	CWMC	1,823,956	1,609,012	176,215	38,729	-	-
Weighted Meter Reading	CWMR	191,625	149,280	9,468	32,034	843	-
Weighted Bills	CWNB	159,678	149,280	9,468	684	6	240

Bad Debt Data

Historic Year:	2012	35,983	24,834	11,149	-	-	-
Historic Year:	2013	31,915	25,868	6,047	-	-	-
Historic Year:	2014	38,417	37,651	766	-	-	-
Three-year average		**35,439**	**29,451**	**5,987**	-	-	-

Street Lighting Adjustment Factors

NCP Test Results	4 NCP

	Primary Asset Data		Line Transformer Asset Data	
Class	**Customers/ Devices**	**4 NCP**	**Customers/ Devices**	**4 NCP**
Residential	12,440	73,918	12,440	73,918
Street Light	2,819	467	2,819	467

Street Lighting Adjustment Factors	
Primary	35.8600
Line Transformer	35.8600

Sheet I8 Demand Data of Cost Allocation Model

Customer Classes		Total	1 Residential	2 GS <50	3 GS>50-Regular	7 Street Light	9 Unmetered Scattered Load
CO-INCIDENT PEAK							
1 CP							
Transformation CP	TCP1	25,778	16,845	5,821	2,970	117	25
Bulk Delivery CP	BCP1	25,778	16,845	5,821	2,970	117	25
Total Sytem CP	DCP1	25,778	16,845	5,821	2,970	117	25
4 CP							
Transformation CP	TCP4	97,290	66,190	16,776	13,990	233	100
Bulk Delivery CP	BCP4	97,290	66,190	16,776	13,990	233	100
Total Sytem CP	DCP4	97,290	66,190	16,776	13,990	233	100
12 CP							
Transformation CP	TCP12	256,420	189,711	31,437	34,119	852	302
Bulk Delivery CP	BCP12	256,420	189,711	31,437	34,119	852	302
Total Sytem CP	DCP12	256,420	189,711	31,437	34,119	852	302
NON CO_INCIDENT PEAK							
1 NCP							
Classification NCP from Load Data Provider	DNCP1	30,775	20,000	6,000	4,632	117	26
Primary NCP	PNCP1	30,775	20,000	6,000	4,632	117	26
Line Transformer NCP	LTNCP1	30,775	20,000	6,000	4,632	117	26
Secondary NCP	SNCP1	30,775	20,000	6,000	4,632	117	26
4 NCP							
Classification NCP from Load Data Provider	DNCP4	109,770	73,918	18,809	16,473	467	102
Primary NCP	PNCP4	109,770	73,918	18,809	16,473	467	102
Line Transformer NCP	LTNCP4	109,770	73,918	18,809	16,473	467	102
Secondary NCP	SNCP4	109,770	73,918	18,809	16,473	467	102
12 NCP							
Classification NCP from Load Data Provider	DNCP12	271,197	192,655	37,285	39,556	1,398	302
Primary NCP	PNCP12	271,197	192,655	37,285	39,556	1,398	302
Line Transformer NCP	LTNCP12	271,197	192,655	37,285	39,556	1,398	302
Secondary NCP	SNCP12	271,197	192,655	37,285	39,556	1,398	302

No Direct Allocations were entered on Sheet I9.

The revenue to cost ratios calculated on Sheet O1 of the Cost Allocation model updated for the 2016 Test Year are provided at the next page.

Sheet O-1 of the Cost Allocation Model

	Total	1 Residential	2 GS <50	3 GS>50-Regular	7 Street Light	9 Unmetered Scattered Load
Distribution Revenue at Existing Rates	$3,648,698	$2,991,252	$361,614	$240,916	$51,315	$3,601
Miscellaneous Revenue (mi)	$474,377	$362,938	$55,932	$39,596	$15,210	$701
	Miscellaneous Revenue Input equals Output					
Total Revenue at Existing Rates	$4,123,075	$3,354,190	$417,546	$280,512	$66,525	$4,302
Factor required to recover deficiency (1 + D)	1.1347					
Distribution Revenue at Status Quo Rates	$4,140,201	$3,394,193	$410,325	$273,369	$58,228	$4,086
Miscellaneous Revenue (mi)	$474,377	$362,938	$55,932	$39,596	$15,210	$701
Total Revenue at Status Quo Rates	$4,614,578	$3,757,131	$466,258	$312,965	$73,438	$4,787
Expenses						
Distribution Costs (di)	$784,989	$587,149	$105,406	$76,140	$15,387	$908
Customer Related Costs (cu)	$1,114,439	$1,006,255	$70,018	$27,673	$9,094	$1,398
General and Administration (ad)	$1,203,354	$1,005,386	$113,188	$67,772	$15,560	$1,448
Depreciation and Amortization (dep)	$554,315	$426,206	$72,476	$47,787	$7,418	$429
PILs (INPUT)	$43,991	$32,912	$6,083	$4,383	$574	$40
Interest	$388,885	$290,944	$53,772	$38,745	$5,071	$354
Total Expenses	$4,089,973	$3,348,852	$420,942	$262,499	$53,103	$4,578
Direct Allocation	$0	$0	$0	$0	$0	$0
Allocated Net Income (NI)	$524,606	$392,483	$72,538	$52,267	$6,840	$478
Revenue Requirement (includes NI)	$4,614,578	$3,741,335	$493,480	$314,766	$59,943	$5,055
	Revenue Requirement Input equals Output					
Rate Base Calculation						
Net Assets						
Distribution Plant - Gross	$31,061,780	$23,300,716	$4,217,618	$3,013,999	$498,651	$30,795
General Plant - Gross	$2,568,889	$1,925,962	$350,343	$250,206	$39,937	$2,440
Accumulated Depreciation	($13,456,623)	($10,108,872)	($1,818,813)	($1,299,800)	($215,204)	($13,934)
Capital Contribution	($7,513,712)	($5,642,864)	($1,002,352)	($707,486)	($153,317)	($7,694)
Total Net Plant	$12,660,333	$9,474,943	$1,746,796	$1,256,919	$170,068	$11,607
Directly Allocated Net Fixed Assets	$0	$0	$0	$0	$0	$0
Cost of Power (COP)	$16,123,534	$11,460,178	$2,230,463	$2,323,932	$80,025	$28,935
OM&A Expenses	$3,102,782	$2,598,791	$288,612	$171,584	$40,041	$3,755
Directly Allocated Expenses	$0	$0	$0	$0	$0	$0
Subtotal	$19,226,316	$14,058,969	$2,519,075	$2,495,516	$120,066	$32,689
Working Capital	$1,441,974	$1,054,423	$188,931	$187,164	$9,005	$2,452
Total Rate Base	$14,102,307	$10,529,365	$1,935,727	$1,444,083	$179,073	$14,059
	Rate Base Input equals Output					
Equity Component of Rate Base	$5,640,923	$4,211,746	$774,291	$577,633	$71,629	$5,624
Net Income on Allocated Assets	$524,606	$408,279	$45,316	$50,466	$20,335	$209
Net Income on Direct Allocation Assets	$0	$0	$0	$0	$0	$0
Net Income	$524,606	$408,279	$45,316	$50,466	$20,335	$209
RATIOS ANALYSIS						
REVENUE TO EXPENSES STATUS QUO%	100.00%	100.42%	94.48%	99.43%	122.51%	94.68%
EXISTING REVENUE MINUS ALLOCATED COSTS	($491,503)	($387,144)	($75,934)	($34,254)	$6,582	($754)
	Deficiency Input equals Output					
STATUS QUO REVENUE MINUS ALLOCATED COSTS	($0)	$15,797	($27,222)	($1,801)	$13,495	($269)
RETURN ON EQUITY COMPONENT OF RATE BASE	9.30%	9.69%	5.85%	8.74%	28.39%	3.72%

Sheet O-2 of the Cost Allocation Model

EB-2015-0107

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

Output sheet showing minimum and maximum level for Monthly Fixed Charge

Summary	1 Residential	2 GS <50	3 GS>50-Regular	7 Street Light	9 Unmetered Scattered Load
Customer Unit Cost per month - Avoided Cost	$7.55	$8.47	$65.64	$0.26	$2.81
Customer Unit Cost per month - Directly Related	$11.80	$13.01	$106.30	$0.43	$4.64
Customer Unit Cost per month - Minimum System with PLCC Adjustment	$17.36	$20.72	$112.94	$1.63	$7.18
Existing Approved Fixed Charge	$11.57	$13.54	$31.05	$1.47	$3.91

Information to be Used to Allocate PILs, ROD, ROE and A&G	Total	1 Residential	2 GS <50	3 GS>50-Regular	7 Street Light	9 Unmetered Scattered Load
General Plant - Gross Assets	$2,568,889	$1,925,962	$350,343	$250,206	$39,937	$2,440
General Plant - Accumulated Depreciation	($580,192)	($434,985)	($79,126)	($56,510)	($9,020)	($551)
General Plant - Net Fixed Assets	$1,988,696	$1,490,977	$271,217	$193,696	$30,917	$1,889
General Plant - Depreciation	$56,237	$42,163	$7,670	$5,477	$874	$53
Total Net Fixed Assets Excluding General Plant	$10,671,637	$7,983,965	$1,475,579	$1,063,223	$139,151	$9,718
Total Administration and General Expense	$1,203,354	$1,005,386	$113,188	$67,772	$15,560	$1,448
Total O&M	$1,899,428	$1,593,404	$175,424	$103,813	$24,481	$2,307

Class Revenue Requirements

Ex.7/Tab 2/Sch.1 - Class Revenue Analysis

Table 7.4 below shows the results of the cost allocation updated 2012 Test Year study. These results are used to compare, analyze the allocation under each option and help the utility determine its 2016 Test Year proposed ratios.

Table 7.4: Previously Approved Ratios (2012 COS)

Customer Class Name	Service Rev Req.		Misc. Revenue		Base Rev Requirement		Rev2Cost Expenses %
Residential	**3,176,195**	80.05%	$439,097	75.37%	$2,736,842	80.85%	102.29%
General Service < 50 kW	**424,476**	10.70%	$69,305	11.88%	$355,201	10.49%	92.60%
General Service > 50 to 4,999 kW	284,957	7.18%	$43,168	7.41%	$241,789	7.14%	98.52%
Unmetered Scattered Load	5,232	0.13%	$930	0.16%	$4,302	0.13%	102.29%
Street Lighting	77,124	1.94%	$30,172	5.18%	$46,952	1.39%	70.00%
TOTAL	**$3,967,935**	**100.00%**	**$582,898**	**100.00%**	**3,385,037**	**100.00%**	100.00%

Table 7.5 shows the allocation percentage and base revenue requirement allocation under existing rates, cost allocation results and proposed 2016 Test Year proposed allocation.

Table 7.5: Base Revenue Requirement under 3 Scenarios

Customer Class Name	Base Revenue Requirement %					
	Cost Allocation Results		Existing Rates		Proposed Allocation	
Residential	81.60%	3,378,396	81.98%	3,394,193	81.98%	3,394,193
General Service < 50 kW	10.57%	437,547	9.91%	410,325	9.91%	410,325
General Service > 50 to 4999 kW	6.65%	275,170	6.60%	273,369	6.64%	274,877
Street Lighting	1.08%	44,733	1.41%	58,228	1.37%	56,720
Unmetered Scattered Load	0.11%	4,355	0.10%	4,086	0.10%	4,086
TOTAL	**100.00%**	**4,140,201**	**100.00%**	**4,140,201**	**100.00%**	**4,140,201**

Table 7.6 below shows the revenue offset allocation which resulted from Cost Allocation Study (Sheet O1).

Table 7.6: Revenue Offset Allocation as per Cost Allocation Study

Revenue Offsets	
%	$
76.51%	362,938
11.79%	55,932
8.35%	39,596
3.21%	15,210
0.15%	701
100.00%	**474,377**

Table 7.7 shows the allocation of the service revenue requirement under the same 3 scenarios.

Table 7.7: Service Revenue Requirement under 3 Scenarios

Service Revenue Requirement $		
Cost Allocation	Existing Rates	Rate Application
3,741,335	3,757,131	3,757,131
493,480	466,258	466,258
314,766	312,965	314,473
59,943	73,438	71,930
5,055	4,787	4,787
4,614,578	**4,614,578**	**4,614,578**

Revenue-to-Cost Ratios

Ex.7/Tab 3/Sch.2 - Cost Allocation Results and Analysis

The table at the next page shows Appendix 2-P of the Board Appendices. The Appendix provides information on previously approved ratios and proposed ratios. The section following Appendix 2-P addresses the method and logic used to update the ratios from the Cost Allocation study to the proposed ratios.

Appendix 2-P: Cost Allocation

A) Allocated Costs

Classes	Costs Allocated from Previous Study	%	Costs Allocated in Test Year Study (Column 7A)	%
Residential	$ 3,101,557	78.17%	$ 3,741,335	81.08%
GS < 50 kW	$ 458,794	11.56%	$ 493,480	10.69%
GS > 50 kW	$ 292,419	7.37%	$ 314,766	6.82%
Street Lighting	$ 110,070	2.77%	$ 59,943	1.30%
Unmetered Scattered Load (USL)	$ 5,095	0.13%	$ 5,055	0.11%
Total	$ 3,967,935	100.00%	$ 4,614,578	100.00%

B) Calculated Class Revenues

Classes (same as previous table)	Column 7B	Column 7C	Column 7D	Column 7E
	Load Forecast (LF) X current approved rates	L.F. X current approved rates X (1 + d)	LF X proposed rates	Miscellaneous Revenue
Residential	$ 3,378,396	$ 3,394,193	$ 3,394,193	$ 362,938
GS < 50 kW	$ 437,547	$ 410,325	$ 410,325	$ 55,932
GS > 50 kW	$ 275,170	$ 273,369	$ 274,877	$ 39,596
Street Lighting	$ 44,733	$ 58,228	$ 56,720	$ 15,210
Unmetered Scattered Load (USL)	$ 4,355	$ 4,086	$ 4,086	$ 701
Total	$ 4,140,201	$ 4,140,201	$ 4,140,201	$ 474,377

C) Rebalancing Revenue-to-Cost (R/C) Ratios

Class	Previously Approved Ratios	Status Quo Ratios	Proposed Ratios	Policy Range
	Most Recent Year: 2012	(7C + 7E) / (7A)	(7D + 7E) / (7A)	
	%	%	%	%
Residential	102.29	100.42	100.42	85 - 115
GS < 50 kW	92.60	94.48	94.48	80 - 120
GS > 50 kW	98.52	99.43	99.91	80 - 120
Street Lighting	70.00	122.51	120.00	80 - 120
Unmetered Scattered Load (USL)	102.29	94.68	94.68	80 - 120

D) Proposed Revenue-to-Cost Ratios

Class	Proposed Revenue-to-Cost Ratios			Policy Range
	2016	2017	2018	
	%	%	%	%
Residential	100.42	100.42	100.42	85 - 115
GS < 50 kW	94.48	94.48	94.48	80 - 120
GS > 50 kW	99.91	99.91	99.91	80 - 120
Street Lighting	120.00	120.00	120.00	80 - 120
Unmetered Scattered Load (USL)	94.68	94.68	94.68	80 - 120
Embedded distributor class				

Table 7.8 below shows WDI's proposed Revenue to Cost reallocation based on an analysis of the proposed results from the Cost Allocation Study vs. the Board imposed floor and ceiling ranges.

Table 7.8: Proposed Allocation

Revenue to Cost Ratio Allocation

Customer Class Name	Calculated R/C Ratio	Proposed R/C Ratio	Variance	Target Range Floor	Target Range Ceiling	3 Year Revenue to Cost Alignment 2016	2017	2018
Residential	100.42%	100.42%	0.00%	85%	115%	100.42%	100.42%	100.42%
General Service < 50 kW	94.48%	94.48%	0.00%	80%	120%	94.48%	94.48%	94.48%
General Service > 50 to 4999 kW	99.43%	99.91%	-0.48%	80%	120%	99.91%	99.91%	99.91%
Street Lighting	122.51%	120.00%	2.52%	80%	120%	120.00%	120.00%	120.00%
Unmetered Scattered Load	94.68%	94.68%	0.00%	80%	120%	94.68%	94.68%	94.68%

* Ratios highlighted in pink fell outside of the floor to ceiling range.

The proposed Revenue to Cost ratio is adjusted by changing the allocation percentage for each class. The utility reviews and assesses the bill impacts for each class before adjusting the Revenue to Cost ratios.

WDI proposes to increase the ratio for the General Service > 50kW customer class from 99.43% to 99.91% to reflect the adjustment made to Street Lighting to bring down to the maximum ceiling. WDI proposes to increase the General Service > 50kW because of the minimal impact this has on the bill. The Residential, General Service <50kW and classes are currently within the target range, and therefore no adjustments were made. WDI has proposed to adjust the revenue to cost ratio over the period of the 2016 Test Year.

Per the Filing Requirements for Transmission and Distribution Applications dated July 16, 2015, WDI has completed OEB Appendix 2-P with the results of the 2016 cost allocation study. The Allocated cost table (Table 2), calculated class revenues (Table 3) and Rebalancing Revenue-to-Cost (Revenue to Cost) Ratios (Table 4) are summarized on the previous page.

Appendix

List of Appendices

APPENDIX A	WDI'S 2012 COST ALLOCATION SHEET I8 DEMAND DATA

Appendix A: WDI's 2012 Cost Allocation Sheet I8 Demand Data

Customer Classes		Total	Residential	GS <50	GS>50-Regular	Street Light	Unmetered Scattered Load
CO-INCIDENT PEAK							
1 CP							
Transformation CP	TCP1	25,774	16,399	5,988	2,961	393	33
Bulk Delivery CP	BCP1	25,774	16,399	5,988	2,961	393	33
Total Sytem CP	DCP1	25,774	16,399	5,988	2,961	393	33
4 CP							
Transformation CP	TCP4	96,559	64,440	17,257	13,945	783	135
Bulk Delivery CP	BCP4	96,559	64,440	17,257	13,945	783	135
Total Sytem CP	DCP4	96,559	64,440	17,257	13,945	783	135
12 CP							
Transformation CP	TCP12	254,313	184,694	32,338	34,008	2,867	406
Bulk Delivery CP	BCP12	254,313	184,694	32,338	34,008	2,867	406
Total Sytem CP	DCP12	254,313	184,694	32,338	34,008	2,867	406
NON CO_INCIDENT PEAK							
1 NCP							
Classification NCP from Load Data Provider	DNCP1	30,688	19,471	6,172	4,617	393	35
Primary NCP	PNCP1	30,688	19,471	6,172	4,617	393	35
Line Transformer NCP	LTNCP1	28,651	19,471	6,172	2,580	393	35
Secondary NCP	SNCP1	28,651	19,471	6,172	2,580	393	35
4 NCP							
Classification NCP from Load Data Provider	DNCP4	109,442	71,963	19,349	16,419	1,573	138
Primary NCP	PNCP4	109,442	71,963	19,349	16,419	1,573	138
Line Transformer NCP	LTNCP4	102,198	71,963	19,349	9,176	1,573	138
Secondary NCP	SNCP4	102,198	71,963	19,349	9,176	1,573	138
12 NCP							
Classification NCP from Load Data Provider	DNCP12	270,456	187,559	38,355	39,428	4,708	406
Primary NCP	PNCP12	270,456	187,559	38,355	39,428	4,708	406
Line Transformer NCP	LTNCP12	253,061	187,559	38,355	22,033	4,708	406
Secondary NCP	SNCP12	253,061	187,559	38,355	22,033	4,708	406