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COST ALLOCATION STUDY REQUIREMENTS (2.7.1)

Overview

On September 29, 2006, the Ontario Energy Board ("Board") issued its directions on Cost Allocation Methodology for Electricity Distributors (the "Directions"). On November 15, 2006, the Board issued the Cost Allocation Information Filing Guidelines for Electricity Distributors (the "Guidelines"), the Cost Allocation Model (the "Model") and User Instructions (the "Instructions") for the Model. HHHI prepared a cost allocation information filing consistent with HHHI's understanding of the Directions, the Guidelines, the Model and the Instructions. HHHI submitted this filing to the OEB on January 15, 2007.

One of the main objectives of the filing was to provide information on any apparent cross-subsidization among a distributor's rate classifications. It was felt that this would give an indication of cross-subsidization from one class to another and this information would be useful as a tool in future rate applications.

HHHI filed a 2008 Cost of Service Application (EB-2007-0696) using the result of the cost allocation model filed on January 15, 2007 (EB-2007-0001).

On September 2, 2010, the Board began a proceeding, EB-2011-0219, with the mandate to review and revise the Cost Allocation policy as needed. On March 31, 2011, the Report of the Board was released in relation to EB-2011-0219 ("March Board Report"). In the letter accompanying the report, the Board indicated that a Working Group would be formed to revise the original Cost Allocation Model to address the revision highlighted in the March Board Report. On August 5, 2011, the Board released the new Cost Allocation model and instructed 2012 Cost of Service filers to use the revised model in their applications. This model has been subsequently updated annually by the Board with some minor revisions. On June 16, 2015, the Board released an updated Cost Allocation model to be used by 2016 Cost of Service applicants

in their applications. This updated version of the cost allocation model has been used by HHHI in this application.

In Section 2.6.4 of the March Board Report, the Board stated that "default weighting factors should now be utilized only in exceptional circumstances". Distributors are therefore now expected to develop their own weighting factors.

In HHHI's 2012 COS Application (EB-2011-0271), the cost allocation model was updated to reflect 2012 test year costs, customer numbers and demand values. The 2012 demand values were based on the weather normalized load forecast used to design rates. The results of the 2012 cost allocation model was used to move the revenue to cost ratios to be within the Board's acceptable range as outlined in the "Report on Application of Cost Allocation for Electricity Distributors" (the "Cost Allocation Report") issued by the OEB on November 28, 2007.

The cost allocation model that was used in HHHI 2012 COS Application (EB-2011-0271), filed on August 26, 2011 was based on the default weighting factors. Subsequently based on discussion with staff experienced in the subject area, HHHI developed its own weighting factors. The cost allocation model was then updated using HHHI specific weighting factor. The updated model with HHHI specific weighting factor was submitted in response Board Staff Round 1 Interrogatory, Question 36.

HHHI has used 2016 version of the cost allocation study model and submits that the updated cost allocation study reflects 2016 Test Year costs, customer numbers and demand values. The 2016 demand values are based on the weather normalized load forecast used in rate design. The HHHI specific weighting factors that were used and accepted in its 2012 COS Application (EB-2011-0271) were also used this application.

On June 12, 2015, the Board issued a letter relating to the review of Cost Allocation Policy for Unmetered Loads, Issuance of New Cost Allocation Policy for Street Lighting Rate Class. The new policy was regarding the cost allocation for two major types of street lighting configuration,

one device per connection (1:1) and the multiple devices per connection (daisy chain) systems. A new street lighting adjustment factor will be used to allocate cost to street lighting rate class for primary and transformer assets. In the same letter the OEB narrowed the revenue-to-cost ratio range for street lighting from the range of 70% - 120% to 80% - 120%.

The 2016 cost allocation model submitted with this application reflects this new policy. HHHI has used the one device per connection configuration.

CLASS REVENUE REQUIREMENTS (2.7.2)

Summary of Results

The data used in the updated cost allocation study is consistent with HHHI's cost data that supports the proposed 2016 revenue requirement outlined in Exhibit 6 of this application. Consistent with the Guidelines, HHHI's assets were broken out into primary and secondary distribution functions using breakout percentages consistent with the original cost allocation informational filing. The breakout of assets, capital contributions, depreciation, accumulated depreciation, customer data and load data by primary, line transformer and secondary categories were developed from the best data available to HHHI, its engineering records, and its customer and financial information systems. An Excel version of the updated cost allocation study has been included with the filed application material. In addition, Appendix 7-A outlines Input Sheets I-6 & I-8 and Output Sheets O-1 & O-2.

Capital contributions, depreciation and accumulated depreciation by USoA are consistent with the information provided in the 2016 Continuity Schedule shown in Exhibit 2. The rate class customer data used in the updated cost allocation study is consistent with the 2016 customer forecast outlined in Exhibit 3. The load profiles for each rate class are the same as those used in the original information filing but have been scaled to match the 2016 load forecast. The following Table 7-1 outlines the scaling factors used by rate class:

Table 7-1: Load Profiling Scaling Factors

Customer Class	2004 Weather Normalized Values Used in 2012 COS	2016 Weather Normalized Values (kWh)	Scaling Factor
Residential - Time of Use	204,663,794	195,182,110	95.4%
General Service less than 50 kW	57,905,967	48,031,437	82.9%
General Service 50 kW to 999 kW	80,509,486	141,978,525	176.4%
General Service 1,000 kW to 4,999 kW	123,666,357	121,810,401	98.5%
Sentinel Lighting	362,210	464,833	128.3%
Street Lighting	2,558,657	1,466,975	57.3%
Un-metered Scattered Load	951,100	932,138	98.0%
TOTAL	**470,617,571**	**509,866,419**	**108.3%**

Class Revenue Requirements

The allocated cost by rate class for the 2012 Cost of Service filing and 2016 updated study are provided in the Table 7-2. The following Table 7-3 provides information on calculated class revenue which is consistent with Appendix 2-P. The resulting 2016 Proposed Base Revenue will be the amount used in Exhibit 8 to design the proposed distribution charges in this application.

Table 7-2: Board Appendix 2-P - Allocated Costs

Customer Class	Costs Allocated from Previous Study ($)	%	Costs Allocated in Test Year Study ($)	%
Residential - Time of Use	6,825,172	64.57%	8,390,275	67.27%
General Service less than 50 kW	1,153,867	10.92%	1,139,596	9.14%
General Service 50 kW to 999 kW	1,466,033	13.87%	1,821,410	14.60%
General Service 1,000 kW to 4,999 kW	732,283	6.93%	926,525	7.43%
Street Lighting	344,125	3.26%	139,015	1.11%
Sentinel Lighting	31,974	0.30%	34,845	0.28%
Un-metered Scattered Load	17,248	0.16%	21,071	0.17%
TOTAL	**10,570,702**	**100.00%**	**12,472,736**	**100.00%**

Table 7-3: Board Appendix 2-P - Allocated Costs (cont'd)

Classes (same as previous table)	Column 7B Load Forecast (LF) X current	Column 7C L.F. X current approved rates X	Column 7D LF X proposed rates	Column 7E Miscellaneous Revenue
Residential - Time of Use	$ 5,388,045	$ 6,703,192	$ 6,909,172	$ 849,938
General Service less than 50 kW	$ 968,266	$ 1,204,606	$ 1,195,410	$ 172,105
General Service 50 to 999 kW	$ 1,523,065	$ 1,894,825	$ 1,894,825	$ 118,714
General Service 1,000 to 4,999 kW	$ 889,538	$ 1,106,662	$ 1,063,690	$ 48,140
Street Lighting	$ 244,386	$ 304,038	$ 149,193	$ 17,625
Sentinel Lighting	$ 22,842	$ 28,417	$ 29,451	$ 2,773
Unmetered Scattered Load (USL)	$ 16,329	$ 20,315	$ 20,315	$ 1,386
Total	**$ 9,052,472**	**$ 11,262,055**	**$ 11,262,056**	**$ 1,210,681**

REVENUE-TO-COST RATIOS (2.7.3)

The results of a cost allocation study are typically presented in the form of revenue-to-cost ratios. The ratio is shown by rate classification and is the percentage of distribution revenue collected by that rate classification compared to the costs allocated to the classification. The percentage identifies the rate classifications that are being subsidized and those that are over-contributing. A percentage of less than 100% indicates that the rate classification is under-contributing and is being subsidized by other classes of customers. A percentage of greater than 100% indicates the rate classification is over-contributing and is subsidizing other classes of customers.

Table 7-4 provides HHHI Revenue-to-Cost Ratios from its 2012 COS Application and the updated proposed 2016 Cost Allocation. The 2016 cost allocation study indicates the revenue-to-cost ratios for General Service less than 50kW, General Service 1,000 to 4,999 kW and Street Lighting are outside the Board's range. For 2016, it is proposed these ratios be brought within the Board's range and the Residential and Unmetered Scattered Load (USL) adjusted upward to maintain revenue neutrality.

Table 7-4: Rebalancing Revenue-to-Cost Ratios

Class	Previously Approved	Status Quo Ratios	Proposed Ratios
	Most Recent Year: 2012	(7C + 7E) / (7A)	(7D + 7E) / (7A)
	%	%	%
Residential - Time of Use	96.00%	90.02%	92.48%
General Service less than 50 kW	110.00%	120.81%	120.00%
General Service 50 to 999 kW	96.00%	110.55%	110.55%
General Service 1,000 to 4,999 kW	120.00%	124.64%	120.00%
Street Lighting	120.00%	231.39%	120.00%
Sentinel Lighting	96.00%	89.51%	92.48%
Unmetered Scattered Load (USL)	120.00%	102.99%	102.99%

Embedded Distributor Class

HHHI proposes to continue to bill the embedded distributor (i.e. Hydro One Networks Inc. "HONI") as a General Service 1,000 to 4,999 kW customer. The cost and revenue for HONI have been included in the General Service 1,000 to 4,999 kW for cost allocation and Board Appendix 2-P.

HHHI is bounded by four LDC's, one of which is HONI on the north and east boundaries of HHHI's service territory. North of Halton-Erin Road (also known as 32 Side Road) HONI's distribution system is embedded to HHHI and is metered using a primary metering unit. The upstream supply point originates from HHHI's 44kV feeder (42M23) supplied from HONI's transformer station Pleasant TS DESN1 located in Brampton. The 42M23 feeder enters HHHI's service territory along Bovaird Drive, crosses rural territory (fields) through Norval, along 10 Side Road, Trafalgar Road, 27 Side Road, then 8th Line, at which point the 44kV is stepped down to 8.32kV at our municipal substation MS-1 near Halton-Erin Road. From municipal substation MS-1, the feeder 1-F1 extends north on 8th Line to 32 Side Road and then east of 32 Side Road one (1) pole span to the primary meter unit. The metering unit is the point at which connection is made to HONI's distribution system (demarcation point) and where HHHI's 1-F1 feeder terminates. At this same point, HHHI's assets end and any assets beyond the metering unit are HONI's.

For the purposes of completing Board Appendix 2-Q, HHHI estimated costs specifically related to HONI for the connection. In preparing its rate application, HHHI consulted with HONI and advised HONI that it is HHHI's intent to continue to bill HONI as a General Service 1,000 to 4,999 kW customer. HONI expressed their agreement in the form of a letter dated July 22, 2015. The letter of agreement can be found in Appendix 7-B.

It is HHHI's view that the embedded HONI connection does not have any distinguishing factors that should result in the HONI account being treated any differently than other HHHI General Service 1,000 to 4,999 kW customers that are similarly connected at the end of the line.

Unmetered Loads

HHHI communicates with its Unmetered Load customers to assist them in understanding the regulatory context in which distributors operate and how it affects them. This communication takes place on an on-going basis and is not driven by the rate application process, but regular business practice.

microFIT Class

HHHI is not proposing to include microFIT as a separate class in the cost allocation model in 2016. It is HHHI's understanding that the cost allocation model will produce a calculation of unit costs which the Board will use to update the uniform microFIT rate at a future date.

New Customer Class

HHHI is not proposing to include any new customer classes.

Eliminated Customer Class

HHHI is not proposing to eliminate any customer classes.

APPENDIX 7-A

INPUT SHEETS I-6 & I-8
OUTPUT SHEETS O-1 & O-2

Input Sheets I-6 & I-8

Ontario Energy Board

2016 Cost Allocation Model

EB-2015-XXXX

Sheet I6.1 Revenue Worksheet -

Total kWhs from Load Forecast	509,866,419
Total kWs from Load Forecast	712,364
Deficiency/sufficiency (RRWF 8. cell F51)	- 2,209,583
Miscellaneous Revenue (RRWF 5. cell F48)	1,210,681

			1	2	3	4	7	8	9
	ID	Total	Residential	GS <50	GS 50-999 kW	GS 1000-4999 kW	Street Light	Sentinel	Unmetered Scattered Load
Billing Data									
Forecast kWh	CEN	509,866,419	195,182,110	48,031,437	141,978,525	121,810,401	1,466,975	464,833	932,138
Forecast kW	CDEM	712,364			391,918	315,722	4,090	633	
Forecast kW, included in CDEM, of customers receiving line transformer allowance		376,266			94,529	281,737			
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	509,866,419	195,182,110	48,031,437	141,978,525	121,810,401	1,466,975	464,833	932,138
Existing Monthly Charge			$12.7200	$27.5100	$77.5000	$179.9300	$2.2300	$5.0600	$6.7500
Existing Distribution kWh Rate			$0.0120	$0.0085					$0.0045
Existing Distribution kW Rate					$3.4560	$3.1683	$30.0608	$19.1614	
Existing TOA Rate					$0.5000	$0.5000			
Additional Charges									
Distribution Revenue from Rates		$9,240,605	$5,388,045	$968,266	$1,570,330	$1,030,406	$244,386	$22,842	$16,329
Transformer Ownership Allowance		$188,133	$0	$0	$47,265	$140,869	$0	$0	$0
Net Class Revenue	CREV	$9,052,472	$5,388,045	$968,266	$1,523,065	$889,538	$244,386	$22,842	$16,329

Ontario Energy Board

2016 Cost Allocation Model

EB-2015-XXXX

Sheet I6.2 Customer Data Worksheet -

			1	2	3	4	7	8	9
	ID	Total	Residential	GS <50	GS 50-999 kW	GS 1000-4999 kW	Street Light	Sentinel	Unmetered Scattered Load
Billing Data									
Bad Debt 3 Year Historical Average	BDHA	$84,173	$68,582	$12,113	$3,478	$0	$0	$0	$0
Late Payment 3 Year Historical Average	LPHA	$104,439	$68,965	$33,647	$1,827				
Number of Bills	CNB	265,071	239,454	20,356.19	2,785.31	167.30	12.00	2,115.33	180.00
Number of Devices	CDEV						4,538	176	150
Number of Connections (Unmetered)	CCON	4,864					4,538	176	150
Total Number of Customers	CCA	21,897	19,955	1,696	232	14			
Bulk Customer Base	CCB	-							
Primary Customer Base	CCP	22,068	19,955	1,696	232	14	171		
Line Transformer Customer Base	CCLT	21,982	19,955	1,696	157	3	171		
Secondary Customer Base	CCS	21,811	19,955	1,696	157	3			
Weighted - Services	CWCS	19,955	19,955	-	-	-	-	-	-
Weighted Meter -Capital	CWMC	4,328,352	3,453,731	440,321	377,500	56,800	-	-	-
Weighted Meter Reading	CWMR	35,650	19,955	3,393	11,605	697	-	-	-
Weighted Bills	CWNB	260,373	239,454	15,046	4,602	233	17	920	102

Bad Debt Data

Historic Year:	2012	86,102	61,166	24,936		-			
Historic Year:	2013	90,000	82,447	7,553		-			
Historic Year:	2014	76,418	62,134	3,851	10,433	-			
Three-year average		84,173	68,582	12,113	3,478	-	-	-	-

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	19,955	169,123	19,955	169,123
Street Light	4,538	1,450	4,538	1,450

Street Lighting Adjustment Factors	
Primary	26.5206
Line Transformer	26.5206

Ontario Energy Board

2016 Cost Allocation Model

EB-2015-XXXX

Sheet I8 Demand Data Worksheet -

This is an input sheet for demand allocators.

CP TEST RESULTS	4 CP
NCP TEST RESULTS	4 NCP

Co-incident Peak	Indicator
1 CP	CP 1
4 CP	CP 4
12 CP	CP 12

Non-co-incident Peak	Indicator
1 NCP	NCP 1
4 NCP	NCP 4
12 NCP	NCP 12

Customer Classes		Total	1 Residential	2 GS <50	3 GS 50-999 kW	4 GS 1000-4999 kW	7 Street Light	8 Sentinel	9 Unmetered Scattered Load
CO-INCIDENT PEAK									
1 CP									
Transformation CP	TCP1	97,431	28,959	11,893	35,870	20,607	-	-	102
Bulk Delivery CP	BCP1	97,431	28,959	11,893	35,870	20,607	-	-	102
Total Sytem CP	DCP1	97,431	28,959	11,893	35,870	20,607	-	-	102
4 CP									
Transformation CP	TCP4	348,967	135,228	35,210	106,215	71,050	678	159	428
Bulk Delivery CP	BCP4	348,967	135,228	35,210	106,215	71,050	678	159	428
Total Sytem CP	DCP4	348,967	135,228	35,210	106,215	71,050	678	159	428
12 CP									
Transformation CP	TCP12	964,607	390,496	96,014	262,375	210,442	3,052	953	1,275
Bulk Delivery CP	BCP12	964,607	390,496	96,014	262,375	210,442	3,052	953	1,275
Total Sytem CP	DCP12	964,607	390,496	96,014	262,375	210,442	3,052	953	1,275
NON CO_INCIDENT PEAK									
1 NCP									
Classification NCP from Load Data Provider	DNCP1	121,796	47,093	13,021	39,213	21,759	364	216	130
Primary NCP	PNCP1	121,796	47,093	13,021	39,213	21,759	364	216	130
Line Transformer NCP	LTNCP1	92,030	47,093	13,021	26,524	4,682	364	216	130
Secondary NCP	SNCP1	92,030	47,093	13,021	26,524	4,682	364	216	130
4 NCP									
Classification NCP from Load Data Provider	DNCP4	428,454	169,123	45,902	124,431	86,506	1,450	581	460
Primary NCP	PNCP4	428,454	169,123	45,902	124,431	86,506	1,450	581	460
Line Transformer NCP	LTNCP4	320,297	169,123	45,902	84,165.86	18,614.27	1,450	581	460
Secondary NCP	SNCP4	320,297	169,123	45,902	84,166	18,614	1,450	581	460
12 NCP									
Classification NCP from Load Data Provider	DNCP12	1,099,753	432,358	110,828	312,779	236,999	4,187	1,326	1,275
Primary NCP	PNCP12	1,099,753	432,358	110,828	312,779	236,999	4,187	1,326	1,275
Line Transformer NCP	LTNCP12	812,537	432,358	110,828	211,566	50,997	4,187	1,326	1,275
Secondary NCP	SNCP12	812,537	432,358	110,828	211,566	50,997	4,187	1,326	1,275

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Output Sheets O-1 & O-2

Ontario Energy Board

2016 Cost Allocation Model

EB-2015-XXXX

Sheet O1 Revenue to Cost Summary Worksheet -

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

Class Revenue, Cost Analysis, and Return on Rate Base

Rate Base Assets		Total	1 Residential	2 GS <50	3 GS 50-999 kW	4 GS 1000-4999 kW	5 GS >50-Intermediate	6 Large Use >5MW	7 Street Light	8 Sentinel	9 Unmetered Scattered Load
crev	Distribution Revenue at Existing Rates	$9,052,472	$5,388,045	$968,266	$1,523,065	$889,538	$0	$0	$244,386	$22,842	$16,329
mi	Miscellaneous Revenue (mi)	$1,210,681	$849,938	$172,105	$118,714	$48,140	$0	$0	$17,625	$2,773	$1,386
		Miscellaneous Revenue Input equals Output									
	Total Revenue at Existing Rates	$10,263,153	$6,237,983	$1,140,371	$1,641,779	$937,678	$0	$0	$262,011	$25,615	$17,715
	Factor required to recover deficiency (1 + D)	1.2441									
	Distribution Revenue at Status Quo Rates	$11,262,055	$6,703,193	$1,204,606	$1,894,825	$1,106,662	$0	$0	$304,038	$28,417	$20,315
	Miscellaneous Revenue (mi)	$1,210,681	$849,938	$172,105	$118,714	$48,140	$0	$0	$17,625	$2,773	$1,386
	Total Revenue at Status Quo Rates	$12,472,736	$7,553,130	$1,376,711	$2,013,539	$1,154,802	$0	$0	$321,663	$31,190	$21,701
	Expenses										
di	Distribution Costs (di)	$1,536,469	$818,165	$159,014	$329,604	$193,185	$0	$0	$28,346	$4,426	$3,728
cu	Customer Related Costs (cu)	$2,133,540	$1,908,911	$143,180	$68,894	$5,532	$0	$0	$113	$6,222	$688
ad	General and Administration (ad)	$3,189,237	$2,362,922	$263,459	$349,980	$174,676	$0	$0	$25,072	$9,242	$3,887
dep	Depreciation and Amortization (dep)	$2,356,442	$1,384,656	$245,247	$449,108	$227,695	$0	$0	$37,664	$6,528	$5,544
INPUT	PILs (INPUT)	($220,666)	($129,784)	($22,269)	($42,264)	($22,048)	$0	$0	($3,240)	($571)	($489)
INT	Interest	$1,165,806	$685,665	$117,651	$223,288	$116,485	$0	$0	$17,116	$3,016	$2,586
	Total Expenses	$10,160,828	$7,030,535	$906,282	$1,378,609	$695,525	$0	$0	$105,072	$28,863	$15,944
	Direct Allocation	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
NI	Allocated Net Income (NI)	$2,311,908	$1,359,740	$233,314	$442,801	$231,001	$0	$0	$33,943	$5,982	$5,128
	Revenue Requirement (includes NI)	$12,472,736	$8,390,275	$1,139,596	$1,821,410	$926,525	$0	$0	$139,015	$34,845	$21,071
		Revenue Requirement Input equals Output									
	Rate Base Calculation										
	Net Assets										
dp	Distribution Plant - Gross	$86,028,865	$50,562,621	$8,714,203	$16,358,350	$8,572,974	$0	$0	$1,381,964	$237,095	$201,656
gp	General Plant - Gross	$11,377,482	$6,745,352	$1,147,644	$2,147,390	$1,108,611	$0	$0	$172,476	$30,218	$25,790
accum dep	Accumulated Depreciation	($30,251,761)	($17,427,829)	($3,088,657)	($5,870,130)	($3,172,907)	$0	$0	($529,711)	($87,989)	($74,538)
co	Capital Contribution	($10,463,621)	($6,524,019)	($1,062,180)	($1,785,561)	($851,353)	$0	$0	($191,025)	($32,450)	($27,033)
	Total Net Plant	$56,690,964	$33,356,126	$5,721,010	$10,850,049	$5,657,325	$0	$0	$833,705	$146,874	$125,876
	Directly Allocated Net Fixed Assets	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
COP	Cost of Power (COP)	$66,075,638	$25,294,434	$6,224,587	$18,399,567	$15,785,899	$0	$0	$190,111	$60,240	$120,800
	OM&A Expenses	$6,859,246	$5,089,998	$565,653	$748,477	$373,393	$0	$0	$53,531	$19,890	$8,303
	Directly Allocated Expenses	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	Subtotal	*$72,934,884*	*$30,384,432*	*$6,790,240*	*$19,148,045*	*$16,159,292*	*$0*	*$0*	*$243,642*	*$80,129*	*$129,103*
	Working Capital	$5,470,116	$2,278,832	$509,268	$1,436,103	$1,211,947	$0	$0	$18,273	$6,010	$9,683
	Total Rate Base	$62,161,080	$35,634,958	$6,230,278	$12,286,152	$6,869,272	$0	$0	$851,978	$152,883	$135,558
		Rate Base Input equals Output									
	Equity Component of Rate Base	$24,864,432	$14,253,983	$2,492,111	$4,914,461	$2,747,709	$0	$0	$340,791	$61,153	$54,223
	Net Income on Allocated Assets	$2,311,908	$522,595	$470,429	$634,930	$459,277	$0	$0	$216,591	$2,327	$5,758
	Net Income on Direct Allocation Assets	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	Net Income	$2,311,908	$522,595	$470,429	$634,930	$459,277	$0	$0	$216,591	$2,327	$5,758
	RATIOS ANALYSIS										
	REVENUE TO EXPENSES STATUS QUO%	100.00%	90.02%	120.81%	110.55%	124.64%	0.00%	0.00%	231.39%	89.51%	102.99%
	EXISTING REVENUE MINUS ALLOCATED COSTS	($2,209,583)	($2,152,292)	$776	($179,630)	$11,153	$0	$0	$122,996	($9,230)	($3,356)
		Deficiency Input equals Output									
	STATUS QUO REVENUE MINUS ALLOCATED COSTS	$0	($837,145)	$237,116	$192,129	$228,276	$0	$0	$182,648	($3,654)	$630
	RETURN ON EQUITY COMPONENT OF RATE BASE	9.30%	3.67%	18.88%	12.92%	16.71%	0.00%	0.00%	63.56%	3.81%	10.62%

Ontario Energy Board

2016 Cost Allocation Model

EB-2015-XXXX

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 50-999 kW	7 Street Light	8 Sentinel	9 Unmetered Scattered Load
Customer Unit Cost per month - Avoided Cost	$7.42	$3.36	$32.37	$0.00	$2.61	$0.34
Customer Unit Cost per month - Directly Related	$13.70	$8.89	$54.57	$0.00	$4.88	$0.64
Customer Unit Cost per month - Minimum System with PLCC Adjustment	$24.12	$18.61	$65.85	$2.28	$12.80	$8.00
Existing Approved Fixed Charge	$12.72	$27.51	$77.50	$2.23	$5.06	$6.75

Information to be Used to Allocate PILs, ROD, ROE and A&G

	Total	1 Residential	2 GS <50	3 GS 50-999 kW	7 Street Light	8 Sentinel	9 Unmetered Scattered Load
General Plant - Gross Assets	$11,377,482	$6,745,352	$1,147,644	$2,147,390	$172,476	$30,218	$25,790
General Plant - Accumulated Depreciation	($8,508,020)	($5,044,138)	($858,202)	($1,605,807)	($128,977)	($22,597)	($19,286)
General Plant - Net Fixed Assets	$2,869,462	$1,701,214	$289,442	$541,583	$43,499	$7,621	$6,504
General Plant - Depreciation	$978,824	$580,314	$98,734	$184,744	$14,838	$2,600	$2,219
Total Net Fixed Assets Excluding General Plant	$53,821,503	$31,654,912	$5,431,568	$10,308,466	$790,206	$139,252	$119,371
Total Administration and General Expense	$3,189,237	$2,362,922	$263,459	$349,980	$25,072	$9,242	$3,887
Total O&M	$3,670,009	$2,727,076	$302,195	$398,497	$28,459	$10,648	$4,417

Scenario 1

Accounts included in Avoided Costs Plus General Administration Allocation

USoA Account #	Accounts	Total	1 Residential	2 GS <50	3 GS 50-999 kW	7 Street Light	8 Sentinel	9 Unmetered Scattered Load
	Distribution Plant							
1860	Meters	$5,880,916	$4,692,571	$598,263	$512,908	$0	$0	$0
	Accumulated Amortization							
	Accum. Amortization of Electric Utility Plant - Meters only	($1,690,479)	($1,348,887)	($171,972)	($147,436)	$0	$0	$0
	Meter Net Fixed Assets	**$4,190,437**	**$3,343,684**	**$426,291**	**$365,472**	**$0**	**$0**	**$0**
	Misc Revenue							
4082	Retail Services Revenues	$0	$0	$0	$0	$0	$0	$0
4084	Service Transaction Requests (STR) Revenues	$0	$0	$0	$0	$0	$0	$0
4090	Electric Services Incidental to Energy Sales	$0	$0	$0	$0	$0	$0	$0
4220	Other Electric Revenues	$0	$0	$0	$0	$0	$0	$0
4225	Late Payment Charges	($277,000)	($182,913)	($89,241)	($4,846)	$0	$0	$0
	Sub-total	*($277,000)*	*($182,913)*	*($89,241)*	*($4,846)*	*$0*	*$0*	*$0*
	Operation							
5065	Meter Expense	$242,103	$193,182	$24,629	$21,115	$0	$0	$0
5070	Customer Premises - Operation Labour	$0	$0	$0	$0	$0	$0	$0
5075	Customer Premises - Materials and Expenses	$0	$0	$0	$0	$0	$0	$0
	Sub-total	*$242,103*	*$193,182*	*$24,629*	*$21,115*	*$0*	*$0*	*$0*
	Maintenance							
5175	Maintenance of Meters	$500	$399	$51	$44	$0	$0	$0
	Billing and Collection							
5310	Meter Reading Expense	$39,586	$22,158	$3,767	$12,887	$0	$0	$0
5315	Customer Billing	$975,639	$897,255	$56,378	$17,243	$63	$3,446	$381
5320	Collecting	$584,093	$537,166	$33,752	$10,323	$37	$2,063	$228
5325	Collecting- Cash Over and Short	$0	$0	$0	$0	$0	$0	$0
5330	Collection Charges	$4,200	$3,863	$243	$74	$0	$15	$2
	Sub-total	$1,603,517	$1,460,442	$94,140	$40,528	$100	$5,524	$611
	Total Operation, Maintenance and Billing	$1,846,120	$1,654,022	$118,820	$61,686	$100	$5,524	$611
	Amortization Expense - Meters	$141,058	$112,555	$14,350	$12,302	$0	$0	$0
	Allocated PILs	($16,307)	($13,010)	($1,659)	($1,424)	$0	$0	$0
	Allocated Debt Return	$86,152	$68,732	$8,767	$7,521	$0	$0	$0
	Allocated Equity Return	$170,849	$136,303	$17,385	$14,915	$0	$0	$0
	Total	**$1,950,872**	**$1,775,689**	**$68,421**	**$90,156**	**$100**	**$5,524**	**$611**

1

Scenario 2

Accounts included in Directly Related Customer Costs Plus General Administration Allocation

			1	2	3	7	8	9
USoA Account #	Accounts	Total	Residential	GS <50	GS 50-999 kW	Street Light	Sentinel	Unmetered Scattered Load
	Distribution Plant							
1860	Meters	$5,880,916	$4,692,571	$598,263	$512,908	$0	$0	$0
	Accumulated Amortization							
	Accum. Amortization of Electric Utility Plant - Meters only	($1,690,479)	($1,348,887)	($171,972)	($147,436)	$0	$0	$0
	Meter Net Fixed Assets	$4,190,437	$3,343,684	$426,291	$365,472	$0	$0	$0
	Allocated General Plant Net Fixed Assets	$224,475	$179,698	$22,717	$19,201	$0	$0	$0
	Meter Net Fixed Assets Including General Plant	$4,414,912	$3,523,382	$449,008	$384,673	$0	$0	$0
	Misc Revenue							
4082	Retail Services Revenues	$0	$0	$0	$0	$0	$0	$0
4084	Service Transaction Requests (STR) Revenues	$0	$0	$0	$0	$0	$0	$0
4090	Electric Services Incidental to Energy Sales	$0	$0	$0	$0	$0	$0	$0
4220	Other Electric Revenues	$0	$0	$0	$0	$0	$0	$0
4225	Late Payment Charges	($277,000)	($182,913)	($89,241)	($4,846)	$0	$0	$0
	Sub-total	*($277,000)*	*($182,913)*	*($89,241)*	*($4,846)*	*$0*	*$0*	*$0*
	Operation							
5065	Meter Expense	$242,103	$193,182	$24,629	$21,115	$0	$0	$0
5070	Customer Premises - Operation Labour	$0	$0	$0	$0	$0	$0	$0
5075	Customer Premises - Materials and Expenses	$0	$0	$0	$0	$0	$0	$0
	Sub-total	*$242,103*	*$193,182*	*$24,629*	*$21,115*	*$0*	*$0*	*$0*
	Maintenance							
5175	Maintenance of Meters	$500	$399	$51	$44	$0	$0	$0
	Billing and Collection							
5310	Meter Reading Expense	$39,586	$22,158	$3,767	$12,887	$0	$0	$0
5315	Customer Billing	$975,639	$897,255	$56,378	$17,243	$63	$3,446	$381
5320	Collecting	$584,093	$537,166	$33,752	$10,323	$37	$2,063	$228
5325	Collecting- Cash Over and Short	$0	$0	$0	$0	$0	$0	$0
5330	Collection Charges	$4,200	$3,863	$243	$74	$0	$15	$2
	Sub-total	*$1,603,517*	*$1,460,442*	*$94,140*	*$40,528*	*$100*	*$5,524*	*$611*
	Total Operation, Maintenance and Billing	$1,846,120	$1,654,022	$118,820	$61,686	$100	$5,524	$611
	Amortization Expense - Meters	$141,058	$112,555	$14,350	$12,302	$0	$0	$0
	Amortization Expense - General Plant assigned to Meters	*$76,572*	*$61,298*	*$7,749*	*$6,550*	*$0*	*$0*	*$0*
	Admin and General	$1,601,051	$1,433,156	$103,590	$54,176	$88	$4,795	$538
	Allocated PILs	($17,181)	($13,709)	($1,748)	($1,498)	$0	$0	$0
	Allocated Debt Return	$90,767	$72,426	$9,234	$7,916	$0	$0	$0
	Allocated Equity Return	$180,001	$143,628	$18,311	$15,699	$0	$0	$0
	Total	**$3,641,388**	**$3,280,464**	**$181,065**	**$151,985**	**$189**	**$10,319**	**$1,149**

Scenario 3

Minimum System Customer Costs Adjusted for PLCC - High Limit Fixed Customer Charge

			1	2	3	7	8	9
USoA Account #	Accounts	Total	Residential	GS <50	GS 50-999 kW	Street Light	Sentinel	Unmetered Scattered Load
	Distribution Plant							
1565	Conservation and Demand Management Expenditures and Recoveries	$0	$0	$0	$0	$0	$0	$0
1830	Poles, Towers and Fixtures	$0	$0	$0	$0	$0	$0	$0
1830-3	Poles, Towers and Fixtures - Subtransmission Bulk Delivery	$0	$0	$0	$0	$0	$0	$0
1830-4	Poles, Towers and Fixtures - Primary	$9,101,700	$8,110,166	$689,451	$94,337	$69,546	$71,645	$60,889
1830-5	Poles, Towers and Fixtures - Secondary	$3,539,550	$2,647,801	$225,091	$20,833	$602,158	$23,391	$19,879
1835	Overhead Conductors and Devices	$0	$0	$0	$0	$0	$0	$0
1835-3	Overhead Conductors and Devices - Subtransmission Bulk Delivery	$0	$0	$0	$0	$0	$0	$0
1835-4	Overhead Conductors and Devices - Primary	$2,774,847	$2,472,556	$210,194	$28,761	$21,203	$21,842	$18,563
1835-5	Overhead Conductors and Devices - Secondary	$1,494,148	$1,117,714	$95,018	$8,794	$254,189	$9,874	$8,391
1840	Underground Conduit	$0	$0	$0	$0	$0	$0	$0
1840-3	Underground Conduit - Bulk Delivery	$0	$0	$0	$0	$0	$0	$0
1840-4	Underground Conduit - Primary	$475,552	$423,746	$36,023	$4,929	$3,634	$3,743	$3,181
1840-5	Underground Conduit - Secondary	$256,067	$191,553	$16,284	$1,507	$43,563	$1,692	$1,438
1845	Underground Conductors and Devices	$0	$0	$0	$0	$0	$0	$0
1845-3	Underground Conductors and Devices - Bulk Delivery	$0	$0	$0	$0	$0	$0	$0
1845-4	Underground Conductors and Devices - Primary	$2,286,670	$2,037,562	$173,215	$23,701	$17,472	$18,000	$15,297
1845-5	Underground Conductors and Devices - Secondary	$1,231,284	$921,076	$78,301	$7,247	$209,469	$8,137	$6,915
1850	Line Transformers	$4,670,393	$4,177,656	$355,146	$32,869	$35,824	$36,905	$31,365
1855	Services	$3,590,759	$3,590,759	$0	$0	$0	$0	$0
1860	Meters	$5,880,916	$4,692,571	$598,263	$512,908	$0	$0	$0
	Sub-total	*$35,301,886*	*$30,383,161*	*$2,476,986*	*$735,885*	*$1,257,058*	*$195,229*	*$165,919*
	Accumulated Amortization							
	Accum. Amortization of Electric Utility Plant -Line Transformers, Services and Meters	($13,394,885)	($11,464,860)	($961,216)	($243,094)	($547,124)	($82,015)	($69,702)
	Customer Related Net Fixed Assets	$21,907,002	$18,918,301	$1,515,770	$492,790	$709,933	$113,214	$96,217
	Allocated General Plant Net Fixed Assets	$1,177,060	$1,016,717	$80,774	$25,890	$39,081	$6,196	$5,243
	Customer Related NFA Including General Plant	$23,084,061	$19,935,018	$1,596,544	$518,681	$749,014	$119,410	$101,460
	Misc Revenue							
4082	Retail Services Revenues	$0	$0	$0	$0	$0	$0	$0
4084	Service Transaction Requests (STR) Revenues	$0	$0	$0	$0	$0	$0	$0
4090	Electric Services Incidental to Energy Sales	$0	$0	$0	$0	$0	$0	$0
4220	Other Electric Revenues	$0	$0	$0	$0	$0	$0	$0
4225	Late Payment Charges	($277,000)	($182,913)	($89,241)	($4,846)	$0	$0	$0
4235	Miscellaneous Service Revenues	$0	$0	$0	$0	$0	$0	$0
	Sub-total	*($277,000)*	*($182,913)*	*($89,241)*	*($4,846)*	*$0*	*$0*	*$0*
	Operating and Maintenance							
5005	Operation Supervision and Engineering	$96,367	$84,148	$6,154	$730	$4,117	$639	$543
5010	Load Dispatching	$0	$0	$0	$0	$0	$0	$0
5020	Overhead Distribution Lines and Feeders - Operation Labour	$192,510	$163,344	$13,886	$1,739	$10,782	$1,443	$1,226
5025	Overhead Distribution Lines & Feeders - Operation Supplies and Expenses	$38,367	$32,554	$2,767	$347	$2,149	$288	$244
5035	Overhead Distribution Transformers- Operation	$5,520	$4,938	$420	$39	$42	$44	$37
5040	Underground Distribution Lines and Feeders - Operation Labour	$0	$0	$0	$0	$0	$0	$0
5045	Underground Distribution Lines & Feeders - Operation Supplies & Expenses	$4,850	$4,079	$347	$43	$313	$36	$31
5055	Underground Distribution Transformers - Operation	$0	$0	$0	$0	$0	$0	$0
5065	Meter Expense	$242,103	$193,182	$24,629	$21,115	$0	$0	$0
5070	Customer Premises - Operation Labour	$0	$0	$0	$0	$0	$0	$0
5075	Customer Premises - Materials and Expenses	$0	$0	$0	$0	$0	$0	$0
5085	Miscellaneous Distribution Expense	$6,400	$5,589	$409	$49	$273	$42	$36
5090	Underground Distribution Lines and Feeders - Rental Paid	$0	$0	$0	$0	$0	$0	$0
5095	Overhead Distribution Lines and Feeders - Rental Paid	$0	$0	$0	$0	$0	$0	$0
5096	Other Rent	$0	$0	$0	$0	$0	$0	$0
5105	Maintenance Supervision and Engineering	$0	$0	$0	$0	$0	$0	$0
5120	Maintenance of Poles, Towers and Fixtures	$6,720	$5,719	$486	$61	$357	$51	$43
5125	Maintenance of Overhead Conductors and Devices	$0	$0	$0	$0	$0	$0	$0
5130	Maintenance of Overhead Services	$0	$0	$0	$0	$0	$0	$0
5135	Overhead Distribution Lines and Feeders - Right of Way	$131,000	$111,153	$9,449	$1,183	$7,337	$982	$835
5145	Maintenance of Underground Conduit	$0	$0	$0	$0	$0	$0	$0
5150	Maintenance of Underground Conductors and Devices	$7,530	$6,333	$538	$66	$486	$56	$48
5155	Maintenance of Underground Services	$0	$0	$0	$0	$0	$0	$0
5160	Maintenance of Line Transformers	$0	$0	$0	$0	$0	$0	$0
5175	Maintenance of Meters	$500	$399	$51	$44	$0	$0	$0
	Sub-total	*$731,867*	*$611,436*	*$59,136*	*$25,415*	*$25,857*	*$3,581*	*$3,043*
	Billing and Collection							
5305	Supervision	$197,420	$181,559	$11,408	$3,489	$13	$697	$77
5310	Meter Reading Expense	$39,586	$22,158	$3,767	$12,887	$0	$0	$0
5315	Customer Billing	$975,639	$897,255	$56,378	$17,243	$63	$3,446	$381
5320	Collecting	$584,093	$537,166	$33,752	$10,323	$37	$2,063	$228
5325	Collecting- Cash Over and Short	$0	$0	$0	$0	$0	$0	$0
5330	Collection Charges	$4,200	$3,863	$243	$74	$0	$15	$2
5335	Bad Debt Expense	$90,000	$73,330	$12,952	$3,718	$0	$0	$0
5340	Miscellaneous Customer Accounts Expenses	$0	$0	$0	$0	$0	$0	$0
	Sub-total	*$1,890,937*	*$1,715,330*	*$118,500*	*$47,735*	*$113*	*$6,222*	*$688*
	Sub Total Operating, Maintenance and Billing	*$2,622,804*	*$2,326,766*	*$177,636*	*$73,150*	*$25,970*	*$9,802*	*$3,731*
	Amortization Expense - Customer Related	$569,378	$478,993	$45,594	$15,962	$20,805	$3,247	$2,759
	Amortization Expense - General Plant assigned to Meters	$401,516	$346,820	$27,553	$8,832	$13,331	$2,114	$1,788
	Admin and General	$2,274,900	$2,016,067	$154,867	$64,244	$22,878	$8,508	$3,284
	Allocated PILs	($89,818)	($77,564)	($6,215)	($2,020)	($2,911)	($464)	($394)
	Allocated Debt Return	$474,519	$409,782	$32,833	$10,674	$15,378	$2,452	$2,084
	Allocated Equity Return	$941,017	$812,637	$65,110	$21,168	$30,495	$4,863	$4,133
	PLCC Adjustment for Line Transformer	$72,732	$65,062	$5,524	$510	$560	$576	$490
	PLCC Adjustment for Primary Costs	$190,547	$169,763	$14,434	$1,977	$1,472	$1,503	$1,280
	PLCC Adjustment for Secondary Costs	$132,880	$119,518	$9,429	$1,256	$0	$1,376	$1,226
	Total	$6,521,157	**$5,776,245**	**$378,751**	**$183,419**	**$123,914**	**$27,066**	**$14,390**

Below: Grouping to avoid disclosure

Scenario 1

Accounts included in Avoided Costs Plus General Administration Allocation

Accounts	Total	Residential	GS <50	GS 50-999 kW	Street Light	Sentinel	Unmetered Scattered Load
Distribution Plant							
CWMC	$ 5,880,916	$ 4,692,571	$ 598,263	$ 512,908	$ -	$ -	$ -
Accumulated Amortization							
Accum. Amortization of Electric Utility Plant - Meters only	$ (1,690,479)	$ (1,348,887)	$ (171,972)	$ (147,436)	$ -	$ -	$ -
Meter Net Fixed Assets	$ 4,190,437	$ 3,343,684	$ 426,291	$ 365,472	$ -	$ -	$ -
Misc Revenue							
CWNB	$ -	$ -	$ -	$ -	$ -	$ -	$ -
NFA	$ -	$ -	$ -	$ -	$ -	$ -	$ -
LPHA	$ (277,000)	$ (182,913)	$ (89,241)	$ (4,846)	$ -	$ -	$ -
Sub-total	$ (277,000)	$ (182,913)	$ (89,241)	$ (4,846)	$ -	$ -	$ -
Operation							
CWMC	$ 242,103	$ 193,182	$ 24,629	$ 21,115	$ -	$ -	$ -
CCA	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sub-total	$ 242,103	$ 193,182	$ 24,629	$ 21,115	$ -	$ -	$ -
Maintenance							
1860	$ 500	$ 399	$ 51	$ 44	$ -	$ -	$ -
Billing and Collection							
CWMR	$ 39,586	$ 22,158	$ 3,767	$ 12,887	$ -	$ -	$ -
CWNB	$ 1,563,932	$ 1,438,284	$ 90,373	$ 27,641	$ 100	$ 5,524	$ 611
Sub-total	$ 1,603,517	$ 1,460,442	$ 94,140	$ 40,528	$ 100	$ 5,524	$ 611
Total Operation, Maintenance and Billing	$ 1,846,120	$ 1,654,022	$ 118,820	$ 61,686	$ 100	$ 5,524	$ 611
Amortization Expense - Meters	$ 141,058	$ 112,555	$ 14,350	$ 12,302	$ -	$ -	$ -
Allocated PILs	$ (16,307)	$ (13,010)	$ (1,659)	$ (1,424)	$ -	$ -	$ -
Allocated Debt Return	$ 86,152	$ 68,732	$ 8,767	$ 7,521	$ -	$ -	$ -
Allocated Equity Return	$ 170,849	$ 136,303	$ 17,385	$ 14,915	$ -	$ -	$ -
Total	**$ 1,950,872**	**$ 1,775,689**	**$ 68,421**	**$ 90,156**	**$ 100**	**$ 5,524**	**$ 611**

1

Scenario 2

Accounts included in Directly Related Customer Costs Plus General Administration Allocation

Accounts	Total	Residential	GS <50	GS 50-999 kW	Street Light	Sentinel	Unmetered Scattered Load
Distribution Plant							
CWMC	$ 5,880,916	$ 4,692,571	$ 598,263	$ 512,908	$ -	$ -	$ -
Accumulated Amortization							
Accum. Amortization of Electric Utility Plant - Meters only	$ (1,690,479)	$ (1,348,887)	$ (171,972)	$ (147,436)	$ -	$ -	$ -
Meter Net Fixed Assets	$ 4,190,437	$ 3,343,684	$ 426,291	$ 365,472	$ -	$ -	$ -
Allocated General Plant Net Fixed Assets	$ 224,475	$ 179,698	$ 22,717	$ 19,201	$ -	$ -	$ -
Meter Net Fixed Assets Including General Plant	$ 4,414,912	$ 3,523,382	$ 449,008	$ 384,673	$ -	$ -	$ -
Misc Revenue							
CWNB	$ -	$ -	$ -	$ -	$ -	$ -	$ -
NFA	$ -	$ -	$ -	$ -	$ -	$ -	$ -
LPHA	$ (277,000)	$ (182,913)	$ (89,241)	$ (4,846)	$ -	$ -	$ -
Sub-total	*$ (277,000)*	*$ (182,913)*	*$ (89,241)*	*$ (4,846)*	*$ -*	*$ -*	*$ -*
Operation							
CWMC	$ 242,103	$ 193,182	$ 24,629	$ 21,115	$ -	$ -	$ -
CCA	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sub-total	*$ 242,103*	*$ 193,182*	*$ 24,629*	*$ 21,115*	*$ -*	*$ -*	*$ -*
Maintenance							
1860	$ 500	$ 399	$ 51	$ 44	$ -	$ -	$ -
Billing and Collection							
CWMR	$ 39,586	$ 22,158	$ 3,767	$ 12,887	$ -	$ -	$ -
CWNB	$ 1,563,932	$ 1,438,284	$ 90,373	$ 27,641	$ 100	$ 5,524	$ 611
Sub-total	*$ 1,603,517*	*$ 1,460,442*	*$ 94,140*	*$ 40,528*	*$ 100*	*$ 5,524*	*$ 611*
Total Operation, Maintenance and Billing	$ 1,846,120	$ 1,654,022	$ 118,820	$ 61,686	$ 100	$ 5,524	$ 611
Amortization Expense - Meters	$ 141,058	$ 112,555	$ 14,350	$ 12,302	$ -	$ -	$ -
Amortization Expense - General Plant assigned to Meters	$ 76,572	$ 61,298	$ 7,749	$ 6,550	$ -	$ -	$ -
Admin and General	$ 1,601,051	$ 1,433,156	$ 103,590	$ 54,176	$ 88	$ 4,795	$ 538
Allocated PILs	$ (17,181)	$ (13,709)	$ (1,748)	$ (1,498)	$ -	$ -	$ -
Allocated Debt Return	$ 90,767	$ 72,426	$ 9,234	$ 7,916	$ -	$ -	$ -
Allocated Equity Return	$ 180,001	$ 143,628	$ 18,311	$ 15,699	$ -	$ -	$ -
Total	**$ 3,641,388**	**$ 3,280,464**	**$ 181,065**	**$ 151,985**	**$ 189**	**$ 10,319**	**$ 1,149**

1

Scenario 3

Minimum System Customer Costs Adjusted for PLCC - High Limit Fixed Customer Charge

USoA Account #	Accounts	Total	Residential	GS <50	GS 50-999 kW	Street Light	Sentinel	Unmetered Scattered Load
	Distribution Plant							
	CDMPP	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	Poles, Towers and Fixtures	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	BCP	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	PNCP	$ 14,638,769	$ 13,044,030	$ 1,108,882	$ 151,727	$ 111,855	$ 115,231	$ 97,931
	SNCP	$ 6,521,049	$ 4,878,144	$ 414,695	$ 38,381	$ 1,109,379	$ 43,093	$ 36,624
	Overhead Conductors and Devices	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	LTNCP	$ 4,670,393	$ 4,177,656	$ 355,146	$ 32,869	$ 35,824	$ 36,905	$ 31,365
	CWCS	$ 3,590,759	$ 3,590,759	$ -	$ -	$ -	$ -	$ -
	CWMC	$ 5,880,916	$ 4,692,571	$ 598,263	$ 512,908	$ -	$ -	$ -
	Sub-total	*$ 35,301,886*	*$ 30,383,161*	*$ 2,476,986*	*$ 735,885*	*$ 1,257,058*	*$ 195,229*	*$ 165,919*
	Accumulated Amortization							
	Accum. Amortization of Electric Utility Plant -Line Transformers, Services and Meters	$ (13,394,885)	$ (11,464,860)	$ (961,216)	$ (243,094)	$ (547,124)	$ (82,015)	$ (69,702)
	Customer Related Net Fixed Assets	$ 21,907,002	$ 18,918,301	$ 1,515,770	$ 492,790	$ 709,933	$ 113,214	$ 96,217
	Allocated General Plant Net Fixed Assets	$ 1,177,060	$ 1,016,717	$ 80,774	$ 25,890	$ 39,081	$ 6,196	$ 5,243
	Customer Related NFA Including General Plant	$ 23,084,061	$ 19,935,018	$ 1,596,544	$ 518,681	$ 749,014	$ 119,410	$ 101,460
	Misc Revenue							
	CWNB	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	NFA	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	LPHA	$ (277,000)	$ (182,913)	$ (89,241)	$ (4,846)	$ -	$ -	$ -
	Sub-total	*$ (277,000)*	*$ (182,913)*	*$ (89,241)*	*$ (4,846)*	*$ -*	*$ -*	*$ -*
	Operating and Maintenance							
	1815-1855	$ 102,767	$ 89,736	$ 6,562	$ 779	$ 4,391	$ 682	$ 580
	1830 & 1835	$ 361,877	$ 307,051	$ 26,103	$ 3,268	$ 20,268	$ 2,712	$ 2,305
	1850	$ 5,520	$ 4,938	$ 420	$ 39	$ 42	$ 44	$ 37
	1840 & 1845	$ 4,850	$ 4,079	$ 347	$ 43	$ 313	$ 36	$ 31
	CWMC	$ 242,103	$ 193,182	$ 24,629	$ 21,115	$ -	$ -	$ -
	CCA	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	O&M	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	1830	$ 6,720	$ 5,719	$ 486	$ 61	$ 357	$ 51	$ 43
	1835	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	1855	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	1840	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	1845	$ 7,530	$ 6,333	$ 538	$ 66	$ 486	$ 56	$ 48
	1860	$ 500	$ 399	$ 51	$ 44	$ -	$ -	$ -
	Sub-total	*$ 731,867*	*$ 611,436*	*$ 59,136*	*$ 25,415*	*$ 25,857*	*$ 3,581*	*$ 3,043*
	Billing and Collection							
	CWNB	$ 1,761,352	$ 1,619,843	$ 101,781	$ 31,130	$ 113	$ 6,222	$ 688
	CWMR	$ 39,586	$ 22,158	$ 3,767	$ 12,887	$ -	$ -	$ -
	BDHA	$ 90,000	$ 73,330	$ 12,952	$ 3,718	$ -	$ -	$ -
	Sub-total	*$ 1,890,937*	*$ 1,715,330*	*$ 118,500*	*$ 47,735*	*$ 113*	*$ 6,222*	*$ 688*
	Sub Total Operating, Maintenance and Biling	*$ 2,622,804*	*$ 2,326,766*	*$ 177,636*	*$ 73,150*	*$ 25,970*	*$ 9,802*	*$ 3,731*
	Amortization Expense - Customer Related	$ 569,378	$ 478,993	$ 45,594	$ 15,962	$ 20,805	$ 3,247	$ 2,759
	Amortization Expense - General Plant assigned to Meters	$ 401,516	$ 346,820	$ 27,553	$ 8,832	$ 13,331	$ 2,114	$ 1,788
	Admin and General	$ 2,274,900	$ 2,016,067	$ 154,867	$ 64,244	$ 22,878	$ 8,508	$ 3,284
	Allocated PILs	$ (89,818)	$ (77,564)	$ (6,215)	$ (2,020)	$ (2,911)	$ (464)	$ (394)
	Allocated Debt Return	$ 474,519	$ 409,782	$ 32,833	$ 10,674	$ 15,378	$ 2,452	$ 2,084
	Allocated Equity Return	$ 941,017	$ 812,637	$ 65,110	$ 21,168	$ 30,495	$ 4,863	$ 4,133
	PLCC Adjustment for Line Transformer	$ 72,732	$ 65,062	$ 5,524	$ 510	$ 560	$ 576	$ 490
	PLCC Adjustment for Primary Costs	$ 190,547	$ 169,763	$ 14,434	$ 1,977	$ 1,472	$ 1,503	$ 1,280
	PLCC Adjustment for Secondary Costs	$ 132,880	$ 119,518	$ 9,429	$ 1,256	$ -	$ 1,376	$ 1,226
	Total	**$ 6,521,157**	**$ 5,776,245**	**$ 378,751**	**$ 183,419**	**$ 123,914**	**$ 27,066**	**$ 14,390**

APPENDIX 7-B

HONI LETTER

Hydro One Networks Inc.
www.HydroOne.com

July 22, 2015

Tracy Rehberg-Rawlingson
Regulatory Affairs Officer
Halton Hills Hydro Inc.

Dear Mr. Rehberg-Rawlingson,

Re.: HHHI account number 67899-44166 GS 1,000-4,999 kW

I am writing to confirm that Hydro One Network is in agreement for this account to be in the GS 1,000-4,999 kw rate category. I am also confirming that the load will continue to be around 1 MW for the next five years.

William Cheng
Manager
Transmission & Distribution Settlement