

# Table of Contents

|   |    |  |           |
|---|----|--|-----------|
| 1 | 1. | <b>Calculation of Revenue Requirement .....</b>  | <b>2</b>  |
|   |    | Ex.6/Tab 1/Sch.1 - Determination of Net Utility Income                                   |           |
|   |    | Ex.6/Tab 1/Sch.2 - Proposed Revenue Requirement  |           |
|   |    | Ex.6/Tab 1/Sch.3 - Statement of Rate Base  |           |
|   |    | Ex.6/Tab 1/Sch.4 - Actual Utility Return on Rate Base                                    |           |
|   |    | Ex.6/Tab 1/Sch.5 - Requested and Indicated Rate of Return                                |           |
|   |    | Ex.6/Tab 1/Sch.6 - Utility Income at Proposed Revenue Requirement                        |           |
|   |    | Ex.6/Tab 1/Sch.7 - Revenue Requirement Trend   |           |
| 2 | 2. | <b>Revenue Deficiency or Surplus.....</b>  | <b>9</b>  |
|   |    | Ex.6/Tab 2/Sch.1 - Calculation of Revenue Deficiency or Surplus                          |           |
|   |    | Ex.6/Tab 2/Sch.2 - Causes of Revenue Deficiency or Surplus                               |           |
|   |    | Ex.6/Tab 2/Sch.3 - Impact of implementation of MIFRS on Revenue<br>Deficiency or Surplus |           |
| 3 | 3. | <b>Appendix.....</b>   | <b>14</b> |
|   |    | List of Appendices   |           |
| 4 | 4. | <b>Appendix 6A – WNP’s Revenue Requirement .....</b>                                     | <b>15</b> |

# 1 Calculation of Revenue Requirement

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## 2 **Ex.6/Tab 1/Sch.1 - Determination of Net Utility Income**

3 WNP has included the following information in this Exhibit:

- 4 • Determination of Net Utility Income
- 5 • Statement of Rate Base
- 6 • Actual Utility Return on Rate Base
- 7 • Requested & Indicated Rate of Return
- 8 • Gross Deficiency or Sufficiency in Revenue

9  
10 The information in this Exhibit supports WNP's request in this Application for an increase in its  
11 Revenue Requirement to support the proposed capital and operating budgets for 2016 to  
12 service debt and to return the allowed Return on Equity.

13 WNP has determined that the Revenue Deficiency for the 2016 Test Year is \$258,891.

14 The calculations on which this determination is based are set out below. The Revenue  
15 Deficiency calculation does not include recovery of Deferral and Variance Accounts or other  
16 electricity charges.

17  
18 The current rates are based on Board approved rates effective May 1, 2015 through an IRM  
19 proceeding (EB-2014-0121). Existing revenues based on existing Board approved rates, which  
20 are used in calculating utility income, are comprised of distribution revenue and exclude pass-  
21 through charges such as LV Charges and Transmission Charges.

22 Details on existing and projected distribution revenue at existing rates are presented in Exhibit 3,  
23 Tab 1 and replicated below. Other revenues are presented in Exhibit 3 / Tab 4 shows  
24 distribution revenues at 2015 Bridge Year and 2016 Test Year volumes. Table 6.1 below shows  
25 distribution revenues resulting from existing rates being applied to 2016 Test Year volumes.

**Table 6.1: Distribution Revenues at Current Rates – 2016 Volumes**

| Test Year  |                            |     |                   |                        |                           |                           |                           |                       |
|--|----------------------------|-----|-------------------|------------------------|---------------------------|---------------------------|---------------------------|-----------------------|
| Test Year Projected Revenue from Existing Variable Charges |                            |     |                   |                        |                           |                           |                           |                       |
| Customer Class Name  | Variable Distribution Rate | per | Test Year Volume  | Gross Variable Revenue | Transform. Allowance Rate | Transform. Allowance kW's | Transform. Allowance \$'s | Net Variable Revenue  |
| Residential  | \$0.0185                   | kWh | 26,005,466        | \$481,101.12           |                           |                           | \$0.00                    | \$481,101.12          |
| General Service < 50 kW                                    | \$0.0168                   | kWh | 11,855,213        | \$199,167.57           |                           |                           | \$0.00                    | \$199,167.57          |
| General Service > 50 to 999 kW                             | \$3.6643                   | kW  | 41,588            | \$152,390.66           | \$0.60                    | 12,855                    | \$7,713.06                | \$144,677.60          |
| General Service 1,000 to 4,999kW                           | \$1.8921                   | kW  | 108,301           | \$204,916.39           |                           |                           | \$0.00                    | \$204,916.39          |
| Unmetered Scattered Load                                   | \$0.0146                   | kWh | 3,024             | \$44.16                |                           |                           | \$0.00                    | \$44.16               |
| Sentinel Lighting  | \$19.3776                  | kW  | 65                | \$1,260.07             |                           |                           | \$0.00                    | \$1,260.07            |
| Street Lighting  | \$7.9283                   | kW  | 1,995             | \$15,815.97            |                           |                           | \$0.00                    | \$15,815.97           |
| <b>Total Variable Revenue</b>                              |                            |     | <b>38,015,652</b> | <b>\$1,054,695.94</b>  | <b>\$0.60</b>             | <b>12,855</b>             | <b>\$7,713.06</b>         | <b>\$1,046,982.88</b> |

| Test Year  |            |                         |                      |                    |                    |                 |                    |                 |
|--|------------|-------------------------|----------------------|--------------------|--------------------|-----------------|--------------------|-----------------|
| Test Year Projected Revenue from Current Fixed Charges |            |                         |                      |                    |                    |                 |                    |                 |
| Customer Class Name                                    | Fixed Rate | Customers (Connections) | Fixed Charge Revenue | Variable Revenue   | TOTAL              | % Fixed Revenue | % Variable Revenue | % Total Revenue |
| Residential  | \$18.49    | 3,251                   | \$721,297            | \$481,101          | \$1,202,398        | 59.99%          | 40.01%             | 51.52%          |
| General Service < 50 kW                                | \$39.25    | 476                     | \$223,972            | \$199,168          | \$423,140          | 52.93%          | 47.07%             | 18.13%          |
| General Service > 50 to 999 kW                         | \$275.90   | 38                      | \$126,012            | \$144,678          | \$270,690          | 46.55%          | 53.45%             | 11.60%          |
| General Service 1,000 to 4,999kW                       | \$2,254.94 | 5                       | \$135,296            | \$204,916          | \$340,213          | 39.77%          | 60.23%             | 14.58%          |
| Unmetered Scattered Load                               | \$18.09    | 1                       | \$217                | \$44               | \$261              | 83.10%          | 16.90%             | 0.01%           |
| Sentinel Lighting                                      | \$5.24     | 29                      | \$1,839              | \$1,260            | \$3,099            | 59.34%          | 40.66%             | 0.13%           |
| Street Lighting  | \$7.12     | 914                     | \$78,092             | \$15,816           | \$93,908           | 83.16%          | 16.84%             | 4.02%           |
| <b>Total Fixed Revenue</b>                             |            | <b>4,713</b>            | <b>\$1,286,726</b>   | <b>\$1,046,983</b> | <b>\$2,333,709</b> |                 |                    |                 |

1

2 Exhibit 6 / Tab 1 / Schedule 2 in the next section provides details and derivation of the revenue

3 requirement and its particulars.

4

1 **Ex.6/Tab 1/Sch.2 - Proposed Revenue Requirement**

2 WNP’s revenue requirement represents the amount of money that a utility must receive from its  
 3 customers to cover its costs, operating expenses, taxes, interest paid on debts owed to  
 4 investors and, if applicable, a deemed return (profit).

5 The proposed Base Revenue Requirement, representing the revenue to be recovered from  
 6 base distribution rates, is equal to the total Service Revenue Requirement, less Revenue  
 7 Offsets derived from other revenue sources. Table 6.2 below illustrates WNP’s proposed 2016  
 8 Revenue Requirement.

9 **Table 6.2: Test Year Revenue Requirement**

| <b>Distribution Revenue Requirement</b> |                      |
|---|----------------------|
| Particular                              | Test Year            |
|   | <b>2016</b>          |
| OM&A Expenses                           | \$1,797,368          |
| Depreciation Expenses                   | \$361,570            |
| Property Taxes                          | \$14,000             |
| <b>Total Distribution Expenses</b>      | <b>\$2,172,938</b>   |
| Regulated Return On Capital             | \$570,249            |
| Grossed up PILs                         | \$0                  |
| <b>Service Revenue Requirement</b>      | <b>\$2,743,188</b>   |
| Less: Revenue Offsets                   | ( <b>\$150,588</b> ) |
| <b>Base Revenue Requirement</b>         | <b>\$2,592,599</b>   |

10

11 The Total Fixed Revenue from Table 6.1 subtract the Base Revenue Requirement gives WNP’s  
 12 Revenue Deficiency ( $\$2,333,709 - \$2,592,599 = \$258,890$ ). WNP’s completed Revenue  
 13 Requirement Work Form is submitted in this Exhibit as Appendix 6A.

14

1 **Ex.6/Tab 1/Sch.3 - Statement of Rate Base**

2 Table 6.3 below illustrates WNP’s Rate Base in the 2016 Test Year applying the capital  
 3 parameters provided by the Board for 2016 rate applications (letter dated October 15, 2015  
 4 “Cost of Capital Parameters Updates for 2016 Applications”).

5  
 6 **Table 6.3: Statement of Rate Base**

| <b>Capital Structure and Cost of Capital</b> |                     |                      |                    |              |                  |
|--|---------------------|----------------------|--------------------|--------------|------------------|
| Year: 2016                                   |                     |                      |                    |              |                  |
| Line No.                                     | Particulars         | Capitalization Ratio |                    | Cost Rate    | Return           |
|  |                     | (%)                  | (\$)               | (%)          | (\$)             |
|  | <b>Debt</b>         |                      |                    |              |                  |
| 1  | Long-term Debt      | 56.00%               | \$5,333,347        | 4.01%        | \$213,867        |
| 2  | Short-term Debt     | 4.00% (1)            | \$380,953          | 1.65%        | \$6,286          |
| 3  | <b>Total Debt</b>   | <b>60.0%</b>         | <b>\$5,714,301</b> | <b>3.85%</b> | <b>\$220,153</b> |
|  | <b>Equity</b>       |                      |                    |              |                  |
| 4  | Common Equity       | 40.00%               | \$3,809,534        | 9.19%        | \$350,096        |
| 5  | Preferred Shares    |                      | \$ -               |              | \$ -             |
| 6  | <b>Total Equity</b> | <b>40.0%</b>         | <b>\$3,809,534</b> | <b>9.19%</b> | <b>\$350,096</b> |
| 7  | <b>Total</b>        | <b>100.0%</b>        | <b>\$9,523,835</b> | <b>5.99%</b> | <b>\$570,249</b> |

7

8

9 **Ex.6/Tab 1/Sch.4 - Actual Utility Return on Rate Base**

10 Table 6.4 below illustrates WNP’s Return on its Rate Base in the 2016 Test Year applying the  
 11 capital parameters provided by the Board for 2016 rate applications (letter dated October 15,  
 12 2015 “Cost of Capital Parameters Updates for 2016 Applications”).

13  
 14 **Table 6.4: Return on Rate Base**

| <b>Return:</b>          |                  |
|-------------------------|------------------|
| Deemed Interest Expense | \$220,153        |
| Return on Deemed Equity | \$350,096        |
| <b>Total</b>            | <b>\$570,249</b> |

15

1 **Ex.6/Tab 1/Sch.5 - Requested and Indicated Rate of Return**

2 The requested rate of return is 5.99% as per the Cost of Capital calculation in Table 6.3.

3 The Indicated Rate of Return is calculated as 3.27% with distribution at current rates. Once the  
4 revenue deficiency has been accounted for, the Indicated Rate of Return becomes 5.99% as  
5 expected. Details of the calculation can be found in Table 6.7 – “Calculation of Revenue  
6 Deficiency or Surplus” in Tab 2 of this Exhibit

7

1 **Ex.6/Tab 1/Sch.6 - Utility Income at Proposed Revenue Requirement**

2 Table 6.5 below illustrates WNP’s Income at the Proposed 2016 Test Year Revenue  
 3 Requirement

4 **Table 6.5: Utility Income under proposed Revenue Requirement**

| <b>Particulars</b>                        | <b>Initial Application</b> |
|---|----------------------------|
| <b><u>Operating Revenues:</u></b>         |                            |
| Distribution Revenue (at Proposed Rates)  | \$2,592,599                |
| Other Revenue                             | \$150,588                  |
| <b>Total Operating Revenues</b>           | <b>\$2,743,188</b>         |
| <b><u>Operating Expenses:</u></b>         |                            |
| OM+A Expenses                             | \$1,793,368                |
| Depreciation/Amortization                 | \$361,570                  |
| Property taxes                            | \$14,000                   |
| Capital taxes                             | \$0                        |
| Other expense                             | \$4,000                    |
| <b>Total Operating Expenses</b>           | <b>\$2,172,938</b>         |
| Deemed Interest Expense                   | \$220,153                  |
| <b>Total Expenses</b>                     | <b>\$2,393,091</b>         |
| <b>Utility income before income taxes</b> | <b>\$350,096</b>           |
| Income taxes (grossed-up)                 | \$0                        |
| <b>Utility net income</b>                 | <b>\$350,096</b>           |

5

1 **Ex.6/Tab 1/Sch.7 - Revenue Requirement Trend**

2 Table 6.6 below presents WNP’s Revenue Requirement trend starting from the 2012 Board  
 3 Approved through to the 2016 Test Year proposed Revenue Requirement.

4 **Table 6.6: Trend in Revenue Requirement**

|  | NEWGAAP<br>2012        | NEWGAAP<br>2012    | NEWGAAP<br>2013    | MIFRS<br>2014      | MIFRS<br>2015      | MIFRS<br>2016      |
|--|------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Particular                             | Last Board<br>Approved | Actual             | Actual             | Actual             | Bridge Year        | Test Year          |
| OM&A Expenses                          | \$1,500,000            | \$1,609,746        | \$1,744,085        | \$1,725,946        | \$1,750,000        | \$1,797,368        |
| Depreciation Expense                   | \$387,630              | \$621,934          | \$457,735          | \$464,010          | \$359,769          | \$361,570          |
| Property Taxes                         | \$12,006               | \$12,495           | \$12,930           | \$12,915           | \$13,500           | \$14,000           |
| Total Distribution Expenses            | \$1,899,636            | \$2,244,175        | \$2,214,749        | \$2,202,872        | \$2,123,270        | \$2,172,938        |
| Deemed Interest                        | \$191,420              | \$133,650          | \$111,391          | \$164,373          | \$499,524          | \$570,249          |
| Utility Income <b>after</b> income tax | \$273,210              | \$17,410           | \$184,139          | \$177,404          |                    |                    |
| Grossed up PILs                        | \$2,033                | \$3,193            | \$33,777           | \$42,415           | \$15,713           | \$0                |
| <b>Service Revenue Requirement</b>     | <b>\$2,366,299</b>     | <b>\$2,398,428</b> | <b>\$2,544,056</b> | <b>\$2,587,064</b> | <b>\$2,638,507</b> | <b>\$2,743,188</b> |
| <b>Less: Revenue Offsets</b>           | <b>(\$149,992)</b>     | <b>(\$156,599)</b> | <b>(\$128,084)</b> | <b>(\$154,757)</b> | <b>(\$147,878)</b> | <b>(\$150,588)</b> |
| <b>Base Revenue Requirement</b>        | <b>\$2,216,307</b>     | <b>\$2,241,829</b> | <b>\$2,415,972</b> | <b>\$2,432,307</b> | <b>\$2,490,630</b> | <b>\$2,592,599</b> |

5  
 6 As demonstrated in the above table, the proposed revenue requirement for the 2016 Test Year  
 7 is 17% higher than the 2012 Cost of Service approved Revenue Requirement (equating to an  
 8 increase of 3.4% per year). The major contributors to the increased revenue requirements are:

- 9 a) Increases in the OM&A expenses (as discussed in Exhibit 4); and
- 10 b) Regulated Return on Capital which has increased by \$105,619 between the 2012 Board  
 11 Approved and 2016 Test Year ( $(\$570,249 - \$464,630 (\$191,420 + \$273,210)) = \$105,619 \sim$   
 12 an increase of 23%).

13 Note that since the utility does not calculate PILs on yearly basis, the utility used the Historical,  
 14 Bridge and Test year results from the PILs model submitted in conjunction with this application.

15



# 1 Revenue Deficiency or Surplus

---

## 2 **Ex.6/Tab 2/Sch.1 - Calculation of Revenue Deficiency or Surplus**

3 WNP's 2016 Requested Rate of Return is 5.99% as presented in Table 6-3 and can be  
4 calculated as the sum of Utility Net Income and Deemed Interest Expense divided by the Rate  
5 Base. With this rate of return, WNP's gross revenue deficiency under the current distribution  
6 rates is \$258,891. A detailed calculation presented in Table 6.7 provides the Revenue  
7 Deficiency calculation for the 2016 Test Year at Proposed Rates, which balances the Revenue  
8 Deficiency, Net Income and Total Return on Rate Base using the Applicant's current approved  
9 distribution rates (2015 distribution rates approved in the WNP's IRM application EB-2014-  
10 0121.)

11 The Revenue Deficiency sheet presented at the next page is an excerpt from the Revenue  
12 Requirement Work Form. The drivers of the revenue deficiency are detailed in the section  
13 following the table:

1

**Table 6.7: Revenue Deficiency (RRWF)**

| Particulars  | Initial Application       |                    |
|--|---------------------------|--------------------|
|  | At Current Approved Rates | At Proposed Rates  |
| Revenue Deficiency from Below Distribution Revenue       |                           | \$258,891          |
| Other Operating Revenue                                  | \$2,333,709               | \$2,333,709        |
| Offsets - net  | \$150,588                 | \$150,588          |
| <b>Total Revenue</b>                                     | <b>\$2,484,297</b>        | <b>\$2,743,188</b> |
| Operating Expenses                                       | \$2,172,938               | \$2,172,938        |
| Deemed Interest Expense                                  | \$220,153                 | \$220,153          |
| <b>Total Cost and Expenses</b>                           | <b>\$2,393,091</b>        | <b>\$2,393,091</b> |
| <b>Utility Income Before Income Taxes</b>                | <b>\$91,206</b>           | <b>\$350,096</b>   |
| Tax Adjustments to Accounting Income per 2013 PILs model | (\$386,767)               | (\$386,767)        |
| <b>Taxable Income</b>                                    | <b>(\$295,561)</b>        | <b>(\$36,670)</b>  |
| Income Tax Rate  | 0.00%                     | 0.00%              |
| <b>Income Tax on Taxable Income</b>                      | <b>\$ -</b>               | <b>\$ -</b>        |
| <b>Income Tax Credits</b>                                | <b>\$ -</b>               | <b>\$ -</b>        |
| <b>Utility Net Income</b>                                | <b>\$91,206</b>           | <b>\$350,096</b>   |
| <b>Utility Rate Base</b>                                 | <b>\$9,523,835</b>        | <b>\$9,523,835</b> |
| Deemed Equity Portion of Rate Base                       | \$3,809,534               | \$3,809,534        |
| Income/(Equity Portion of Rate Base)                     | 2.39%                     | 9.19%              |
| Target Return - Equity on Rate Base                      | 9.19%                     | 9.19%              |
| Deficiency/Sufficiency in Return on Equity               | -6.80%                    | 0.00%              |
| Indicated Rate of Return                                 | 3.27%                     | 5.99%              |
| Requested Rate of Return on Rate Base                    | 5.99%                     | 5.99%              |
| Deficiency/Sufficiency in Rate of Return                 | -2.72%                    | 0.00%              |
| Target Return on Equity                                  | \$350,096                 | \$350,096          |
| Revenue Deficiency/(Sufficiency)                         | \$258,891                 | \$0                |
| <b>Gross Revenue</b>                                     | <b>\$258,891 (1)</b>      |                    |
| <b>Deficiency/(Sufficiency)</b>                          |                           |                    |

2

1 **Ex.6/Tab 2/Sch.2 - Causes of Revenue Deficiency or Surplus**

2 WNP's existing rates are based on the Board-approved rates in 2012 following a Cost of  
3 Service rate application (EB-2011-0249) and adjustments to its base distribution rates in 2015  
4 Bridge Year under the Board's third Generation Incentive Regulation Mechanism (EB-2014-  
5 0121).

6 As shown in Table 6.7 – "Revenue Deficiency" in Exhibit 6 / Tab 2 / Schedule 1, the Revenue  
7 Deficiency is determined to be \$258,891. The deficiency is due to the increase in the rate base  
8 and OM&A.

9 The proposed rate base for 2016 Test Year is \$2,034,517 higher than the 2012 Board-approved  
10 amount, an increase of 27.2%. Based on a 5.99% overall cost of capital, the increase in the rate  
11 base drives an increase to the revenue requirement. The factors contributing to the change in  
12 the rate base are discussed in detail at Exhibit 2 but for the most part, are primarily due to  
13 investments in the distribution system and from the increase in asset useful lives that resulted in  
14 a decrease in the annual asset depreciation.

15 The increased expense for Operations, Maintenance and Administration (OM&A) is another  
16 reason for the revenue deficiency. Projected OM&A for the 2016 Test Year is \$297,368 higher  
17 than the 2012 Board-approved amount, which represents an increase of 19.82% (equating to an  
18 increase of \$59,474 per year or 3.96% per year). The cost drivers underlying this increase are  
19 explained in Exhibit 4.

20 When comparing the revenue deficiency between the 2012 Board Approved to the 2016 Test  
21 Year, the major contributors include:

- 22 • Increase in OM&A of \$297,368 from \$1,500,00 in 2012 Board Approved to \$1,797,368 in the  
23 2016 Test Year.
- 24 • An increase in Average Net Fixed Assets of \$2,541,239 from \$5,862,899 in 2012 Board  
25 Approved to \$8,404,138 in the 2016 Test Year.
- 26 • A decrease in Working Capital of \$506,723 from \$1,626,419 in 2012 Board Approved to  
27 \$1,119,697 in the 2016 Test Year. This is as a consequence of applying a Working Capital  
28 Allowance default rate of 7.5% for the 2016 Test Year as per Board's letter "Allowance for  
29 Working Capital for Electricity Distributors Rate Applications (issued June 3, 2015).

- 1 • A decrease of 0.21% for Regulated Rate of Return from 6.20% in 2012 Board Approved to
- 2 5.99% in the 2016 Test Year.
- 3 • A decrease in Depreciation Expenses of \$26,060 from \$387,630 in 2012 Board Approved to
- 4 \$361,570 in the 2016 Test Year.

5  
6 Table 6.8 below compares the specifics from the 2012 Board Approved to the 2016 Test Year:

7 **Table 6.8: Comparison of Revenue Deficiency (RRWF)**

| <b>Change in Revenue Requirement and Rate Base since last COS</b> |                     |                    |                    |               |
|---|---------------------|--------------------|--------------------|---------------|
| Particular  | CGAAP               | MIFRS              | Difference         |               |
|   | 2012 Board Approved | 2016 Test Year     |                    |               |
| Long Term Debt  | 4.42%               | 4.01%              | -0.41%             |               |
| Short Term Debt   | 2.08%               | 1.65%              | -0.43%             |               |
| Return on Equity  | 9.12%               | 9.19%              | 0.07%              |               |
| Weighted Debt Rate  | 4.26%               | 3.85%              | -0.41%             |               |
| <b>Regulated Rate of Return</b>                                   | <b>6.20%</b>        | <b>5.99%</b>       | <b>-0.22%</b>      |               |
| Controllable Expenses   | \$1,512,006         | \$1,811,368        | \$299,362          | 19.8%         |
| Power Supply Expense  | \$10,105,275        | \$13,117,919       | \$3,012,644        | 29.8%         |
| Total Eligible Distribution Expenses                              | \$11,617,281        | \$14,929,287       | \$3,312,007        | 28.5%         |
| Working Capital Allowance Rate                                    | 14.00%              | 7.50%              | -6.50%             |               |
| <b>Total Working Capital Allowance ("WCA")</b>                    | <b>\$1,626,419</b>  | <b>\$1,119,697</b> | <b>(\$506,723)</b> | <b>-31.2%</b> |
| Fixed Asset Opening Bal Bridge Year                               | \$5,812,772         | \$7,653,193        | \$1,840,421        | 31.7%         |
| Fixed Asset Opening Bal Test Year                                 | \$5,913,026         | \$9,155,083        | \$3,242,058        | 54.8%         |
| Average Fixed Asset   | \$5,862,899         | \$8,404,138        | \$2,541,239        | 43.3%         |
| Working Capital Allowance   | \$1,626,419         | \$1,119,697        | (\$506,723)        | -31.2%        |
| <b>Rate Base</b>  | <b>\$7,489,318</b>  | <b>\$9,523,835</b> | <b>\$2,034,517</b> | <b>27.2%</b>  |
| Regulated Rate of Return  | 6.20%               | 5.99%              | -0.22%             |               |
| <b>Regulated Return on Capital</b>                                | <b>\$464,631</b>    | <b>\$570,249</b>   | <b>\$105,618</b>   | <b>22.7%</b>  |
| Deemed Interest Expense   | \$191,420           | \$220,153          | \$28,733           | 15.0%         |
| Deemed Return on Equity   | \$273,210           | \$350,096          | \$76,886           | 28.1%         |
| OM&A  | \$1,500,000         | \$1,797,368        | \$297,368          | 19.8%         |
| Property Tax  | \$12,006            | \$14,000           | \$1,994            | 16.6%         |
| Depreciation Expense  | \$387,630           | \$361,570          | (\$26,060)         | -6.7%         |
| PILs  | \$2,033             | \$0                | (\$2,033)          | -100.0%       |
| <b>Service Revenue Requirement</b>                                | <b>\$2,366,299</b>  | <b>\$2,743,188</b> | <b>\$376,889</b>   | <b>15.9%</b>  |
| Revenue Offset  | (\$149,992)         | (\$150,588)        | (\$596)            | 0.4%          |
| <b>Revenue Requirement</b>  | <b>\$2,216,307</b>  | <b>\$2,592,599</b> | <b>\$376,293</b>   | <b>17.0%</b>  |

8  
9

1 **Ex.6/Tab 2/Sch.3 - Impact of implementation of MIFRS on Revenue Deficiency or**  
2 **Surplus**

3 In WNP's 2012 Cost of Service Rate application (EB-2011-0249), the Applicant received  
4 approval from the Board for the change in accounting policy for an update in the LDC's useful  
5 lives. In its application, WNP filed its 2012 Test Year Fixed Asset information using mid-life  
6 typical useful lives as derived from the Kinectrics Study commissioned by the Board and  
7 adopted these depreciation rates from January 1<sup>st</sup> 2012. No further changes have occurred that  
8 would result in a change in revenue deficiency or sufficiency.

9 WNP adopted IFRS (International Financial Reporting Standards) on January 1<sup>st</sup> 2015 with a  
10 transition date of January 1<sup>st</sup> 2014. WNP's OM&A has not been impacted by the policy which  
11 states that burdens which are longer eligible for capitalization have been removed from rate  
12 base and included as an operating expense because the utility has never capitalized  
13 administrative burdens on capital projects.

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1 **Appendix**

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2 **List of Appendices**



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| Appendix 6A | WNP's Revenue Requirement |
|-------------|---------------------------|
|             |                           |
|             |                           |
|             |                           |
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1 Appendix 6A – WNP’s Revenue  
2 Requirement

|  |                                    |   |
|--|------------------------------------|---|
|  Ontario Energy Board |                                    |  |
| <b>Revenue Requirement Workform<br/>(RRWF) for 2016 Filers</b>   |                                    | Version 6.00  |
| Utility Name   | Wellington North Power Inc.        |   |
| Service Territory  |                                    |   |
| Assigned EB Number   | EB-2015-0110                       |   |
| Name and Title   | Richard Bucknall, CAO              |   |
| Phone Number   | 1-519-323-1710                     |   |
| Email Address  | rbucknall@wellingtonnorthpower.com |   |

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

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| Ontario Energy Board   |  |                        |     |               |     |                       |     |
|--|--|------------------------|-----|---------------|-----|-----------------------|-----|
| <b>Revenue Requirement Workform<br/>(RRWF) for 2016 Filers</b> |  |                        |     |               |     |                       |     |
| <b>Data Input <sup>(1)</sup></b>                               |  |                        |     |               |     |                       |     |
|  |  | Initial<br>Application | (2) | (6)           |     | Per Board<br>Decision |     |
| <b>1</b>   | <b>Rate Base</b>                                 |                        |     |               |     |                       |     |
|  | Gross Fixed Assets (average)                     | \$16,008,237           |     | \$ 16,008,237 |     | \$16,008,237          |     |
|  | Accumulated Depreciation (average)               | (\$7,604,099)          | (5) | (\$7,604,099) |     | (\$7,604,099)         |     |
|  | <b>Allowance for Working Capital:</b>            |                        |     |               |     |                       |     |
|  | Controllable Expenses                            | \$1,811,368            |     | \$ 1,811,368  |     | \$1,811,368           |     |
|  | Cost of Power                                    | \$13,117,919           |     | \$ 13,117,919 |     | \$13,117,919          |     |
|  | Working Capital Rate (%)                         | 7.50%                  | (9) | 7.50%         | (9) | 7.50%                 | (9) |
| <b>2</b>   | <b>Utility Income</b>                            |                        |     |               |     |                       |     |
|  | <b>Operating Revenues:</b>                       |                        |     |               |     |                       |     |
|  | Distribution Revenue at Current Rates            | \$2,333,709            |     |               |     |                       |     |
|  | Distribution Revenue at Proposed Rates           | \$2,592,599            |     |               |     |                       |     |
|  | <b>Other Revenue:</b>                            |                        |     |               |     |                       |     |
|  | Specific Service Charges                         | \$60,474               |     |               |     |                       |     |
|  | Late Payment Charges                             | \$27,012               |     |               |     |                       |     |
|  | Other Distribution Revenue                       | \$62,102               |     |               |     |                       |     |
|  | Other Income and Deductions                      | \$1,000                |     |               |     |                       |     |
|  | <b>Total Revenue Offsets</b>                     | \$150,588              | (7) |               |     |                       |     |
|  | <b>Operating Expenses:</b>                       |                        |     |               |     |                       |     |
|  | OM+A Expenses                                    | \$1,793,368            |     | \$ 1,793,368  |     | \$1,793,368           |     |
|  | Depreciation/Amortization                        | \$361,570              |     | \$ 361,570    |     | \$361,570             |     |
|  | Property taxes                                   | \$14,000               |     | \$ 14,000     |     | \$14,000              |     |
|  | Other expenses                                   | \$4,000                |     | 4000          |     | \$4,000               |     |
| <b>3</b>   | <b>Taxes/PILs</b>                                |                        |     |               |     |                       |     |
|  | <b>Taxable Income:</b>                           |                        |     |               |     |                       |     |
|  | Adjustments required to arrive at taxable income | (\$356,767)            | (3) |               |     |                       |     |
|  | <b>Utility Income Taxes and Rates:</b>           |                        |     |               |     |                       |     |
|  | Income taxes (not grossed up)                    | \$ -                   |     |               |     |                       |     |
|  | Income taxes (grossed up)                        | \$ -                   |     |               |     |                       |     |
|  | Federal tax (%)                                  | 11.00%                 |     |               |     |                       |     |
|  | Provincial tax (%)                               | 4.50%                  |     |               |     |                       |     |
|  | Income Tax Credits                               | \$ -                   |     |               |     |                       |     |
| <b>4</b>   | <b>Capitalization/Cost of Capital</b>            |                        |     |               |     |                       |     |
|  | <b>Capital Structure:</b>                        |                        |     |               |     |                       |     |
|  | Long-term debt Capitalization Ratio (%)          | 56.0%                  |     |               |     |                       |     |
|  | Short-term debt Capitalization Ratio (%)         | 4.0%                   | (8) |               | (8) |                       | (8) |
|  | Common Equity Capitalization Ratio (%)           | 40.0%                  |     |               |     |                       |     |
|  | Preferred Shares Capitalization Ratio (%)        | 0.0%                   |     |               |     |                       |     |
|  |  | 100.0%                 |     |               |     |                       |     |
|  | <b>Cost of Capital</b>                           |                        |     |               |     |                       |     |
|  | Long-term debt Cost Rate (%)                     | 4.01%                  |     |               |     |                       |     |
|  | Short-term debt Cost Rate (%)                    | 1.65%                  |     |               |     |                       |     |
|  | Common Equity Cost Rate (%)                      | 9.19%                  |     |               |     |                       |     |
|  | Preferred Shares Cost Rate (%)                   | 0.00%                  |     |               |     |                       |     |

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 Ontario Energy Board  
**Revenue Requirement Workform  
 (RRWF) for 2016 Filers**

**Rate Base and Working Capital**

| Line No. | Rate Base Particulars                  |  | Initial Application |             |                    |             | Per Board Decision |
|----------|--|--|---------------------|-------------|--------------------|-------------|--------------------|
| 1        | Gross Fixed Assets (average) (3)       |  | \$16,008,237        | \$ -        | \$16,008,237       | \$ -        | \$16,008,237       |
| 2        | Accumulated Depreciation (average) (3) |  | (\$7,604,099)       | \$ -        | (\$7,604,099)      | \$ -        | (\$7,604,099)      |
| 3        | Net Fixed Assets (average) (3)         |  | \$8,404,138         | \$ -        | \$8,404,138        | \$ -        | \$8,404,138        |
| 4        | Allowance for Working Capital (1)      |  | \$1,116,235         | \$ -        | \$1,116,235        | \$ -        | \$1,116,235        |
| 5        | <b>Total Rate Base</b>                 |  | <b>\$9,520,373</b>  | <b>\$ -</b> | <b>\$9,520,373</b> | <b>\$ -</b> | <b>\$9,520,373</b> |

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

|    |                            |  |              |       |              |       |              |
|----|----------------------------|--|--------------|-------|--------------|-------|--------------|
| 6  | Controllable Expenses      |  | \$1,811,368  | \$ -  | \$1,811,368  | \$ -  | \$1,811,368  |
| 7  | Cost of Power              |  | \$13,071,760 | \$ -  | \$13,071,760 | \$ -  | \$13,071,760 |
| 8  | Working Capital Base       |  | \$14,883,128 | \$ -  | \$14,883,128 | \$ -  | \$14,883,128 |
| 9  | Working Capital Rate % (2) |  | 7.50%        | 0.00% | 7.50%        | 0.00% | 7.50%        |
| 10 | Working Capital Allowance  |  | \$1,116,235  | \$ -  | \$1,116,235  | \$ -  | \$1,116,235  |

**Notes**

- (2) Some Applicants may have a unique rate as a result of a lead-lag study. The default rate for 2016 cost of service applications is 7.5%, per the letter issued by the Board on June 3, 2015. Alternatively, a utility could conduct and file its own lead-lag study.
- (3) Average of opening and closing balances for the year.

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Ontario Energy Board

# Revenue Requirement Workform (RRWF) for 2016 Filers

## Utility Income

| Line No.                   | Particulars                              | Initial Application |  |               |               |      | Per Board Decision |
|----------------------------|--|---------------------|--|---------------|---------------|------|--------------------|
| <b>Operating Revenues:</b> |  |                     |  |               |               |      |                    |
| 1                          | Distribution Revenue (at Proposed Rates) | \$2,592,599         |  | (\$2,592,599) |               | \$ - | \$ -               |
| 2                          | Other Revenue                            | (1) \$150,588       |  | (\$150,588)   |               | \$ - | \$ -               |
| 3                          | Total Operating Revenues                 | \$2,743,188         |  | (\$2,743,188) |               | \$ - | \$ -               |
| <b>Operating Expenses:</b> |  |                     |  |               |               |      |                    |
| 4                          | OM+A Expenses                            | \$1,793,368         |  | \$ -          | \$1,793,368   | \$ - | \$1,793,368        |
| 5                          | Depreciation/Amortization                | \$361,570           |  | \$ -          | \$361,570     | \$ - | \$361,570          |
| 6                          | Property taxes                           | \$14,000            |  | \$ -          | \$14,000      | \$ - | \$14,000           |
| 7                          | Capital taxes                            | \$ -                |  | \$ -          | \$ -          | \$ - | \$ -               |
| 8                          | Other expense                            | \$4,000             |  | \$ -          | \$4,000       | \$ - | \$4,000            |
| 9                          | Subtotal (lines 4 to 8)                  | \$2,172,938         |  | \$ -          | \$2,172,938   | \$ - | \$2,172,938        |
| 10                         | Deemed Interest Expense                  | \$220,153           |  | (\$220,153)   |               | \$ - | \$ -               |
| 11                         | Total Expenses (lines 9 to 10)           | \$2,393,091         |  | (\$220,153)   | \$2,172,938   | \$ - | \$2,172,938        |
| 12                         | Utility income before income taxes       | \$350,096           |  | (\$2,523,035) | (\$2,172,938) | \$ - | (\$2,172,938)      |
| 13                         | Income taxes (grossed-up)                | \$ -                |  | \$ -          | \$ -          | \$ - | \$ -               |
| 14                         | Utility net income                       | \$350,096           |  | (\$2,523,035) | (\$2,172,938) | \$ - | (\$2,172,938)      |

Notes

**Other Revenues / Revenue Offsets**

|     |                             |           |  |      |      |      |      |
|-----|-----------------------------|-----------|--|------|------|------|------|
| (1) | Specific Service Charges    | \$60,474  |  |      | \$ - |      | \$ - |
|     | Late Payment Charges        | \$27,012  |  |      | \$ - |      | \$ - |
|     | Other Distribution Revenue  | \$62,102  |  |      | \$ - |      | \$ - |
|     | Other Income and Deductions | \$1,000   |  |      | \$ - |      | \$ - |
|     | Total Revenue Offsets       | \$150,588 |  | \$ - | \$ - | \$ - | \$ - |

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Ontario Energy Board

# Revenue Requirement Workform (RRWF) for 2016 Filers

## Taxes/PILs

| Line No.                                   | Particulars  | Application |        | Per Board Decision |
|--|--|-------------|--------|--------------------|
| <u>Determination of Taxable Income</u>     |  |             |        |                    |
| 1  | Utility net income before taxes                                | \$350,096   | \$ -   | \$ -               |
| 2  | Adjustments required to arrive at taxable utility income       | (\$356,767) | \$ -   | (\$356,767)        |
| 3  | Taxable income   | (\$6,670)   | \$ -   | (\$356,767)        |
| <u>Calculation of Utility income Taxes</u> |  |             |        |                    |
| 4  | Income taxes   | \$ -        | \$ -   | \$ -               |
| 6  | Total taxes  | \$ -        | \$ -   | \$ -               |
| 7  | Gross-up of Income Taxes                                       | \$ -        | \$ -   | \$ -               |
| 8  | Grossed-up Income Taxes  | \$ -        | \$ -   | \$ -               |
| 9  | PILs / tax Allowance (Grossed-up Income taxes + Capital taxes) | \$ -        | \$ -   | \$ -               |
| 10   | Other tax Credits  | \$ -        | \$ -   | \$ -               |
| <u>Tax Rates</u>                           |  |             |        |                    |
| 11   | Federal tax (%)  | 11.00%      | 11.00% | 11.00%             |
| 12   | Provincial tax (%)   | 4.50%       | 4.50%  | 4.50%              |
| 13   | Total tax rate (%)   | 15.50%      | 15.50% | 15.50%             |

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Ontario Energy Board

# Revenue Requirement Workform (RRWF) for 2016 Filers

## Capitalization/Cost of Capital

| Line No.                   | Particulars         | Capitalization Ratio |                    | Cost Rate    | Return           |
|----------------------------|---------------------|----------------------|--------------------|--------------|------------------|
|                            |                     | (%)                  | (\$)               | (%)          | (\$)             |
| <b>Initial Application</b> |                     |                      |                    |              |                  |
|                            | <b>Debt</b>         |                      |                    |              |                  |
| 1                          | Long-term Debt      | 56.00%               | \$5,333,347        | 4.01%        | \$213,867        |
| 2                          | Short-term Debt     | 4.00%                | \$380,953          | 1.65%        | \$6,286          |
| 3                          | <b>Total Debt</b>   | <b>60.00%</b>        | <b>\$5,714,301</b> | <b>3.85%</b> | <b>\$220,153</b> |
|                            | <b>Equity</b>       |                      |                    |              |                  |
| 4                          | Common Equity       | 40.00%               | \$3,809,534        | 9.19%        | \$350,096        |
| 5                          | Preferred Shares    | 0.00%                | \$ -               | 0.00%        | \$ -             |
| 6                          | <b>Total Equity</b> | <b>40.00%</b>        | <b>\$3,809,534</b> | <b>9.19%</b> | <b>\$350,096</b> |
| 7                          | <b>Total</b>        | <b>100.00%</b>       | <b>\$9,523,835</b> | <b>5.99%</b> | <b>\$570,249</b> |
| <b>Per Board Decision</b>  |                     |                      |                    |              |                  |
|                            | <b>Debt</b>         |                      |                    |              |                  |
| 1                          | Long-term Debt      | 0.00%                | \$ -               | 0.00%        | \$ -             |
| 2                          | Short-term Debt     | 0.00%                | \$ -               | 0.00%        | \$ -             |
| 3                          | <b>Total Debt</b>   | <b>0.00%</b>         | <b>\$ -</b>        | <b>0.00%</b> | <b>\$ -</b>      |
|                            | <b>Equity</b>       |                      |                    |              |                  |
| 4                          | Common Equity       | 0.00%                | \$ -               | 0.00%        | \$ -             |
| 5                          | Preferred Shares    | 0.00%                | \$ -               | 0.00%        | \$ -             |
| 6                          | <b>Total Equity</b> | <b>0.00%</b>         | <b>\$ -</b>        | <b>0.00%</b> | <b>\$ -</b>      |
| 7                          | <b>Total</b>        | <b>0.00%</b>         | <b>\$9,523,835</b> | <b>0.00%</b> | <b>\$ -</b>      |
|                            | <b>Debt</b>         |                      |                    |              |                  |
| 8                          | Long-term Debt      | 0.00%                | \$ -               | 4.01%        | \$ -             |
| 9                          | Short-term Debt     | 0.00%                | \$ -               | 1.65%        | \$ -             |
| 10                         | <b>Total Debt</b>   | <b>0.00%</b>         | <b>\$ -</b>        | <b>0.00%</b> | <b>\$ -</b>      |
|                            | <b>Equity</b>       |                      |                    |              |                  |
| 11                         | Common Equity       | 0.00%                | \$ -               | 9.19%        | \$ -             |
| 12                         | Preferred Shares    | 0.00%                | \$ -               | 0.00%        | \$ -             |
| 13                         | <b>Total Equity</b> | <b>0.00%</b>         | <b>\$ -</b>        | <b>0.00%</b> | <b>\$ -</b>      |
| 14                         | <b>Total</b>        | <b>0.00%</b>         | <b>\$9,523,835</b> | <b>0.00%</b> | <b>\$ -</b>      |



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Ontario Energy Board

# Revenue Requirement Workform (RRWF) for 2016 Filers

## Revenue Deficiency/Sufficiency

| Line No. | Particulars   | Initial Application       |                    | Per Board Decision        |                      | Per Board Decision        |                      |
|----------|---|---------------------------|--------------------|---------------------------|----------------------|---------------------------|----------------------|
|          |   | At Current Approved Rates | At Proposed Rates  | At Current Approved Rates | At Proposed Rates    | At Current Approved Rates | At Proposed Rates    |
| 1        | Revenue Deficiency from Below                               |                           | \$258,891          |                           | (\$160,771)          |                           | \$2,172,938          |
| 2        | Distribution Revenue  | \$2,333,709               | \$2,333,709        | \$2,333,709               | \$2,753,370          | \$ -                      | (\$2,172,938)        |
| 3        | Other Operating Revenue<br>Offsets - net                    | \$150,588                 | \$150,588          | \$ -                      | \$ -                 | \$ -                      | \$ -                 |
| 4        | <b>Total Revenue</b>  | <u>\$2,484,297</u>        | <u>\$2,743,188</u> | <u>\$2,333,709</u>        | <u>\$2,592,599</u>   | <u>\$ -</u>               | <u>\$ -</u>          |
| 5        | Operating Expenses  | \$2,172,938               | \$2,172,938        | \$2,172,938               | \$2,172,938          | \$2,172,938               | \$2,172,938          |
| 6        | Deemed Interest Expense                                     | \$220,153                 | \$220,153          | \$ -                      | \$ -                 | \$ -                      | \$ -                 |
| 8        | <b>Total Cost and Expenses</b>                              | <u>\$2,393,091</u>        | <u>\$2,393,091</u> | <u>\$2,172,938</u>        | <u>\$2,172,938</u>   | <u>\$2,172,938</u>        | <u>\$2,172,938</u>   |
| 9        | <b>Utility Income Before Income Taxes</b>                   | \$91,206                  | \$350,096          | \$160,771                 | \$419,661            | (\$2,172,938)             | (\$2,172,938)        |
| 10       | Tax Adjustments to Accounting<br>Income per 2013 PILs model | (\$356,767)               | (\$356,767)        | (\$356,767)               | (\$356,767)          | \$ -                      | \$ -                 |
| 11       | <b>Taxable Income</b>                                       | <u>(\$265,561)</u>        | <u>(\$6,670)</u>   | <u>(\$195,996)</u>        | <u>\$62,895</u>      | <u>(\$2,172,938)</u>      | <u>(\$2,172,938)</u> |
| 12       | Income Tax Rate   | 0.00%                     | 0.00%              | 0.00%                     | 0.00%                | 0.00%                     | 0.00%                |
| 13       | <b>Income Tax on Taxable<br/>Income</b>                     | \$ -                      | \$ -               | \$ -                      | \$ -                 | \$ -                      | \$ -                 |
| 14       | <b>Income Tax Credits</b>                                   | \$ -                      | \$ -               | \$ -                      | \$ -                 | \$ -                      | \$ -                 |
| 15       | <b>Utility Net Income</b>                                   | <u>\$91,206</u>           | <u>\$350,096</u>   | <u>\$160,771</u>          | <u>(\$2,172,938)</u> | <u>(\$2,172,938)</u>      | <u>(\$2,172,938)</u> |
| 16       | <b>Utility Rate Base</b>                                    | \$9,523,835               | \$9,523,835        | \$9,523,835               | \$9,523,835          | \$9,523,835               | \$9,523,835          |
| 17       | Deemed Equity Portion of Rate<br>Base                       | \$3,809,534               | \$3,809,534        | \$ -                      | \$ -                 | \$ -                      | \$ -                 |
| 18       | Income/(Equity Portion of Rate<br>Base)                     | 2.39%                     | 9.19%              | 0.00%                     | 0.00%                | 0.00%                     | 0.00%                |
| 19       | Target Return - Equity on Rate<br>Base                      | 9.19%                     | 9.19%              | 0.00%                     | 0.00%                | 0.00%                     | 0.00%                |
| 20       | Deficiency/Sufficiency in Return<br>on Equity               | -6.80%                    | 0.00%              | 0.00%                     | 0.00%                | 0.00%                     | 0.00%                |
| 21       | Indicated Rate of Return                                    | 3.27%                     | 5.99%              | 1.69%                     | 0.00%                | -22.82%                   | 0.00%                |
| 22       | Requested Rate of Return on<br>Rate Base                    | 5.99%                     | 5.99%              | 0.00%                     | 0.00%                | 0.00%                     | 0.00%                |
| 23       | Deficiency/Sufficiency in Rate of<br>Return                 | -2.72%                    | 0.00%              | 1.69%                     | 0.00%                | -22.82%                   | 0.00%                |
| 24       | Target Return on Equity                                     | \$350,096                 | \$350,096          | \$ -                      | \$ -                 | \$ -                      | \$ -                 |
| 25       | Revenue Deficiency/(Sufficiency)                            | \$258,891                 | \$0                | (\$160,771)               | \$ -                 | \$2,172,938               | \$ -                 |
| 26       | <b>Gross Revenue<br/>Deficiency/(Sufficiency)</b>           | <u>\$258,891 (1)</u>      |                    | <u>(\$160,771) (1)</u>    |                      | <u>\$2,172,938 (1)</u>    |                      |

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Ontario Energy Board


# Revenue Requirement Workform (RRWF) for 2016 Filers

## Revenue Requirement

| Line No. | Particulars   | Application        |            | Per Board Decision   |                                 |
|----------|---|--------------------|------------|----------------------|---------------------------------|
| 1        | OM&A Expenses   | \$1,793,368        |            | \$1,793,368          | \$1,793,368                     |
| 2        | Amortization/Depreciation   | \$361,570          |            | \$361,570            | \$361,570                       |
| 3        | Property Taxes  | \$14,000           |            | \$14,000             | \$14,000                        |
| 5        | Income Taxes (Grossed up)   | \$ -               |            | \$ -                 | \$ -                            |
| 6        | Other Expenses  | \$4,000            |            | \$4,000              | \$4,000                         |
| 7        | Return  |                    |            |                      |                                 |
|          | Deemed Interest Expense   | \$220,153          |            | \$ -                 | \$ -                            |
|          | Return on Deemed Equity   | \$350,096          |            | \$ -                 | \$ -                            |
| 8        | <b>Service Revenue Requirement (before Revenues)</b>  | <u>\$2,743,188</u> |            | <u>\$2,172,938</u>   | <u>\$2,172,938</u>              |
| 9        | Revenue Offsets   | \$150,588          |            | \$ -                 | \$ -                            |
| 10       | <b>Base Revenue Requirement (excluding Transformer Ownership Allowance credit adjustment)</b> | <u>\$2,592,599</u> |            | <u>\$2,172,938</u>   | <u>\$2,172,938</u>              |
| 11       | Distribution revenue  | \$2,592,599        |            | \$ -                 | \$ -                            |
| 12       | Other revenue   | \$150,588          |            | \$ -                 | \$ -                            |
| 13       | <b>Total revenue</b>  | <u>\$2,743,188</u> |            | <u>\$ -</u>          | <u>\$ -</u>                     |
| 14       | <b>Difference (Total Revenue Less Distribution Revenue Requirement before Revenues)</b>       | <u>\$0</u>         | <b>(1)</b> | <u>(\$2,172,938)</u> | <b>(1)</b> <u>(\$2,172,938)</u> |

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 Ontario Energy Board

## Revenue Requirement Workform (RRWF) for 2016 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.  
<sup>(1)</sup> Short reference to evidence material (interrogatory response, undertaking, exhibit number, Board Decision, Code, Guideline, Report of the Board, etc.)  
<sup>(2)</sup> Short description of change, issue, etc.

60 Tracking Rows have been provided below. If you require more, please contact Industry Relations @ [IndustryRelations@ontarioenergyboard.ca](mailto:IndustryRelations@ontarioenergyboard.ca).

### Summary of Proposed Changes

| Reference <sup>(1)</sup> | Item / Description <sup>(2)</sup> | Cost of Capital             |                          | Rate Base and Capital Expenditures |                 |                                | Operating Expenses          |            |              | Revenue Requirement         |                |                          |   |
|--------------------------|-----------------------------------|-----------------------------|--------------------------|------------------------------------|-----------------|--------------------------------|-----------------------------|------------|--------------|-----------------------------|----------------|--------------------------|---|
|                          |                                   | Regulated Return on Capital | Regulated Rate of Return | Rate Base                          | Working Capital | Working Capital Allowance (\$) | Amortization / Depreciation | Taxes/PILs | OM&A         | Service Revenue Requirement | Other Revenues | Base Revenue Requirement | Grossed up Revenue Deficiency / Sufficiency |
|                          | Original Application              | \$ 570,249                  | 5.99%                    | \$ 9,523,835                       | \$ 14,929,287   | \$ 1,119,697                   | \$ 361,570                  | \$ -       | \$ 1,793,368 | \$ 2,743,188                | \$ 150,588     | \$ 2,592,599             | \$ 258,891                                  |

2

3