



Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2015 Filers



Version 5.00

Utility Name	Hydro Ottawa Limited
Service Territory	
Assigned EB Number	EB-2015-0004 (Year 2016)
Name and Title	April Barrie; Manager, Rates and Revenue
Phone Number	613-738-5499, ext 106
Email Address	RegulatoryAffairs@HydroOttawa.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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Notes:

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



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Revenue Requirement Workform (RRWF) for 2015 Filers

Data Input ⁽¹⁾

	Initial Application	(2)	Adjustments	Settlement Agreement	(6)	Adjustments	Per Board Decision
1	Rate Base						
	Gross Fixed Assets (average)	\$877,318,904		\$ 846,450,048	###		\$846,450,048
	Accumulated Depreciation (average)	(\$93,370,568)	(5)	(\$90,446,884)	###		(\$90,446,884)
	Allowance for Working Capital:						
	Controllable Expenses	\$87,105,564		\$ 83,105,564			\$83,105,564
	Cost of Power	\$894,285,487		\$ 894,285,487			\$894,285,487
	Working Capital Rate (%)	14.20%	(9)	7.89%	(9)		7.89% (9)
2	Utility Income						
	Operating Revenues:						
	Distribution Revenue at Current Rates	\$158,233,086	(10)	\$158,235,254	###		
	Distribution Revenue at Proposed Rates	\$175,569,610		\$163,347,677	###		
	Other Revenue:						
	Specific Service Charges	\$5,910,525		\$5,907,975	###		
	Late Payment Charges	\$898,752		\$898,752			
	Other Distribution Revenue	\$1,410,557		\$1,410,557			
	Other Income and Deductions	\$3,479,704		\$3,479,704			
	Total Revenue Offsets	\$11,699,538	(7)	\$11,696,988			
	Operating Expenses:						
	OM+A Expenses	\$85,017,720		\$ 81,017,720			\$81,017,720
	Depreciation/Amortization	\$40,826,114		\$ 40,378,861			\$40,378,861
	Property taxes	\$2,087,844		\$ 2,087,844			\$2,087,844
	Other expenses						
3	Taxes/PILs						
	Taxable Income:						
	Adjustments required to arrive at taxable income	(\$19,597,073)	(3)	(\$19,578,061)	###		
	Utility Income Taxes and Rates:						
	Income taxes (not grossed up)	\$3,656,225		\$2,760,062	###		
	Income taxes (grossed up)	\$4,958,448		\$3,755,187			
	Federal tax (%)	15.00%		15.00%			
	Provincial tax (%)	11.26%		11.50%			
	Income Tax Credits	(\$217,500)		(\$167,500)			
4	Capitalization/Cost of Capital						
	Capital Structure:						
	Long-term debt Capitalization Ratio (%)	56.0%		56.0%			
	Short-term debt Capitalization Ratio (%)	4.0%	(8)	4.0%	(8)		(8)
	Common Equity Capitalization Ratio (%)	40.0%		40.0%			
	Preferred Shares Capitalization Ratio (%)						
		100.0%		100.0%			
	Cost of Capital						
	Long-term debt Cost Rate (%)	3.72%		3.53%	###		
	Short-term debt Cost Rate (%)	2.16%		2.16%			
	Common Equity Cost Rate (%)	9.30%		9.19%			
	Preferred Shares Cost Rate (%)						

Notes:

- General** Data inputs are required on Sheets 3. Data from Sheet 3 will automatically complete calculations on sheets 4 through 9 (Rate Base through Revenue Requirement). Sheets 4 through 9 do not require any inputs except for notes that the Applicant may wish to enter to support the results. Pale green cells are available on sheets 4 through 9 to enter both footnotes beside key cells and the related text for the notes at the bottom of each sheet.
- (1) All inputs are in dollars (\$) except where inputs are individually identified as percentages (%)
- (2) Data in column E is for Application as originally filed. For updated revenue requirement as a result of interrogatory responses, technical or settlement conferences, etc., use column M and Adjustments in column I
- (3) Net of addbacks and deductions to arrive at taxable income.
- (4) Average of Gross Fixed Assets at beginning and end of the Test Year
- (5) Average of Accumulated Depreciation at the beginning and end of the Test Year. Enter as a negative amount.
- (6) Select option from drop-down list by clicking on cell M10. This column allows for the application update reflecting the end of discovery or Argument-in-Chief. Also, the outcome of any Settlement Process can be reflected.
- (7) Input total revenue offsets for deriving the base revenue requirement from the service revenue requirement
- (8) 4.0% unless an Applicant has proposed or been approved for another amount.
- (9) Starting with 2013, default Working Capital Allowance factor is 13% (of Cost of Power plus controllable expenses). Alternatively, WCA factor based on lead-lag study or approved WCA factor for another distributor, with supporting rationale.
- (10) Revenue at current rates minus Transformer Ownership Allowance
- (11) Distribution Revenue not including Transformer Ownership Allowance, Total Revenue Requirement is \$164,472,316, number reflects amended settlement agreement.
- (12) Gross Fixed Assets (average) and Accumulated Depreciation (average) - Updated for 2014 Actuals and flow through 2016 through 2020, Per Settlement Removal of
- (13) Correction - To include Sentinel Light Variable Charge
- (14) PILs - Update per (12); Ontario Apprenticeship Tax Credit program legislative changes; Ontario Small Business Deduction Correction; Charitable Contributions
- (15) Removal of missed appointment charge
- (16) Changes per settlement agreement, including using April 2015 consensus long-term forecast
- (17) Updated per October 2015 Deemed ROE, Also related to note (9) Settled Working Capital Rate %



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Rate Base and Working Capital

Line No.	Particulars		Initial Application	Adjustments	Settlement Agreement	Adjustments	Per Board Decision
1	Gross Fixed Assets (average)	(3)	\$877,318,904	(\$30,868,857)	\$846,450,048	\$ -	\$846,450,048
2	Accumulated Depreciation (average)	(3)	(\$93,370,568)	\$2,923,685	(\$90,446,884)	\$ -	(\$90,446,884)
3	Net Fixed Assets (average)	(3)	\$783,948,336	(\$27,945,172)	\$756,003,164	\$ -	\$756,003,164
4	Allowance for Working Capital	(1)	\$139,357,529	(\$62,241,375)	\$77,116,154	\$ -	\$77,116,154
5	Total Rate Base		\$923,305,865	(\$90,186,548)	\$833,119,318	\$ -	\$833,119,318

(1) Allowance for Working Capital - Derivation

6	Controllable Expenses		\$87,105,564	(\$4,000,000)	\$83,105,564	\$ -	\$83,105,564
7	Cost of Power		\$894,285,487	\$ -	\$894,285,487	\$ -	\$894,285,487
8	Working Capital Base		\$981,391,050	(\$4,000,000)	\$977,391,050	\$ -	\$977,391,050
9	Working Capital Rate %	(2)	14.20%	-6.31%	7.89%	0.00%	7.89%
10	Working Capital Allowance		\$139,357,529	(\$62,241,375)	\$77,116,154	\$ -	\$77,116,154

Notes

(2)

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

(3)

Average of opening and closing balances for the year.



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Utility Income

Line No.	Particulars	Initial Application	Adjustments	Settlement Agreement	Adjustments	Per Board Decision
	Operating Revenues:					
1	Distribution Revenue (at Proposed Rates)	\$175,569,610	(\$12,221,933)	\$163,347,677	\$ -	\$163,347,677
2	Other Revenue (1)	\$11,699,538	(\$2,550)	\$11,696,988	\$ -	\$11,696,988
3	Total Operating Revenues	\$187,269,148	(\$12,224,483)	\$175,044,665	\$ -	\$175,044,665
	Operating Expenses:					
4	OM+A Expenses	\$85,017,720	(\$4,000,000)	\$81,017,720	\$ -	\$81,017,720
5	Depreciation/Amortization	\$40,826,114	(\$447,253)	\$40,378,861	\$ -	\$40,378,861
6	Property taxes	\$2,087,844	\$ -	\$2,087,844	\$ -	\$2,087,844
7	Capital taxes	\$ -	\$ -	\$ -	\$ -	\$ -
8	Other expense	\$ -	\$ -	\$ -	\$ -	\$ -
9	Subtotal (lines 4 to 8)	\$127,931,678	(\$4,447,253)	\$123,484,425	\$ -	\$123,484,425
10	Deemed Interest Expense	\$20,032,044	(\$2,852,457)	\$17,179,587	\$895,770	\$18,075,357
11	Total Expenses (lines 9 to 10)	\$147,963,722	(\$7,299,711)	\$140,664,012	\$895,770	\$141,559,782
12	Utility income before income taxes	\$39,305,426	(\$4,924,773)	\$34,380,653	(\$895,770)	\$33,484,883
13	Income taxes (grossed-up)	\$4,958,448	(\$1,203,261)	\$3,755,187	\$ -	\$3,755,187
14	Utility net income	\$34,346,978	(\$3,721,512)	\$30,625,466	(\$895,770)	\$29,729,696

Notes

Other Revenues / Revenue Offsets

(1)	Specific Service Charges	\$5,910,525	(\$2,550)	\$5,907,975		\$5,907,975
	Late Payment Charges	\$898,752	\$ -	\$898,752		\$898,752
	Other Distribution Revenue	\$1,410,557	\$ -	\$1,410,557		\$1,410,557
	Other Income and Deductions	\$3,479,704	\$ -	\$3,479,704		\$3,479,704
	Total Revenue Offsets	\$11,699,538	(\$2,550)	\$11,696,988	\$ -	\$11,696,988



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Taxes/PILs

Line No.	Particulars	Application	Settlement Agreement	Per Board Decision
<u>Determination of Taxable Income</u>				
1	Utility net income before taxes	\$34,346,978	\$30,625,466	\$30,992,039
2	Adjustments required to arrive at taxable utility income	(\$19,597,073)	(\$19,578,061)	(\$19,597,073)
3	Taxable income	<u>\$14,749,905</u>	<u>\$11,047,405</u>	<u>\$11,394,966</u>
<u>Calculation of Utility Income Taxes</u>				
4	Income taxes	\$3,656,225	\$2,760,062	\$2,760,062
6	Total taxes	<u>\$3,656,225</u>	<u>\$2,760,062</u>	<u>\$2,760,062</u>
7	Gross-up of Income Taxes	<u>\$1,302,223</u>	<u>\$995,125</u>	<u>\$995,125</u>
8	Grossed-up Income Taxes	<u>\$4,958,448</u>	<u>\$3,755,187</u>	<u>\$3,755,187</u>
9	PILs / tax Allowance (Grossed-up Income taxes + Capital taxes)	<u>\$4,958,448</u>	<u>\$3,755,187</u>	<u>\$3,755,187</u>
10	Other tax Credits	(\$217,500)	(\$167,500)	(\$167,500)
<u>Tax Rates</u>				
11	Federal tax (%)	15.00%	15.00%	15.00%
12	Provincial tax (%)	11.26%	11.50%	11.50%
13	Total tax rate (%)	<u>26.26%</u>	<u>26.50%</u>	<u>26.50%</u>

Notes



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Capitalization/Cost of Capital

Line No.	Particulars	Capitalization Ratio		Cost Rate	Return
Initial Application					
		(%)	(\$)	(%)	(\$)
	Debt				
1	Long-term Debt	56.00%	\$517,051,284	3.72%	\$19,234,308
2	Short-term Debt	4.00%	\$36,932,235	2.16%	\$797,736
3	Total Debt	60.00%	\$553,983,519	3.62%	\$20,032,044
	Equity				
4	Common Equity	40.00%	\$369,322,346	9.30%	\$34,346,978
5	Preferred Shares	0.00%	\$ -	0.00%	\$ -
6	Total Equity	40.00%	\$369,322,346	9.30%	\$34,346,978
7	Total	100.00%	\$923,305,865	5.89%	\$54,379,022
Settlement Agreement					
		(%)	(\$)	(%)	(\$)
	Debt				
1	Long-term Debt	56.00%	\$466,546,818	3.53%	\$16,459,772
2	Short-term Debt	4.00%	\$33,324,773	2.16%	\$719,815
3	Total Debt	60.00%	\$499,871,591	3.44%	\$17,179,587
	Equity				
4	Common Equity	40.00%	\$333,247,727	9.19%	\$30,625,466
5	Preferred Shares	0.00%	\$ -	0.00%	\$ -
6	Total Equity	40.00%	\$333,247,727	9.19%	\$30,625,466
7	Total	100.00%	\$833,119,318	5.74%	\$47,805,053
Per Board Decision					
		(%)	(\$)	(%)	(\$)
	Debt				
8	Long-term Debt	56.00%	\$466,546,818	3.72%	\$17,355,542
9	Short-term Debt	4.00%	\$33,324,773	2.16%	\$719,815
10	Total Debt	60.00%	\$499,871,591	3.62%	\$18,075,357
	Equity				
11	Common Equity	40.00%	\$333,247,727	9.30%	\$30,992,039
12	Preferred Shares	0.00%	\$ -	0.00%	\$ -
13	Total Equity	40.00%	\$333,247,727	9.30%	\$30,992,039
14	Total	100.00%	\$833,119,318	5.89%	\$49,067,395

Notes

(1)

Data in column E is for Application as originally filed. For updated revenue requirement as a result of interrogatory responses, technical or settlement conferences, etc., use column M and Adjustments in column I



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Revenue Deficiency/Sufficiency

Line No.	Particulars	Initial Application		Settlement Agreement		Per Board Decision	
		At Current Approved Rates	At Proposed Rates	At Current Approved Rates	At Proposed Rates	At Current Approved Rates	At Proposed Rates
1	Revenue Deficiency from Below		\$17,336,524		\$5,112,423		\$6,506,931
2	Distribution Revenue	\$158,233,086	\$158,233,086	\$158,235,254	\$158,235,254	\$158,235,254	\$156,840,746
3	Other Operating Revenue	\$11,699,538	\$11,699,538	\$11,696,988	\$11,696,988	\$11,696,988	\$11,696,988
	Offsets - net						
4	Total Revenue	\$169,932,624	\$187,269,148	\$169,932,242	\$175,044,665	\$169,932,242	\$175,044,665
5	Operating Expenses	\$127,931,678	\$127,931,678	\$123,484,425	\$123,484,425	\$123,484,425	\$123,484,425
6	Deemed Interest Expense	\$20,032,044	\$20,032,044	\$17,179,587	\$17,179,587	\$18,075,357	\$18,075,357
8	Total Cost and Expenses	\$147,963,722	\$147,963,722	\$140,664,012	\$140,664,012	\$141,559,782	\$141,559,782
9	Utility Income Before Income Taxes	\$21,968,902	\$39,305,426	\$29,268,230	\$34,380,653	\$28,372,460	\$33,484,883
10	Tax Adjustments to Accounting Income per 2013 PILs model	(\$19,597,073)	(\$19,597,073)	(\$19,578,061)	(\$19,578,061)	(\$19,578,061)	(\$19,578,061)
11	Taxable Income	\$2,371,829	\$19,708,353	\$9,690,169	\$14,802,592	\$8,794,399	\$13,906,822
12	Income Tax Rate	26.26%	26.26%	26.50%	26.50%	26.50%	26.50%
13	Income Tax on Taxable Income	\$622,907	\$5,175,948	\$2,567,895	\$3,922,687	\$2,330,516	\$3,685,308
14	Income Tax Credits	(\$217,500)	(\$217,500)	(\$167,500)	(\$167,500)	(\$167,500)	(\$167,500)
15	Utility Net Income	\$21,563,495	\$34,346,978	\$26,867,835	\$30,625,466	\$26,209,445	\$29,729,696
16	Utility Rate Base	\$923,305,865	\$923,305,865	\$833,119,318	\$833,119,318	\$833,119,318	\$833,119,318
17	Deemed Equity Portion of Rate Base	\$369,322,346	\$369,322,346	\$333,247,727	\$333,247,727	\$333,247,727	\$333,247,727
18	Income/(Equity Portion of Rate Base)	5.84%	9.30%	8.06%	9.19%	7.86%	8.92%
19	Target Return - Equity on Rate Base	9.30%	9.30%	9.19%	9.19%	9.30%	9.30%
20	Deficiency/Sufficiency in Return on Equity	-3.46%	0.00%	-1.13%	0.00%	-1.44%	-0.38%
21	Indicated Rate of Return	4.51%	5.89%	5.29%	5.74%	5.32%	5.74%
22	Requested Rate of Return on Rate Base	5.89%	5.89%	5.74%	5.74%	5.89%	5.89%
23	Deficiency/Sufficiency in Rate of Return	-1.38%	0.00%	-0.45%	0.00%	-0.57%	-0.15%
24	Target Return on Equity	\$34,346,978	\$34,346,978	\$30,625,466	\$30,625,466	\$30,992,039	\$30,992,039
25	Revenue Deficiency/(Sufficiency)	\$12,783,483	\$0	\$3,757,631	\$0	\$4,782,594	(\$1,262,342)
26	Gross Revenue Deficiency/(Sufficiency)	\$17,336,524 (1)		\$5,112,423 (1)		\$6,506,931 (1)	

Notes:

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



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Revenue Requirement

Line No.	Particulars	Application	Settlement Agreement	Per Board Decision
1	OM&A Expenses	\$85,017,720	\$81,017,720	\$81,017,720
2	Amortization/Depreciation	\$40,826,114	\$40,378,861	\$40,378,861
3	Property Taxes	\$2,087,844	\$2,087,844	\$2,087,844
5	Income Taxes (Grossed up)	\$4,958,448	\$3,755,187	\$3,755,187
6	Other Expenses	\$ -		
7	Return			
	Deemed Interest Expense	\$20,032,044	\$17,179,587	\$18,075,357
	Return on Deemed Equity	\$34,346,978	\$30,625,466	\$30,992,039
8	Service Revenue Requirement (before Revenues)	<u>\$187,269,148</u>	<u>\$175,044,665</u>	<u>\$176,307,007</u>
9	Revenue Offsets	\$11,699,538	\$11,696,988	\$ -
10	Base Revenue Requirement (excluding Tranformer Owership Allowance credit adjustment)	<u>\$175,569,610</u>	<u>\$163,347,677</u>	<u>\$176,307,007</u>
11	Distribution revenue	\$175,569,610 (2)	\$163,347,677 (3)	\$163,347,677
12	Other revenue	\$11,699,538	\$11,696,988	\$11,696,988
13	Total revenue	<u>\$187,269,148</u>	<u>\$175,044,665</u>	<u>\$175,044,665</u>
14	Difference (Total Revenue Less Distribution Revenue Requirement before Revenues)	<u>\$0 (1)</u>	<u>\$0 (1)</u>	<u>(\$1,262,342) (1)</u>

Notes

- (1) Line 11 - Line 8
(2) Distribution Revenue not including Transformer Ownership Allowance, Total Revenue Requirement is \$176,694,250
(3) Distribution Revenue not including Transformer Ownership Allowance, Total Revenue Requirement is \$164,472,316

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Tracking Form

The last row shown is the most current estimate of the cost of service data reflecting the original application and any updates provided by the applicant distributor (for updated evidence, responses to interrogatories, undertakings, etc.)

Please ensure a Reference (Column B) and/or Item Description (Column C) is entered. Please note that unused rows will automatically be hidden and the PRINT AREA set when the PRINT BUTTON on Sheet 1 is activated.

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

⁽²⁾ Short description of change, issue, etc.

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

Summary of Proposed Changes

Reference ⁽¹⁾	Item / Description ⁽²⁾	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	\$ 54,379,022	5.89%	\$ 923,305,865	\$ 981,391,050	\$ 139,357,529	\$ 40,826,114	\$ 4,958,448	\$ 85,017,720	\$ 187,269,148	\$ 11,699,538	\$ 175,569,610	\$ 17,336,524
1	2016 Year	\$ 54,379,022	5.89%	\$ 923,305,865	\$ 981,391,050	\$ 139,357,529	\$ 40,826,114	\$ 4,958,448	\$ 85,017,720	\$ 187,269,148	\$ 11,699,538	\$ 175,569,610	\$ 17,336,524
	Change	\$ 0	0.00%	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ -	\$ 0	\$ -	\$ 0	\$ 0
2	Exhibit B-2-1, D-4-1 and F-1-1, IR OEB#1 and EP#38	\$ 54,299,315	5.89%	\$ 921,952,501	\$ 981,391,050	\$ 139,357,529	\$ 40,755,585	\$ 4,983,819	\$ 85,017,720	\$ 187,144,282	\$ 11,699,538	\$ 175,444,744	\$ 17,209,490
	Change	\$ 54,299,315	5.89%	\$ 921,952,501	\$ 981,391,050	\$ 139,357,529	\$ 40,755,585	\$ 4,983,819	\$ 85,017,720	\$ 187,144,282	\$ 11,699,538	\$ 175,444,744	\$ 17,209,490
3	Amended Settlement Agreement	\$ 47,805,053	5.74%	\$ 833,119,318	\$ 977,391,050	\$ 77,116,154	\$ 40,378,861	\$ 3,755,187	\$ 81,017,720	\$ 175,044,665	\$ 11,696,988	\$ 163,347,677	\$ 5,112,423
	Change	\$ 6,494,262	-0.15%	\$ 88,833,184	\$ 4,000,000	\$ 62,241,375	\$ 376,724	\$ 1,228,632	\$ 4,000,000	\$ 12,099,618	\$ 2,550	\$ 12,097,067	\$ 12,097,067
4	Change												
5	Change												
6	Change												
7	Change												



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Version 5.00

Utility Name	Hydro Ottawa Limited
Service Territory	
Assigned EB Number	EB-2015-0004 (Year 2017)
Name and Title	April Barrie; Manager, Rates and Revenue
Phone Number	613-738-5499, ext 106
Email Address	RegulatoryAffairs@HydroOttawa.com

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[10. Tracking Sheet](#)

Notes:

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



Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2015 Filers

Data Input ⁽¹⁾

	Initial Application	(2)	Adjustments	Settlement Agreement	(6)	Adjustments	Per Board Decision
1	Rate Base						
	Gross Fixed Assets (average)	\$963,191,112		\$ 922,534,881	###		\$922,534,881
	Accumulated Depreciation (average)	(\$134,843,112)	(5)	(\$131,402,402)	###		(\$131,402,402)
	Allowance for Working Capital:						
	Controllable Expenses	\$89,932,139		\$ 84,692,880			\$84,692,880
	Cost of Power	\$911,714,427		\$ 911,714,427			\$911,714,427
	Working Capital Rate (%)	14.20%	(9)	7.89%	(9)		7.89% (9)
2	Utility Income						
	Operating Revenues:						
	Distribution Revenue at Current Rates	\$157,869,752	(10)	\$157,871,921	###		
	Distribution Revenue at Proposed Rates	\$185,669,946		\$170,507,250	###		
	Other Revenue:						
	Specific Service Charges	\$5,934,229		\$5,931,679	###		
	Late Payment Charges	\$720,000		\$720,000			
	Other Distribution Revenue	\$1,426,444		\$1,426,444			
	Other Income and Deductions	\$3,484,458		\$3,484,458			
	Total Revenue Offsets	\$11,565,131	(7)	\$11,562,581			
	Operating Expenses:						
	OM+A Expenses	\$87,776,545		\$ 82,537,286			\$82,537,286
	Depreciation/Amortization	\$44,145,078		\$ 43,558,281			\$43,558,281
	Property taxes	\$2,155,595		\$ 2,155,595			\$2,155,595
	Other expenses						
3	Taxes/PILs						
	Taxable Income:						
	Adjustments required to arrive at taxable income	(\$21,610,760)	(3)	(\$21,165,928)	14		
	Utility Income Taxes and Rates:						
	Income taxes (not grossed up)	\$3,538,644		\$2,671,102	###		
	Income taxes (grossed up)	\$4,798,717		\$3,634,152			
	Federal tax (%)	15.00%		15.00%			
	Provincial tax (%)	11.26%		11.50%			
	Income Tax Credits	(\$267,500)		(\$192,500)			
4	Capitalization/Cost of Capital						
	Capital Structure:						
	Long-term debt Capitalization Ratio (%)	56.0%		56.0%			
	Short-term debt Capitalization Ratio (%)	4.0%	(8)	4.0%	(8)		(8)
	Common Equity Capitalization Ratio (%)	40.0%		40.0%			
	Preferred Shares Capitalization Ratio (%)						
		100.0%		100.0%			
	Cost of Capital						
	Long-term debt Cost Rate (%)	3.94%		3.59%			
	Short-term debt Cost Rate (%)	2.16%		2.16%			
	Common Equity Cost Rate (%)	9.30%		9.19%	###		
	Preferred Shares Cost Rate (%)						

Notes:

- General** Data inputs are required on Sheets 3. Data from Sheet 3 will automatically complete calculations on sheets 4 through 9 (Rate Base through Revenue Requirement). Sheets 4 through 9 do not require any inputs except for notes that the Applicant may wish to enter to support the results. Pale green cells are available on sheets 4 through 9 to enter both footnotes beside key cells and the related text for the notes at the bottom of each sheet.
- (1) All inputs are in dollars (\$) except where inputs are individually identified as percentages (%)
- (2) Data in column E is for Application as originally filed. For updated revenue requirement as a result of interrogatory responses, technical or settlement conferences, etc., use column M and Adjustments in column I
- (3) Net of addbacks and deductions to arrive at taxable income.
- (4) Average of Gross Fixed Assets at beginning and end of the Test Year
- (5) Average of Accumulated Depreciation at the beginning and end of the Test Year. Enter as a negative amount.
- (6) Select option from drop-down list by clicking on cell M10. This column allows for the application update reflecting the end of discovery or Argument-in-Chief. Also, the outcome of any Settlement Process can be reflected.
- (7) Input total revenue offsets for deriving the base revenue requirement from the service revenue requirement
- (8) 4.0% unless an Applicant has proposed or been approved for another amount.
- (9) Starting with 2013, default Working Capital Allowance factor is 13% (of Cost of Power plus controllable expenses). Alternatively, WCA factor based on lead-lag study or approved WCA factor for another distributor, with supporting rationale.
- (10) Revenue at current rates minus Transformer Ownership Allowance
- (11) Distribution Revenue not including Transformer Ownership Allowance, Total Revenue Requirement is \$171,621,682, number reflects amended settlement agreement.
- (12) Gross Fixed Assets (average) and Accumulated Depreciation (average) - Updated for 2014 Actuals and flow through 2016 through 2020, Per Settlement Removal of
- (13) Correction - To include Sentinel Light Variable Charge
- (14) PILs - Update per (12); Ontario Apprenticeship Tax Credit program legislative changes; Ontario Small Business Deduction Correction; Charitable Contributions
- (15) Removal of missed appointment charge
- (16) Changes per settlement agreement, including using April 2015 consensus long-term forecast
- (17) Updated per October 2015 Deemed ROE, Also related to note (9) Settled Working Capital Rate %



Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2015 Filers

Rate Base and Working Capital

Line No.	Rate Base Particulars		Initial Application	Adjustments	Settlement Agreement	Adjustments	Per Board Decision
1	Gross Fixed Assets (average)	(3)	\$963,191,112	(\$40,656,231)	\$922,534,881	\$ -	\$922,534,881
2	Accumulated Depreciation (average)	(3)	(\$134,843,112)	\$3,440,710	(\$131,402,402)	\$ -	(\$131,402,402)
3	Net Fixed Assets (average)	(3)	\$828,348,000	(\$37,215,521)	\$791,132,479	\$ -	\$791,132,479
4	Allowance for Working Capital	(1)	\$142,233,812	(\$63,617,276)	\$78,616,537	\$ -	\$78,616,537
5	Total Rate Base		\$970,581,813	#####	\$869,749,016	\$ -	\$869,749,016

(1) Allowance for Working Capital - Derivation

6	Controllable Expenses		\$89,932,139	(\$5,239,259)	\$84,692,880	\$ -	\$84,692,880
7	Cost of Power		\$911,714,427	\$ -	\$911,714,427	\$ -	\$911,714,427
8	Working Capital Base		\$1,001,646,566	(\$5,239,259)	\$996,407,307	\$ -	\$996,407,307
9	Working Capital Rate %	(2)	14.20%	-6.31%	7.89%	0.00%	7.89%
10	Working Capital Allowance		\$142,233,812	(\$63,617,276)	\$78,616,537	\$ -	\$78,616,537

Notes

(2)

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

(3)

Average of opening and closing balances for the year.



Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2015 Filers

Utility Income

Line No.	Particulars	Initial Application	Adjustments	Settlement Agreement	Adjustments	Per Board Decision
	Operating Revenues:					
1	Distribution Revenue (at Proposed Rates)	\$185,669,946	(\$15,162,696)	\$170,507,250	\$ -	\$170,507,250
2	Other Revenue (1)	\$11,565,131	(\$2,550)	\$11,562,581	\$ -	\$11,562,581
3	Total Operating Revenues	\$197,235,078	(\$15,165,246)	\$182,069,831	\$ -	\$182,069,831
	Operating Expenses:					
4	OM+A Expenses	\$87,776,545	(\$5,239,259)	\$82,537,286	\$ -	\$82,537,286
5	Depreciation/Amortization	\$44,145,078	(\$586,797)	\$43,558,281	\$ -	\$43,558,281
6	Property taxes	\$2,155,595	\$ -	\$2,155,595	\$ -	\$2,155,595
7	Capital taxes	\$ -	\$ -	\$ -	\$ -	\$ -
8	Other expense	\$ -	\$ -	\$ -	\$ -	\$ -
9	Subtotal (lines 4 to 8)	\$134,077,217	(\$5,826,056)	\$128,251,161	\$ -	\$128,251,161
10	Deemed Interest Expense	\$22,253,500	(\$4,040,955)	\$18,212,544	\$1,729,061	\$19,941,605
11	Total Expenses (lines 9 to 10)	\$156,330,717	(\$9,867,012)	\$146,463,706	\$1,729,061	\$148,192,767
12	Utility income before income taxes	\$40,904,360	(\$5,298,235)	\$35,606,126	(\$1,729,061)	\$33,877,065
13	Income taxes (grossed-up)	\$4,798,717	(\$1,164,564)	\$3,634,152	\$ -	\$3,634,152
14	Utility net income	\$36,105,644	(\$4,133,670)	\$31,971,973	(\$1,729,061)	\$30,242,912
Notes						
	Other Revenues / Revenue Offsets					
(1)	Specific Service Charges	\$5,934,229	(\$2,550)	\$5,931,679		\$5,931,679
	Late Payment Charges	\$720,000	\$ -	\$720,000		\$720,000
	Other Distribution Revenue	\$1,426,444	\$ -	\$1,426,444		\$1,426,444
	Other Income and Deductions	\$3,484,458	\$ -	\$3,484,458		\$3,484,458
	Total Revenue Offsets	\$11,565,131	(\$2,550)	\$11,562,581	\$ -	\$11,562,581



Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2015 Filers

Taxes/PILs

Line No.	Particulars	Application	Settlement Agreement	Per Board Decision
<u>Determination of Taxable Income</u>				
1	Utility net income before taxes	\$36,105,643	\$31,971,974	\$32,354,663
2	Adjustments required to arrive at taxable utility income	(\$21,610,760)	(\$21,165,928)	(\$21,610,760)
3	Taxable income	<u>\$14,494,883</u>	<u>\$10,806,046</u>	<u>\$10,743,903</u>
<u>Calculation of Utility Income Taxes</u>				
4	Income taxes	\$3,538,644	\$2,671,102	\$2,671,102
6	Total taxes	<u>\$3,538,644</u>	<u>\$2,671,102</u>	<u>\$2,671,102</u>
7	Gross-up of Income Taxes	<u>\$1,260,073</u>	<u>\$963,050</u>	<u>\$963,050</u>
8	Grossed-up Income Taxes	<u>\$4,798,717</u>	<u>\$3,634,152</u>	<u>\$3,634,152</u>
9	PILs / tax Allowance (Grossed-up Income taxes + Capital taxes)	<u>\$4,798,717</u>	<u>\$3,634,152</u>	<u>\$3,634,152</u>
10	Other tax Credits	(\$267,500)	(\$192,500)	(\$192,500)
<u>Tax Rates</u>				
11	Federal tax (%)	15.00%	15.00%	15.00%
12	Provincial tax (%)	11.26%	11.50%	11.50%
13	Total tax rate (%)	<u>26.26%</u>	<u>26.50%</u>	<u>26.50%</u>

Notes



Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2015 Filers

Capitalization/Cost of Capital

Line No.	Particulars	Capitalization Ratio		Cost Rate	Return
Initial Application					
		(%)	(\$)	(%)	(\$)
	Debt				
1	Long-term Debt	56.00%	\$543,525,815	3.94%	\$21,414,917
2	Short-term Debt	4.00%	\$38,823,273	2.16%	\$838,583
3	Total Debt	60.00%	\$582,349,088	3.82%	\$22,253,500
	Equity				
4	Common Equity	40.00%	\$388,232,725	9.30%	\$36,105,643
5	Preferred Shares	0.00%	\$ -	0.00%	\$ -
6	Total Equity	40.00%	\$388,232,725	9.30%	\$36,105,643
7	Total	100.00%	\$970,581,813	6.01%	\$58,359,143
Settlement Agreement					
		(%)	(\$)	(%)	(\$)
	Debt				
1	Long-term Debt	56.00%	\$487,059,449	3.59%	\$17,461,081
2	Short-term Debt	4.00%	\$34,789,961	2.16%	\$751,463
3	Total Debt	60.00%	\$521,849,409	3.49%	\$18,212,544
	Equity				
4	Common Equity	40.00%	\$347,899,606	9.19%	\$31,971,974
5	Preferred Shares	0.00%	\$ -	0.00%	\$ -
6	Total Equity	40.00%	\$347,899,606	9.19%	\$31,971,974
7	Total	100.00%	\$869,749,016	5.77%	\$50,184,518
Per Board Decision					
		(%)	(\$)	(%)	(\$)
	Debt				
8	Long-term Debt	56.00%	\$487,059,449	3.94%	\$19,190,142
9	Short-term Debt	4.00%	\$34,789,961	2.16%	\$751,463
10	Total Debt	60.00%	\$521,849,409	3.82%	\$19,941,605
	Equity				
11	Common Equity	40.00%	\$347,899,606	9.30%	\$32,354,663
12	Preferred Shares	0.00%	\$ -	0.00%	\$ -
13	Total Equity	40.00%	\$347,899,606	9.30%	\$32,354,663
14	Total	100.00%	\$869,749,016	6.01%	\$52,296,269

Notes

- (1) Data in column E is for Application as originally filed. For updated revenue requirement as a result of interrogatory responses, technical or settlement conferences, etc., use column M and Adjustments in column I



Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2015 Filers

Revenue Deficiency/Sufficiency

Line No.	Particulars	Initial Application		Settlement Agreement		Per Board Decision	
		At Current Approved Rates	At Proposed Rates	At Current Approved Rates	At Proposed Rates	At Current Approved Rates	At Proposed Rates
1	Revenue Deficiency from Below		\$27,800,194		\$12,635,330		\$14,885,057
2	Distribution Revenue	\$157,869,752	\$157,869,753	\$157,871,921	\$157,871,920	\$157,871,921	\$155,622,193
3	Other Operating Revenue	\$11,565,131	\$11,565,131	\$11,562,581	\$11,562,581	\$11,562,581	\$11,562,581
	Offsets - net						
4	Total Revenue	\$169,434,884	\$197,235,078	\$169,434,502	\$182,069,831	\$169,434,502	\$182,069,831
5	Operating Expenses	\$134,077,217	\$134,077,217	\$128,251,161	\$128,251,161	\$128,251,161	\$128,251,161
6	Deemed Interest Expense	\$22,253,500	\$22,253,500	\$18,212,544	\$18,212,544	\$19,941,605	\$19,941,605
8	Total Cost and Expenses	\$156,330,717	\$156,330,717	\$146,463,706	\$146,463,706	\$148,192,767	\$148,192,767
9	Utility Income Before Income Taxes	\$13,104,167	\$40,904,360	\$22,970,797	\$35,606,126	\$21,241,736	\$33,877,065
10	Tax Adjustments to Accounting Income per 2013 PILs model	(\$21,610,760)	(\$21,610,760)	(\$21,165,928)	(\$21,165,928)	(\$21,165,928)	(\$21,165,928)
11	Taxable Income	(\$8,506,594)	\$19,293,600	\$1,804,869	\$14,440,198	\$75,808	\$12,711,137
12	Income Tax Rate	26.26%	26.26%	26.50%	26.50%	26.50%	26.50%
13	Income Tax on Taxable Income	(\$2,233,707)	\$5,066,217	\$478,290	\$3,826,652	\$20,089	\$3,368,451
14	Income Tax Credits	(\$267,500)	(\$267,500)	(\$192,500)	(\$192,500)	(\$192,500)	(\$192,500)
15	Utility Net Income	\$15,605,373	\$36,105,644	\$22,685,007	\$31,971,973	\$21,414,147	\$30,242,912
16	Utility Rate Base	\$970,581,813	\$970,581,813	\$869,749,016	\$869,749,016	\$869,749,016	\$869,749,016
17	Deemed Equity Portion of Rate Base	\$388,232,725	\$388,232,725	\$347,899,606	\$347,899,606	\$347,899,606	\$347,899,606
18	Income/(Equity Portion of Rate Base)	4.02%	9.30%	6.52%	9.19%	6.16%	8.69%
19	Target Return - Equity on Rate Base	9.30%	9.30%	9.19%	9.19%	9.30%	9.30%
20	Deficiency/Sufficiency in Return on Equity	-5.28%	0.00%	-2.67%	0.00%	-3.14%	-0.61%
21	Indicated Rate of Return	3.90%	6.01%	4.70%	5.77%	4.75%	5.77%
22	Requested Rate of Return on Rate Base	6.01%	6.01%	5.77%	5.77%	6.01%	6.01%
23	Deficiency/Sufficiency in Rate of Return	-2.11%	0.00%	-1.07%	0.00%	-1.26%	-0.24%
24	Target Return on Equity	\$36,105,643	\$36,105,643	\$31,971,974	\$31,971,974	\$32,354,663	\$32,354,663
25	Revenue Deficiency/(Sufficiency)	\$20,500,270	\$0	\$9,286,967	(\$0)	\$10,940,517	(\$2,111,751)
26	Gross Revenue Deficiency/(Sufficiency)	\$27,800,194 (1)		\$12,635,330 (1)		\$14,885,057 (1)	

Notes:

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



Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2015 Filers

Revenue Requirement

Line No.	Particulars	Application	Settlement Agreement	Per Board Decision
1	OM&A Expenses	\$87,776,545	\$82,537,286	\$82,537,286
2	Amortization/Depreciation	\$44,145,078	\$43,558,281	\$43,558,281
3	Property Taxes	\$2,155,595	\$2,155,595	\$2,155,595
5	Income Taxes (Grossed up)	\$4,798,717	\$3,634,152	\$3,634,152
6	Other Expenses	\$ -		
7	Return			
	Deemed Interest Expense	\$22,253,500	\$18,212,544	\$19,941,605
	Return on Deemed Equity	\$36,105,643	\$31,971,974	\$32,354,663
8	Service Revenue Requirement (before Revenues)	<u>\$197,235,077</u>	<u>\$182,069,832</u>	<u>\$184,181,582</u>
9	Revenue Offsets	\$11,565,131	\$11,562,581	\$ -
10	Base Revenue Requirement (excluding Tranformer Owership Allowance credit adjustment)	<u>\$185,669,946</u>	<u>\$170,507,250</u>	<u>\$184,181,582</u>
11	Distribution revenue	\$185,669,946 (2)	\$170,507,250 (3)	\$170,507,250
12	Other revenue	\$11,565,131	\$11,562,581	\$11,562,581
13	Total revenue	<u>\$197,235,078</u>	<u>\$182,069,831</u>	<u>\$182,069,831</u>
14	Difference (Total Revenue Less Distribution Revenue Requirement before Revenues)	<u>\$0 (1)</u>	<u>(\$0) (1)</u>	<u>(\$2,111,751) (1)</u>

Notes

- (1) Line 11 - Line 8
(2) Distribution Revenue not including Transformer Ownership Allowance, Total Revenue Requirement is \$186,784,378
(3) Distribution Revenue not including Transformer Ownership Allowance, Total Revenue Requirement is \$171,621,682

Ontario Energy Board **Revenue Requirement Workform (RRWF) for 2015 Filers**

Tracking Form

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

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

⁽²⁾ Short description of change, issue, etc.

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

Summary of Proposed Changes

Reference ⁽¹⁾	Item / Description ⁽²⁾	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
1	Original Application	\$ 58,359,143	6.01%	\$ 970,581,813	\$1,001,646,566	\$ 142,233,812	\$ 44,145,078	\$ 4,798,717	\$ 87,776,545	\$ 197,235,077	\$ 11,565,131	\$ 185,669,946	\$ 27,800,194
	Year 2017	\$ 58,359,143	6.01%	\$ 970,581,813	\$1,001,646,566	\$ 142,233,812	\$ 44,145,078	\$ 4,798,717	\$ 87,776,545	\$ 197,235,077	\$ 11,565,131	\$ 185,669,946	\$ 27,800,194
	Change	\$ -	0.00%	\$ 0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Exhibit B-2-1, D-4-1 and F-1-1, IR OEB#1 and EP#38	\$ 58,282,514	6.01%	\$ 969,307,374	\$1,001,646,566	\$ 142,233,812	\$ 44,057,757	\$ 4,835,440	\$ 87,776,545	\$ 197,107,850	\$ 11,565,131	\$ 185,542,719	\$ 27,670,798
	Actual Capital, Sentinel Lights Correction and PILs Update	\$ 58,282,514	6.01%	\$ 969,307,374	\$1,001,646,566	\$ 142,233,812	\$ 44,057,757	\$ 4,835,440	\$ 87,776,545	\$ 197,107,850	\$ 11,565,131	\$ 185,542,719	\$ 27,670,798
3	Amended Settlement Agreement	\$ 50,184,518	5.77%	\$ 869,749,016	\$ 996,407,307	\$ 78,616,537	\$ 43,558,281	\$ 3,634,152	\$ 82,537,286	\$ 182,069,832	\$ 11,562,581	\$ 170,507,250	\$ 12,635,330
	Change	\$ -	-0.24%	\$ -	\$ 5,239,259	\$ 63,617,275	\$ -	\$ 1,201,288	\$ 5,239,259	\$ -	\$ 2,550	\$ -	\$ -
4	Settlement												
	Change												



Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2015 Filers



Version 5.00

Utility Name	Hydro Ottawa Limited
Service Territory	
Assigned EB Number	EB-2015-0004 (Year 2018)
Name and Title	April Barrie; Manager, Rates and Revenue
Phone Number	613-738-5499, ext 106
Email Address	RegulatoryAffairs@HydroOttawa.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.



Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2015 Filers

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[2. Table of Contents](#)

[3. Data Input Sheet](#)

[4. Rate Base](#)

[5. Utility Income](#)

[6. Taxes PILs](#)

[7. Cost of Capital](#)

[8. Rev Def Suff](#)

[9. Rev Req](#)

[10. Tracking Sheet](#)

Notes:

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



Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2015 Filers

Data Input ⁽¹⁾

	Initial Application	(2)	Adjustments	Settlement Agreement	(6)	Adjustments	Per Board Decision
1	Rate Base						
Gross Fixed Assets (average)	\$1,051,985,626		(\$45,656,231)	\$1,006,329,396	###		\$1,006,329,396
Accumulated Depreciation (average)	(\$179,426,302)	(5)	\$4,063,616	(\$175,362,686)	###		(\$175,362,686)
Allowance for Working Capital:							
Controllable Expenses	\$92,850,437		(\$6,539,923)	\$86,310,514			\$86,310,514
Cost of Power	\$947,558,773			\$947,558,773			\$947,558,773
Working Capital Rate (%)	14.20%	(9)		7.92%	(9)		7.92% (9)
2	Utility Income						
Operating Revenues:							
Distribution Revenue at Current Rates	\$158,309,877	(10)	\$2,168	\$158,312,045	###		
Distribution Revenue at Proposed Rates	\$196,398,374		(\$17,523,382)	\$178,874,992	###		
Other Revenue:							
Specific Service Charges	\$6,014,982		(\$2,550)	\$6,012,432	###		
Late Payment Charges	\$720,000		\$0	\$720,000			
Other Distribution Revenue	\$1,469,736		\$0	\$1,469,736			
Other Income and Deductions	\$3,517,323		\$0	\$3,517,323			
Total Revenue Offsets	\$11,722,041	(7)	(\$2,550)	\$11,719,491			
Operating Expenses:							
OM+A Expenses	\$90,624,894		(\$6,539,923)	\$84,084,971			\$84,084,971
Depreciation/Amortization	\$47,047,409		(\$659,016)	\$46,388,393			\$46,388,393
Property taxes	\$2,225,544			\$2,225,544			\$2,225,544
Other expenses							
3	Taxes/PILs						
Taxable Income:							
	(\$19,959,370)	(3)		(\$19,474,050)	14		
Adjustments required to arrive at taxable income							
Utility Income Taxes and Rates:							
Income taxes (not grossed up)	\$4,476,359			\$3,599,306	###		
Income taxes (grossed up)	\$6,074,211			\$4,897,015			
Federal tax (%)	15.00%			15.00%			
Provincial tax (%)	11.31%			11.50%			
Income Tax Credits	(\$257,500)			(\$132,500)			
4	Capitalization/Cost of Capital						
Capital Structure:							
Long-term debt Capitalization Ratio (%)	56.0%			56.0%			
Short-term debt Capitalization Ratio (%)	4.0%	(8)		4.0%	(8)		(8)
Common Equity Capitalization Ratio (%)	40.0%			40.0%			
Preferred Shares Capitalization Ratio (%)							
	100.0%			100.0%			
Cost of Capital							
Long-term debt Cost Rate (%)	4.08%			3.65%			
Short-term debt Cost Rate (%)	2.16%			2.16%	###		
Common Equity Cost Rate (%)	9.30%			9.19%			
Preferred Shares Cost Rate (%)							

Notes:

- General** Data inputs are required on Sheets 3. Data from Sheet 3 will automatically complete calculations on sheets 4 through 9 (Rate Base through Revenue Requirement). Sheets 4 through 9 do not require any inputs except for notes that the Applicant may wish to enter to support the results. Pale green cells are available on sheets 4 through 9 to enter both footnotes beside key cells and the related text for the notes at the bottom of each sheet.
- (1) All inputs are in dollars (\$) except where inputs are individually identified as percentages (%)
- Data in column E is for Application as originally filed. For updated revenue requirement as a result of interrogatory responses, technical or settlement conferences, etc., use column M and Adjustments in column I
- (2) Net of addbacks and deductions to arrive at taxable income.
- (3) Average of Gross Fixed Assets at beginning and end of the Test Year
- (4) Average of Accumulated Depreciation at the beginning and end of the Test Year. Enter as a negative amount.
- (5) Select option from drop-down list by clicking on cell M10. This column allows for the application update reflecting the end of discovery or Argument-in-Chief. Also, the outcome of any Settlement Process can be reflected.
- (6) Input total revenue offsets for deriving the base revenue requirement from the service revenue requirement
- (7) 4.0% unless an Applicant has proposed or been approved for another amount.
- (8) Starting with 2013, default Working Capital Allowance factor is 13% (of Cost of Power plus controllable expenses). Alternatively, WCA factor based on lead-lag study or approved WCA factor for another distributor, with supporting rationale.
- (9) Revenue at current rates minus Transformer Ownership Allowance
- (10) Distribution Revenue not including Transformer Ownership Allowance, Total Revenue Requirement is \$179,984,095, number reflects amended settlement agreement.
- (11) Gross Fixed Assets (average) and Accumulated Depreciation (average) - Updated for 2014 Actuals and flow through 2016 through 2020, Per Settlement Removal of new
- (12) Correction - To include Sentinel Light Variable Charge
- (13) PILs - Update per (12); Ontario Apprenticeship Tax Credit program legislative changes; Ontario Small Business Deduction Correction; Charitable Contributions Correction,
- (14) Removal of missed appointment charge
- (15) Changes per settlement agreement, including using April 2015 consensus long-term forecast
- (16) Updated per October 2015 Deemed ROE, Also related to note (9) Settled Working Capital Rate %



Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2015 Filers

Rate Base and Working Capital

Line No.	Particulars		Initial Application	Adjustments	Settlement Agreement	Adjustments	Per Board Decision
1	Gross Fixed Assets (average)	(3)	\$1,051,985,626	(\$45,656,231)	\$1,006,329,396	\$ -	\$1,006,329,396
2	Accumulated Depreciation (average)	(3)	(\$179,426,302)	\$4,063,616	(\$175,362,686)	\$ -	(\$175,362,686)
3	Net Fixed Assets (average)	(3)	\$872,559,324	(\$41,592,615)	\$830,966,710	\$ -	\$830,966,710
4	Allowance for Working Capital	(1)	\$147,738,108	(\$65,855,660)	\$81,882,448	\$ -	\$81,882,448
5	Total Rate Base		\$1,020,297,432	#####	\$912,849,157	\$ -	\$912,849,157

(1) Allowance for Working Capital - Derivation

6	Controllable Expenses		\$92,850,437	(\$6,539,923)	\$86,310,514	\$ -	\$86,310,514
7	Cost of Power		\$947,558,773	\$ -	\$947,558,773	\$ -	\$947,558,773
8	Working Capital Base		\$1,040,409,211	(\$6,539,923)	\$1,033,869,288	\$ -	\$1,033,869,288
9	Working Capital Rate %	(2)	14.20%	-6.28%	7.92%	0.00%	7.92%
10	Working Capital Allowance		\$147,738,108	(\$65,855,660)	\$81,882,448	\$ -	\$81,882,448

Notes

- (2) Some Applicants may have a unique rate as a result of a lead-lag study. The default rate for 2014 cost of service applications is 13%.
(3) Average of opening and closing balances for the year.



Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2015 Filers

Utility Income

Line No.	Particulars	Initial Application	Adjustments	Settlement Agreement	Adjustments	Per Board Decision
	Operating Revenues:					
1	Distribution Revenue (at Proposed Rates)	\$196,398,374	(\$17,523,382)	\$178,874,992	\$ -	\$178,874,992
2	Other Revenue (1)	\$11,722,041	(\$2,550)	\$11,719,491	\$ -	\$11,719,491
3	Total Operating Revenues	\$208,120,414	(\$17,525,932)	\$190,594,483	\$ -	\$190,594,483
	Operating Expenses:					
4	OM+A Expenses	\$90,624,894	(\$6,539,923)	\$84,084,971	\$ -	\$84,084,971
5	Depreciation/Amortization	\$47,047,409	(\$659,016)	\$46,388,393	\$ -	\$46,388,393
6	Property taxes	\$2,225,544	\$ -	\$2,225,544	\$ -	\$2,225,544
7	Capital taxes	\$ -	\$ -	\$ -	\$ -	\$ -
8	Other expense	\$ -	\$ -	\$ -	\$ -	\$ -
9	Subtotal (lines 4 to 8)	\$139,897,846	(\$7,198,939)	\$132,698,907	\$ -	\$132,698,907
10	Deemed Interest Expense	\$24,193,293	(\$4,751,066)	\$19,442,226	\$2,203,253	\$21,645,479
11	Total Expenses (lines 9 to 10)	\$164,091,139	(\$11,950,005)	\$152,141,134	\$2,203,253	\$154,344,386
12	Utility income before income taxes	\$44,029,275	(\$5,575,926)	\$38,453,349	(\$2,203,253)	\$36,250,096
13	Income taxes (grossed-up)	\$6,074,211	(\$1,177,196)	\$4,897,015	\$ -	\$4,897,015
14	Utility net income	\$37,955,064	(\$4,398,730)	\$33,556,334	(\$2,203,253)	\$31,353,081

Notes

Other Revenues / Revenue Offsets

(1)	Specific Service Charges	\$6,014,982	(\$2,550)	\$6,012,432		\$6,012,432
	Late Payment Charges	\$720,000	\$ -	\$720,000		\$720,000
	Other Distribution Revenue	\$1,469,736	\$ -	\$1,469,736		\$1,469,736
	Other Income and Deductions	\$3,517,323	\$ -	\$3,517,323		\$3,517,323
	Total Revenue Offsets	\$11,722,041	(\$2,550)	\$11,719,491	\$ -	\$11,719,491



Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2015 Filers

Taxes/PILs

Line No.	Particulars	Application	Settlement Agreement	Per Board Decision
Determination of Taxable Income				
1	Utility net income before taxes	\$37,955,064	\$33,556,335	\$33,957,989
2	Adjustments required to arrive at taxable utility income	(\$19,959,370)	(\$19,474,050)	(\$19,959,370)
3	Taxable income	<u>\$17,995,695</u>	<u>\$14,082,285</u>	<u>\$13,998,619</u>
Calculation of Utility income Taxes				
4	Income taxes	<u>\$4,476,359</u>	<u>\$3,599,306</u>	<u>\$3,599,306</u>
6	Total taxes	<u>\$4,476,359</u>	<u>\$3,599,306</u>	<u>\$3,599,306</u>
7	Gross-up of Income Taxes	<u>\$1,597,852</u>	<u>\$1,297,709</u>	<u>\$1,297,709</u>
8	Grossed-up Income Taxes	<u>\$6,074,211</u>	<u>\$4,897,015</u>	<u>\$4,897,015</u>
9	PILs / tax Allowance (Grossed-up Income taxes + Capital taxes)	<u>\$6,074,211</u>	<u>\$4,897,015</u>	<u>\$4,897,015</u>
10	Other tax Credits	(\$257,500)	(\$132,500)	(\$132,500)
Tax Rates				
11	Federal tax (%)	15.00%	15.00%	15.00%
12	Provincial tax (%)	11.31%	11.50%	11.50%
13	Total tax rate (%)	<u>26.31%</u>	<u>26.50%</u>	<u>26.50%</u>

Notes



Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2015 Filers

Capitalization/Cost of Capital

Line No.	Particulars	Capitalization Ratio		Cost Rate	Return
		Initial Application			
		(%)	(\$)	(%)	(\$)
	Debt				
1	Long-term Debt	56.00%	\$571,366,562	4.08%	\$23,311,756
2	Short-term Debt	4.00%	\$40,811,897	2.16%	\$881,537
3	Total Debt	60.00%	\$612,178,459	3.95%	\$24,193,293
	Equity				
4	Common Equity	40.00%	\$408,118,973	9.30%	\$37,955,064
5	Preferred Shares	0.00%	\$ -	0.00%	\$ -
6	Total Equity	40.00%	\$408,118,973	9.30%	\$37,955,064
7	Total	100.00%	\$1,020,297,432	6.09%	\$62,148,357
		Settlement Agreement			
		(%)	(\$)	(%)	(\$)
	Debt				
1	Long-term Debt	56.00%	\$511,195,528	3.65%	\$18,653,525
2	Short-term Debt	4.00%	\$36,513,966	2.16%	\$788,702
3	Total Debt	60.00%	\$547,709,494	3.55%	\$19,442,226
	Equity				
4	Common Equity	40.00%	\$365,139,663	9.19%	\$33,556,335
5	Preferred Shares	0.00%	\$ -	0.00%	\$ -
6	Total Equity	40.00%	\$365,139,663	9.19%	\$33,556,335
7	Total	100.00%	\$912,849,157	5.81%	\$52,998,562
		Per Board Decision			
		(%)	(\$)	(%)	(\$)
	Debt				
8	Long-term Debt	56.00%	\$511,195,528	4.08%	\$20,856,778
9	Short-term Debt	4.00%	\$36,513,966	2.16%	\$788,702
10	Total Debt	60.00%	\$547,709,494	3.95%	\$21,645,479
	Equity				
11	Common Equity	40.00%	\$365,139,663	9.30%	\$33,957,989
12	Preferred Shares	0.00%	\$ -	0.00%	\$ -
13	Total Equity	40.00%	\$365,139,663	9.30%	\$33,957,989
14	Total	100.00%	\$912,849,157	6.09%	\$55,603,468

Notes

(1) Data in column E is for Application as originally filed. For updated revenue requirement as a result of interrogatory responses, technical or settlement conferences, etc., use column M and Adjustments in column I



Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2015 Filers

Revenue Deficiency/Sufficiency

Line No.	Particulars	Initial Application		Settlement Agreement		Per Board Decision	
		At Current Approved Rates	At Proposed Rates	At Current Approved Rates	At Proposed Rates	At Current Approved Rates	At Proposed Rates
1	Revenue Deficiency from Below		\$38,088,497		\$20,562,947		\$23,312,668
2	Distribution Revenue	\$158,309,877	\$158,309,877	\$158,312,045	\$158,312,045	\$158,312,045	\$155,562,324
3	Other Operating Revenue	\$11,722,041	\$11,722,041	\$11,719,491	\$11,719,491	\$11,719,491	\$11,719,491
4	Offsets - net						
4	Total Revenue	\$170,031,918	\$208,120,414	\$170,031,536	\$190,594,483	\$170,031,536	\$190,594,483
5	Operating Expenses	\$139,897,846	\$139,897,846	\$132,698,907	\$132,698,907	\$132,698,907	\$132,698,907
6	Deemed Interest Expense	\$24,193,293	\$24,193,293	\$19,442,226	\$19,442,226	\$21,645,479	\$21,645,479
8	Total Cost and Expenses	\$164,091,139	\$164,091,139	\$152,141,134	\$152,141,134	\$154,344,386	\$154,344,386
9	Utility Income Before Income Taxes	\$5,940,779	\$44,029,275	\$17,890,402	\$38,453,349	\$15,687,149	\$36,250,096
10	Tax Adjustments to Accounting Income per 2013 PILs model	(\$19,959,370)	(\$19,959,370)	(\$19,474,050)	(\$19,474,050)	(\$19,474,050)	(\$19,474,050)
11	Taxable Income	(\$14,018,591)	\$24,069,906	(\$1,583,648)	\$18,979,299	(\$3,786,901)	\$16,776,046
12	Income Tax Rate	26.31%	26.31%	26.50%	26.50%	26.50%	26.50%
13	Income Tax on Taxable Income	(\$3,687,662)	\$6,331,711	(\$419,667)	\$5,029,514	(\$1,003,529)	\$4,445,652
14	Income Tax Credits	(\$257,500)	(\$257,500)	(\$132,500)	(\$132,500)	(\$132,500)	(\$132,500)
15	Utility Net Income	\$9,885,941	\$37,955,064	\$18,442,569	\$33,556,334	\$16,823,178	\$31,353,081
16	Utility Rate Base	\$1,020,297,432	\$1,020,297,432	\$912,849,157	\$912,849,157	\$912,849,157	\$912,849,157
17	Deemed Equity Portion of Rate Base	\$408,118,973	\$408,118,973	\$365,139,663	\$365,139,663	\$365,139,663	\$365,139,663
18	Income/(Equity Portion of Rate Base)	2.42%	9.30%	5.05%	9.19%	4.61%	8.59%
19	Target Return - Equity on Rate Base	9.30%	9.30%	9.19%	9.19%	9.30%	9.30%
20	Deficiency/Sufficiency in Return on Equity	-6.88%	0.00%	-4.14%	0.00%	-4.69%	-0.71%
21	Indicated Rate of Return	3.34%	6.09%	4.15%	5.81%	4.21%	5.81%
22	Requested Rate of Return on Rate Base	6.09%	6.09%	5.81%	5.81%	6.09%	6.09%
23	Deficiency/Sufficiency in Rate of Return	-2.75%	0.00%	-1.66%	0.00%	-1.88%	-0.29%
24	Target Return on Equity	\$37,955,064	\$37,955,064	\$33,556,335	\$33,556,335	\$33,957,989	\$33,957,989
25	Revenue Deficiency/(Sufficiency)	\$28,069,124	(\$0)	\$15,113,766	(\$1)	\$17,134,811	(\$2,604,907)
26	Gross Revenue Deficiency/(Sufficiency)	\$38,088,497 (1)		\$20,562,947 (1)		\$23,312,668 (1)	

Notes:

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



Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2015 Filers

Revenue Requirement

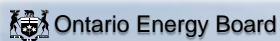
Line No.	Particulars	Application		Settlement Agreement		Per Board Decision	
1	OM&A Expenses	\$90,624,894		\$84,084,971		\$84,084,971	
2	Amortization/Depreciation	\$47,047,409		\$46,388,393		\$46,388,393	
3	Property Taxes	\$2,225,544		\$2,225,544		\$2,225,544	
5	Income Taxes (Grossed up)	\$6,074,211		\$4,897,015		\$4,897,015	
6	Other Expenses	\$ -					
7	Return						
	Deemed Interest Expense	\$24,193,293		\$19,442,226		\$21,645,479	
	Return on Deemed Equity	\$37,955,064		\$33,556,335		\$33,957,989	
8	Service Revenue Requirement (before Revenues)	<u>\$208,120,415</u>		<u>\$190,594,484</u>		<u>\$193,199,390</u>	
9	Revenue Offsets	\$11,722,041		\$11,719,491		\$ -	
10	Base Revenue Requirement (excluding Transformer Ownership Allowance credit adjustment)	<u>\$196,398,374</u>		<u>\$178,874,993</u>		<u>\$193,199,390</u>	
11	Distribution revenue	\$196,398,374	(2)	\$178,874,992	(3)	\$178,874,992	
12	Other revenue	\$11,722,041		\$11,719,491		\$11,719,491	
13	Total revenue	<u>\$208,120,414</u>		<u>\$190,594,483</u>		<u>\$190,594,483</u>	
14	Difference (Total Revenue Less Distribution Revenue Requirement before Revenues)	<u>(\$0)</u>	(1)	<u>(\$1)</u>	(1)	<u>(\$2,604,907)</u>	(1)

Notes

(1) Line 11 - Line 8

(2) Distribution Revenue not including Transformer Ownership Allowance, Total Revenue Requirement is \$197,507,477

(3) Distribution Revenue not including Transformer Ownership Allowance, Total Revenue Requirement is \$179,984,095



Revenue Requirement Workform (RRWF) for 2015 Filers

Tracking Form

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

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

⁽²⁾ Short description of change, issue, etc.

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

Summary of Proposed Changes

Reference ⁽¹⁾	Item / Description ⁽²⁾	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
1	Original Application	\$ 62,148,357	6.09%	\$1,020,297,432	\$1,040,409,211	\$ 147,738,108	\$ 47,047,409	\$ 6,074,211	\$ 90,624,894	\$ 208,120,415	\$ 11,722,041	\$ 196,398,374	\$ 38,088,497
	2018 Year	\$ 62,148,357	6.09%	\$1,020,297,432	\$1,040,409,211	\$ 147,738,108	\$ 47,047,409	\$ 6,074,211	\$ 90,624,894	\$ 208,120,415	\$ 11,722,041	\$ 196,398,374	\$ 38,088,497
	Change	\$ -	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Exhibit B-2-1, D-4-1 and F-1-1, IR OEB#1 and EP#38	See note 12, 13 & 14 on Data_Input_Sheet, Update 2014 Actual Capital, Sentinel Lights Correction and PILs Update	6.09%	\$1,019,118,646	\$1,040,409,211	\$ 147,738,108	\$ 46,943,424	\$ 6,154,952	\$ 90,624,894	\$ 208,025,368	\$ 11,722,041	\$ 196,303,327	\$ 37,991,282
	Change	\$ 62,076,555	6.09%	\$1,019,118,646	\$1,040,409,211	\$ 147,738,108	\$ 46,943,424	\$ 6,154,952	\$ 90,624,894	\$ 208,025,368	\$ 11,722,041	\$ 196,303,327	\$ 37,991,282
3	Amended Settlement Agreement	See data Input Sheet for Notes	5.81%	\$ 912,849,157	\$1,033,869,288	\$ 81,882,448	\$ 46,388,393	\$ 4,897,015	\$ 84,084,971	\$ 190,594,484	\$ 11,719,491	\$ 178,874,992	\$ 20,562,947
	Change	-\$ 9,077,993	-0.28%	-\$ 106,269,489	-\$ 6,539,923	-\$ 65,855,660	-\$ 555,031	-\$ 1,257,937	-\$ 6,539,923	-\$ 17,430,884	-\$ 2,550	-\$ 17,428,335	-\$ 17,428,335
4	Change												



Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2015 Filers



Version 5.00

Utility Name	Hydro Ottawa Limited
Service Territory	
Assigned EB Number	EB-2015-0004 (Year 2019)
Name and Title	April Barrie; Manager, Rates and Revenue
Phone Number	613-738-5499, ext 106
Email Address	RegulatoryAffairs@HydroOttawa.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.



Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2015 Filers

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[2. Table of Contents](#)

[3. Data Input Sheet](#)

[4. Rate Base](#)

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[6. Taxes PILs](#)

[7. Cost of Capital](#)

[8. Rev Def Suff](#)

[9. Rev Req](#)

[10. Tracking Sheet](#)

Notes:

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



Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2015 Filers

Data Input ⁽¹⁾

	Initial Application	(2)	Adjustments		Settlement Agreement	(6)	Adjustments		Per Board Decision
1 Rate Base									
Gross Fixed Assets (average)	\$1,131,642,673		(\$50,656,231)	#	\$1,080,986,443	###			\$1,080,986,443
Accumulated Depreciation (average)	(\$226,411,300)	(5)	\$4,788,684	#	(\$221,622,617)	###			(\$221,622,617)
Allowance for Working Capital:									
Controllable Expenses	\$95,863,434		(\$7,904,389)		\$ 87,959,045				\$87,959,045
Cost of Power	\$928,733,588				\$ 928,733,588				\$928,733,588
Working Capital Rate (%)	14.20%	(9)			7.55%	(9)			7.55% (9)
2 Utility Income									
Operating Revenues:									
Distribution Revenue at Current Rates	\$158,868,175	(10)	\$2,168		\$158,870,343	###			
Distribution Revenue at Proposed Rates	\$206,014,098		(\$19,793,422)		\$186,220,676	###			
Other Revenue:									
Specific Service Charges	\$6,039,578		(\$2,550)		\$6,037,028	###			
Late Payment Charges	\$720,000		\$0		\$720,000				
Other Distribution Revenue	\$1,491,865		\$0		\$1,491,865				
Other Income and Deductions	\$3,550,516		\$0		\$3,550,516				
Total Revenue Offsets	\$11,801,959	(7)	(\$2,550)		\$11,799,409				
Operating Expenses:									
OM+A Expenses	\$93,565,672		(\$7,904,389)	#	\$ 85,661,283				\$85,661,283
Depreciation/Amortization	\$48,948,694		(\$791,118)	#	\$ 48,157,576				\$48,157,576
Property taxes	\$2,297,762				\$ 2,297,762				\$2,297,762
Other expenses									
3 Taxes/PILs									
Taxable Income:									
Adjustments required to arrive at taxable income	(\$14,483,338)	(3)			(\$13,976,513)	14			
Utility Income Taxes and Rates:									
Income taxes (not grossed up)	\$6,239,454				\$5,289,883	###			
Income taxes (grossed up)	\$8,472,655				\$7,197,120				
Federal tax (%)	15.00%				15.00%				
Provincial tax (%)	11.36%				11.50%				
Income Tax Credits	(\$245,500)				(\$125,500)				
4 Capitalization/Cost of Capital									
Capital Structure:									
Long-term debt Capitalization Ratio (%)	56.0%				56.0%				
Short-term debt Capitalization Ratio (%)	4.0%	(8)			4.0%	(8)			(8)
Common Equity Capitalization Ratio (%)	40.0%				40.0%				
Preferred Shares Capitalization Ratio (%)									
	100.0%				100.0%				
Cost of Capital									
Long-term debt Cost Rate (%)	4.17%				3.72%				
Short-term debt Cost Rate (%)	2.16%				2.16%				
Common Equity Cost Rate (%)	9.30%				9.19%	###			
Preferred Shares Cost Rate (%)									

Notes:

- General** Data inputs are required on Sheets 3. Data from Sheet 3 will automatically complete calculations on sheets 4 through 9 (Rate Base through Revenue Requirement). Sheets 4 through 9 do not require any inputs except for notes that the Applicant may wish to enter to support the results. Pale green cells are available on sheets 4 through 9 to enter both footnotes beside key cells and the related text for the notes at the bottom of each sheet.
- (1) All inputs are in dollars (\$) except where inputs are individually identified as percentages (%)
- Data in column E is for Application as originally filed. For updated revenue requirement as a result of interrogatory responses, technical or settlement conferences, etc., use column M and Adjustments in column I
- (2) Net of addbacks and deductions to arrive at taxable income.
- (3) Average of Gross Fixed Assets at beginning and end of the Test Year
- (4) Average of Accumulated Depreciation at the beginning and end of the Test Year. Enter as a negative amount.
- (5) Select option from drop-down list by clicking on cell M10. This column allows for the application update reflecting the end of discovery or Argument-in-Chief. Also, the outcome of any Settlement Process can be reflected.
- (6) Input total revenue offsets for deriving the base revenue requirement from the service revenue requirement
- (7) 4.0% unless an Applicant has proposed or been approved for another amount.
- (8) Starting with 2013, default Working Capital Allowance factor is 13% (of Cost of Power plus controllable expenses). Alternatively, WCA factor based on lead-lag study or approved WCA factor for another distributor, with supporting rationale.
- (9) Revenue at current rates minus Transformer Ownership Allowance
- (10) Distribution Revenue not including Transformer Ownership Allowance, Total Revenue Requirement is \$187,327,073, number reflects amended settlement agreement.
- (11) Gross Fixed Assets (average) and Accumulated Depreciation (average) - Updated for 2014 Actuals and flow through 2016 through 2020, Per Settlement Removal of new
- (12) Correction - To include Sentinel Light Variable Charge
- (13) PILs - Update per (12); Ontario Apprenticeship Tax Credit program legislative changes; Ontario Small Business Deduction Correction; Charitable Contributions Correction,
- (14) Removal of missed appointment charge
- (15) Changes per settlement agreement, including using April 2015 consensus long-term forecast
- (16) Updated per October 2015 Deemed ROE, Also related to note (9) Settled Working Capital Rate



Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2015 Filers

Rate Base and Working Capital

Line No.	Rate Base Particulars		Initial Application	Adjustments	Settlement Agreement	Adjustments	Per Board Decision
1	Gross Fixed Assets (average)	(3)	\$1,131,642,673	(\$50,656,231)	\$1,080,986,443	\$ -	\$1,080,986,443
2	Accumulated Depreciation (average)	(3)	(\$226,411,300)	\$4,788,684	(\$221,622,617)	\$ -	(\$221,622,617)
3	Net Fixed Assets (average)	(3)	\$905,231,373	(\$45,867,547)	\$859,363,826	\$ -	\$859,363,826
4	Allowance for Working Capital	(1)	\$145,492,777	(\$68,732,483)	\$76,760,294	\$ -	\$76,760,294
5	Total Rate Base		\$1,050,724,150	#####	\$936,124,119	\$ -	\$936,124,119

(1) Allowance for Working Capital - Derivation

6	Controllable Expenses		\$95,863,434	(\$7,904,389)	\$87,959,045	\$ -	\$87,959,045
7	Cost of Power		\$928,733,588	\$ -	\$928,733,588	\$ -	\$928,733,588
8	Working Capital Base		\$1,024,597,022	(\$7,904,389)	\$1,016,692,633	\$ -	\$1,016,692,633
9	Working Capital Rate %	(2)	14.20%	-6.65%	7.55%	0.00%	7.55%
10	Working Capital Allowance		\$145,492,777	(\$68,732,483)	\$76,760,294	\$ -	\$76,760,294

Notes

(2)

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

(3)

Average of opening and closing balances for the year.



Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2015 Filers

Utility Income

Line No.	Particulars	Initial Application	Adjustments	Settlement Agreement	Adjustments	Per Board Decision
	Operating Revenues:					
1	Distribution Revenue (at Proposed Rates)	\$206,014,098	(\$19,793,422)	\$186,220,676	\$ -	\$186,220,676
2	Other Revenue (1)	\$11,801,959	(\$2,550)	\$11,799,409	\$ -	\$11,799,409
3	Total Operating Revenues	\$217,816,057	(\$19,795,972)	\$198,020,085	\$ -	\$198,020,085
	Operating Expenses:					
4	OM+A Expenses	\$93,565,672	(\$7,904,389)	\$85,661,283	\$ -	\$85,661,283
5	Depreciation/Amortization	\$48,948,694	(\$791,118)	\$48,157,576	\$ -	\$48,157,576
6	Property taxes	\$2,297,762	\$ -	\$2,297,762	\$ -	\$2,297,762
7	Capital taxes	\$ -	\$ -	\$ -	\$ -	\$ -
8	Other expense	\$ -	\$ -	\$ -	\$ -	\$ -
9	Subtotal (lines 4 to 8)	\$144,812,128	(\$8,695,507)	\$136,116,621	\$ -	\$136,116,621
10	Deemed Interest Expense	\$25,444,336	(\$5,149,914)	\$20,294,422	\$2,374,760	\$22,669,182
11	Total Expenses (lines 9 to 10)	\$170,256,464	(\$13,845,421)	\$156,411,043	\$2,374,760	\$158,785,803
12	Utility income before income taxes	\$47,559,593	(\$5,950,551)	\$41,609,042	(\$2,374,760)	\$39,234,283
13	Income taxes (grossed-up)	\$8,472,655	(\$1,275,535)	\$7,197,120	\$ -	\$7,197,120
14	Utility net income	\$39,086,939	(\$4,675,016)	\$34,411,923	(\$2,374,760)	\$32,037,163

Notes

Other Revenues / Revenue Offsets

(1)	Specific Service Charges	\$6,039,578	(\$2,550)	\$6,037,028		\$6,037,028
	Late Payment Charges	\$720,000	\$ -	\$720,000		\$720,000
	Other Distribution Revenue	\$1,491,865	\$ -	\$1,491,865		\$1,491,865
	Other Income and Deductions	\$3,550,516	\$ -	\$3,550,516		\$3,550,516
	Total Revenue Offsets	\$11,801,959	(\$2,550)	\$11,799,409	\$ -	\$11,799,409



Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2015 Filers

Taxes/PILs

Line No.	Particulars	Application	Settlement Agreement	Per Board Decision
	<u>Determination of Taxable Income</u>			
1	Utility net income before taxes	\$39,086,938	\$34,411,923	\$34,823,817
2	Adjustments required to arrive at taxable utility income	(\$14,483,338)	(\$13,976,513)	(\$14,483,338)
3	Taxable income	<u>\$24,603,601</u>	<u>\$20,435,410</u>	<u>\$20,340,479</u>
	<u>Calculation of Utility income Taxes</u>			
4	Income taxes	\$6,239,454	\$5,289,883	\$5,289,883
6	Total taxes	<u>\$6,239,454</u>	<u>\$5,289,883</u>	<u>\$5,289,883</u>
7	Gross-up of Income Taxes	<u>\$2,233,201</u>	<u>\$1,907,237</u>	<u>\$1,907,237</u>
8	Grossed-up Income Taxes	<u>\$8,472,655</u>	<u>\$7,197,120</u>	<u>\$7,197,120</u>
9	PILs / tax Allowance (Grossed-up Income taxes + Capital taxes)	<u>\$8,472,655</u>	<u>\$7,197,120</u>	<u>\$7,197,120</u>
10	Other tax Credits	(\$245,500)	(\$125,500)	(\$125,500)
	<u>Tax Rates</u>			
11	Federal tax (%)	15.00%	15.00%	15.00%
12	Provincial tax (%)	11.36%	11.50%	11.50%
13	Total tax rate (%)	<u>26.36%</u>	<u>26.50%</u>	<u>26.50%</u>

Notes



Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2015 Filers

Capitalization/Cost of Capital

Line No.	Particulars	Capitalization Ratio		Cost Rate	Return
Initial Application					
		(%)	(\$)	(%)	(\$)
	Debt				
1	Long-term Debt	56.00%	\$588,405,524	4.17%	\$24,536,510
2	Short-term Debt	4.00%	\$42,028,966	2.16%	\$907,826
3	Total Debt	60.00%	\$630,434,490	4.04%	\$25,444,336
Equity					
4	Common Equity	40.00%	\$420,289,660	9.30%	\$39,086,938
5	Preferred Shares	0.00%	\$ -	0.00%	\$ -
6	Total Equity	40.00%	\$420,289,660	9.30%	\$39,086,938
7	Total	100.00%	\$1,050,724,150	6.14%	\$64,531,274
Settlement Agreement					
		(%)	(\$)	(%)	(\$)
	Debt				
1	Long-term Debt	56.00%	\$524,229,507	3.72%	\$19,485,611
2	Short-term Debt	4.00%	\$37,444,965	2.16%	\$808,811
3	Total Debt	60.00%	\$561,674,472	3.61%	\$20,294,422
Equity					
4	Common Equity	40.00%	\$374,449,648	9.19%	\$34,411,923
5	Preferred Shares	0.00%	\$ -	0.00%	\$ -
6	Total Equity	40.00%	\$374,449,648	9.19%	\$34,411,923
7	Total	100.00%	\$936,124,119	5.84%	\$54,706,345
Per Board Decision					
		(%)	(\$)	(%)	(\$)
	Debt				
8	Long-term Debt	56.00%	\$524,229,507	4.17%	\$21,860,370
9	Short-term Debt	4.00%	\$37,444,965	2.16%	\$808,811
10	Total Debt	60.00%	\$561,674,472	4.04%	\$22,669,182
Equity					
11	Common Equity	40.00%	\$374,449,648	9.30%	\$34,823,817
12	Preferred Shares	0.00%	\$ -	0.00%	\$ -
13	Total Equity	40.00%	\$374,449,648	9.30%	\$34,823,817
14	Total	100.00%	\$936,124,119	6.14%	\$57,492,999

Notes

(1)

Data in column E is for Application as originally filed. For updated revenue requirement as a result of interrogatory responses, technical or settlement conferences, etc., use column M and Adjustments in column I



Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2015 Filers

Revenue Deficiency/Sufficiency

Line No.	Particulars	Initial Application		Settlement Agreement		Per Board Decision	
		At Current Approved Rates	At Proposed Rates	At Current Approved Rates	At Proposed Rates	At Current Approved Rates	At Proposed Rates
1	Revenue Deficiency from Below		\$47,145,922		\$27,350,334		\$30,285,494
2	Distribution Revenue	\$158,868,175	\$158,868,176	\$158,870,343	\$158,870,342	\$158,870,343	\$155,935,182
3	Other Operating Revenue	\$11,801,959	\$11,801,959	\$11,799,409	\$11,799,409	\$11,799,409	\$11,799,409
	Offsets - net						
4	Total Revenue	\$170,670,135	\$217,816,057	\$170,669,752	\$198,020,085	\$170,669,752	\$198,020,085
5	Operating Expenses	\$144,812,128	\$144,812,128	\$136,116,621	\$136,116,621	\$136,116,621	\$136,116,621
6	Deemed Interest Expense	\$25,444,336	\$25,444,336	\$20,294,422	\$20,294,422	\$22,669,182	\$22,669,182
8	Total Cost and Expenses	\$170,256,464	\$170,256,464	\$156,411,043	\$156,411,043	\$158,785,803	\$158,785,803
9	Utility Income Before Income Taxes	\$413,671	\$47,559,593	\$14,258,709	\$41,609,042	\$11,883,950	\$39,234,283
10	Tax Adjustments to Accounting Income per 2013 PILs model	(\$14,483,338)	(\$14,483,338)	(\$13,976,513)	(\$13,976,513)	(\$13,976,513)	(\$13,976,513)
11	Taxable Income	(\$14,069,667)	\$33,076,256	\$282,196	\$27,632,529	(\$2,092,563)	\$25,257,770
12	Income Tax Rate	26.36%	26.36%	26.50%	26.50%	26.50%	26.50%
13	Income Tax on Taxable Income	(\$3,708,447)	\$8,718,155	\$74,782	\$7,322,620	(\$554,529)	\$6,693,309
14	Income Tax Credits	(\$245,500)	(\$245,500)	(\$125,500)	(\$125,500)	(\$125,500)	(\$125,500)
15	Utility Net Income	\$4,367,618	\$39,086,939	\$14,309,427	\$34,411,923	\$12,563,979	\$32,037,163
16	Utility Rate Base	\$1,050,724,150	\$1,050,724,150	\$936,124,119	\$936,124,119	\$936,124,119	\$936,124,119
17	Deemed Equity Portion of Rate Base	\$420,289,660	\$420,289,660	\$374,449,648	\$374,449,648	\$374,449,648	\$374,449,648
18	Income/(Equity Portion of Rate Base)	1.04%	9.30%	3.82%	9.19%	3.36%	8.56%
19	Target Return - Equity on Rate Base	9.30%	9.30%	9.19%	9.19%	9.30%	9.30%
20	Deficiency/Sufficiency in Return on Equity	-8.26%	0.00%	-5.37%	0.00%	-5.94%	-0.74%
21	Indicated Rate of Return	2.84%	6.14%	3.70%	5.84%	3.76%	5.84%
22	Requested Rate of Return on Rate Base	6.14%	6.14%	5.84%	5.84%	6.14%	6.14%
23	Deficiency/Sufficiency in Rate of Return	-3.30%	0.00%	-2.15%	0.00%	-2.38%	-0.30%
24	Target Return on Equity	\$39,086,938	\$39,086,938	\$34,411,923	\$34,411,923	\$34,823,817	\$34,823,817
25	Revenue Deficiency/(Sufficiency)	\$34,719,321	\$0	\$20,102,495	\$0	\$22,259,838	(\$2,786,654)
26	Gross Revenue Deficiency/(Sufficiency)	\$47,145,922 (1)		\$27,350,334 (1)		\$30,285,494 (1)	

Notes:

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



Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2015 Filers

Revenue Requirement

Line No.	Particulars	Application	Settlement Agreement	Per Board Decision
1	OM&A Expenses	\$93,565,672	\$85,661,283	\$85,661,283
2	Amortization/Depreciation	\$48,948,694	\$48,157,576	\$48,157,576
3	Property Taxes	\$2,297,762	\$2,297,762	\$2,297,762
5	Income Taxes (Grossed up)	\$8,472,655	\$7,197,120	\$7,197,120
6	Other Expenses	\$ -		
7	Return			
	Deemed Interest Expense	\$25,444,336	\$20,294,422	\$22,669,182
	Return on Deemed Equity	\$39,086,938	\$34,411,923	\$34,823,817
8	Service Revenue Requirement (before Revenues)	<u>\$217,816,057</u>	<u>\$198,020,085</u>	<u>\$200,806,740</u>
9	Revenue Offsets	<u>\$11,801,959</u>	<u>\$11,799,409</u>	<u>\$ -</u>
10	Base Revenue Requirement (excluding Tranformer Owership Allowance credit adjustment)	<u>\$206,014,098</u>	<u>\$186,220,676</u>	<u>\$200,806,740</u>
11	Distribution revenue	\$206,014,098 (2)	\$186,220,676 (3)	\$186,220,676
12	Other revenue	\$11,801,959	\$11,799,409	\$11,799,409
13	Total revenue	<u>\$217,816,057</u>	<u>\$198,020,085</u>	<u>\$198,020,085</u>
14	Difference (Total Revenue Less Distribution Revenue Requirement before Revenues)	<u>\$0 (1)</u>	<u>\$0 (1)</u>	<u>(\$2,786,654) (1)</u>

Notes

- (1) Line 11 - Line 8
(2) Distribution Revenue not including Transformer Ownership Allowance, Total Revenue Requirement is \$207,120,495
(3) Distribution Revenue not including Transformer Ownership Allowance, Total Revenue Requirement is \$187,327,073



Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2015 Filers

Tracking Form

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

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

⁽²⁾ Short description of change, issue, etc.

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

Summary of Proposed Changes

Reference ⁽¹⁾	Item / Description ⁽²⁾	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	\$ 64,531,274	6.14%	\$1,050,724,150	\$1,024,597,022	\$ 145,492,777	\$ 48,948,694	\$ 8,472,655	\$ 93,565,672	\$ 217,816,057	\$ 11,801,959	\$ 206,014,098	\$ 47,145,922
1 2020 Year		\$ 64,531,274	6.14%	\$1,050,724,150	\$1,024,597,022	\$ 145,492,777	\$ 48,948,694	\$ 8,472,655	\$ 93,565,672	\$ 217,816,057	\$ 11,801,959	\$ 206,014,098	\$ 47,145,922



Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2015 Filers



Version 5.00

Utility Name	Hydro Ottawa Limited
Service Territory	
Assigned EB Number	EB-2015-0004 (Year 2020)
Name and Title	April Barrie; Manager, Rates and Revenue
Phone Number	613-738-5499, ext 106
Email Address	RegulatoryAffairs@HydroOttawa.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.



Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2015 Filers

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[3. Data Input Sheet](#)

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[8. Rev Def Suff](#)

[9. Rev Req](#)

[10. Tracking Sheet](#)

Notes:

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



Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2015 Filers

Data Input ⁽¹⁾

	Initial Application	(2)	Adjustments	Settlement Agreement	(6)	Adjustments	Per Board Decision
1	Rate Base						
Gross Fixed Assets (average)	\$1,221,017,793		(\$55,656,231)	\$1,165,361,562	###		\$1,165,361,562
Accumulated Depreciation (average)	(\$275,019,996)	(5)	\$5,639,884	(\$269,380,112)	###		(\$269,380,112)
Allowance for Working Capital:							
Controllable Expenses	\$98,974,203		(\$9,335,140)	\$89,639,063			\$89,639,063
Cost of Power	\$945,198,501			\$945,198,501			\$945,198,501
Working Capital Rate (%)	14.20%	(9)		7.52%	(9)		7.52% (9)
2	Utility Income						
Operating Revenues:							
Distribution Revenue at Current Rates	\$159,356,002	(10)	\$2,167	\$159,358,169	###		
Distribution Revenue at Proposed Rates	\$212,531,699		(\$22,094,972)	\$190,436,727	###		
Other Revenue:							
Specific Service Charges	\$6,064,123		(\$2,550)	\$6,061,573	###		
Late Payment Charges	\$720,000		\$0	\$720,000			
Other Distribution Revenue	\$1,529,669		\$0	\$1,529,669			
Other Income and Deductions	\$3,584,041		\$0	\$3,584,041			
Total Revenue Offsets	\$11,897,833	(7)	(\$2,550)	\$11,895,283			
Operating Expenses:							
OM+A Expenses	\$96,601,878		(\$9,335,140)	\$87,266,738			\$87,266,738
Depreciation/Amortization	\$50,294,804		(\$911,284)	\$49,383,520			\$49,383,520
Property taxes	\$2,372,325		\$0	\$2,372,325			\$2,372,325
Other expenses							
3	Taxes/PILs						
Taxable Income:							
	(\$18,604,719)	(3)		(\$18,049,075)	14		
Adjustments required to arrive at taxable income							
Utility Income Taxes and Rates:							
Income taxes (not grossed up)	\$5,588,566			\$4,584,682	###		
Income taxes (grossed up)	\$7,587,145			\$6,237,663			
Federal tax (%)	15.00%			15.00%			
Provincial tax (%)	11.34%			11.50%			
Income Tax Credits	(\$233,500)			(\$118,500)			
4	Capitalization/Cost of Capital						
Capital Structure:							
Long-term debt Capitalization Ratio (%)	56.0%			56.0%			
Short-term debt Capitalization Ratio (%)	4.0%	(8)		4.0%	(8)		(8)
Common Equity Capitalization Ratio (%)	40.0%			40.0%			
Preferred Shares Capitalization Ratio (%)	0.0%			0.0%			
	100.0%			100.0%			
Cost of Capital							
Long-term debt Cost Rate (%)	4.23%			3.75%			
Short-term debt Cost Rate (%)	2.16%			2.16%			
Common Equity Cost Rate (%)	9.30%			9.19%	###		
Preferred Shares Cost Rate (%)	0.00%			0.00%			

Notes:

- General** Data inputs are required on Sheets 3. Data from Sheet 3 will automatically complete calculations on sheets 4 through 9 (Rate Base through Revenue Requirement). Sheets 4 through 9 do not require any inputs except for notes that the Applicant may wish to enter to support the results. Pale green cells are available on sheets 4 through 9 to enter both footnotes beside key cells and the related text for the notes at the bottom of each sheet.
- (1) All inputs are in dollars (\$) except where inputs are individually identified as percentages (%)
- (2) Data in column E is for Application as originally filed. For updated revenue requirement as a result of interrogatory responses, technical or settlement conferences, etc., use column M and Adjustments in column I
- (3) Net of addbacks and deductions to arrive at taxable income.
- (4) Average of Gross Fixed Assets at beginning and end of the Test Year
- (5) Average of Accumulated Depreciation at the beginning and end of the Test Year. Enter as a negative amount.
- (6) Select option from drop-down list by clicking on cell M10. This column allows for the application update reflecting the end of discovery or Argument-in-Chief. Also, the outcome of any Settlement Process can be reflected.
- (7) Input total revenue offsets for deriving the base revenue requirement from the service revenue requirement
- (8) 4.0% unless an Applicant has proposed or been approved for another amount.
- (9) Starting with 2013, default Working Capital Allowance factor is 13% (of Cost of Power plus controllable expenses). Alternatively, WCA factor based on lead-lag study or approved WCA factor for another distributor, with supporting rationale.
- (10) Revenue at current rates minus Transformer Ownership Allowance
- (11) Distribution Revenue not including Transformer Ownership Allowance, Total Revenue Requirement is \$191,542,089, number reflects amended settlement agreement.
- (12) Gross Fixed Assets (average) and Accumulated Depreciation (average) - Updated for 2014 Actuals and flow through 2016 through 2020, Per Settlement Removal of new
- (13) Correction - To include Sentinel Light Variable Charge
- (14) PILs - Update per (12); Ontario Apprenticeship Tax Credit program legislative changes; Ontario Small Business Deduction Correction; Charitable Contributions Correction,
- (15) Removal of missed appointment charge
- (16) Changes per settlement agreement, including using April 2015 consensus long-term forecast
- (17) Updated per October 2015 Deemed ROE, Also related to note (9) Settled Working Capital Rate



Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2015 Filers

Rate Base and Working Capital

Line No.	Particulars		Initial Application	Adjustments	Settlement Agreement	Adjustments	Per Board Decision
1	Gross Fixed Assets (average)	(3)	\$1,221,017,793	(\$55,656,231)	\$1,165,361,562	\$ -	\$1,165,361,562
2	Accumulated Depreciation (average)	(3)	(\$275,019,996)	\$5,639,884	(\$269,380,112)	\$ -	(\$269,380,112)
3	Net Fixed Assets (average)	(3)	\$945,997,797	(\$50,016,346)	\$895,981,450	\$ -	\$895,981,450
4	Allowance for Working Capital	(1)	\$148,272,524	(\$70,452,739)	\$77,819,785	\$ -	\$77,819,785
5	Total Rate Base		\$1,094,270,321	#####	\$973,801,235	\$ -	\$973,801,235

(1) Allowance for Working Capital - Derivation

6	Controllable Expenses		\$98,974,203	(\$9,335,140)	\$89,639,063	\$ -	\$89,639,063
7	Cost of Power		\$945,198,501	\$ -	\$945,198,501	\$ -	\$945,198,501
8	Working Capital Base		\$1,044,172,704	(\$9,335,140)	\$1,034,837,564	\$ -	\$1,034,837,564
9	Working Capital Rate %	(2)	14.20%	-6.68%	7.52%	0.00%	7.52%
10	Working Capital Allowance		\$148,272,524	(\$70,452,739)	\$77,819,785	\$ -	\$77,819,785

Notes

- (2) Some Applicants may have a unique rate as a result of a lead-lag study. The default rate for 2014 cost of service applications is 13%.
(3) Average of opening and closing balances for the year.



Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2015 Filers

Utility Income

Line No.	Particulars	Initial Application	Adjustments	Settlement Agreement	Adjustments	Per Board Decision
	Operating Revenues:					
1	Distribution Revenue (at Proposed Rates)	\$212,531,699	(\$22,094,972)	\$190,436,727	\$ -	\$190,436,727
2	Other Revenue (1)	\$11,897,833	(\$2,550)	\$11,895,283	\$ -	\$11,895,283
3	Total Operating Revenues	\$224,429,532	(\$22,097,522)	\$202,332,010	\$ -	\$202,332,010
	Operating Expenses:					
4	OM+A Expenses	\$96,601,878	(\$9,335,140)	\$87,266,738	\$ -	\$87,266,738
5	Depreciation/Amortization	\$50,294,804	(\$911,284)	\$49,383,520	\$ -	\$49,383,520
6	Property taxes	\$2,372,325	\$ -	\$2,372,325	\$ -	\$2,372,325
7	Capital taxes	\$ -	\$ -	\$ -	\$ -	\$ -
8	Other expense	\$ -	\$ -	\$ -	\$ -	\$ -
9	Subtotal (lines 4 to 8)	\$149,269,006	(\$10,246,424)	\$139,022,583	\$ -	\$139,022,583
10	Deemed Interest Expense	\$26,866,525	(\$5,591,695)	\$21,274,830	\$2,633,938	\$23,908,768
11	Total Expenses (lines 9 to 10)	\$176,135,531	(\$15,838,118)	\$160,297,413	\$2,633,938	\$162,931,351
12	Utility income before income taxes	\$48,294,001	(\$6,259,404)	\$42,034,597	(\$2,633,938)	\$39,400,659
13	Income taxes (grossed-up)	\$7,587,145	(\$1,349,482)	\$6,237,663	\$ -	\$6,237,663
14	Utility net income	\$40,706,856	(\$4,909,923)	\$35,796,933	(\$2,633,938)	\$33,162,996

Notes

Other Revenues / Revenue Offsets

(1)	Specific Service Charges	\$6,064,123	(\$2,550)	\$6,061,573		\$6,061,573
	Late Payment Charges	\$720,000	\$ -	\$720,000		\$720,000
	Other Distribution Revenue	\$1,529,669	\$ -	\$1,529,669		\$1,529,669
	Other Income and Deductions	\$3,584,041	\$ -	\$3,584,041		\$3,584,041
	Total Revenue Offsets	\$11,897,833	(\$2,550)	\$11,895,283	\$ -	\$11,895,283



Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2015 Filers

Taxes/PILs

Line No.	Particulars	Application	Settlement Agreement	Per Board Decision
Determination of Taxable Income				
1	Utility net income before taxes	\$40,706,856	\$35,796,933	\$36,225,406
2	Adjustments required to arrive at taxable utility income	(\$18,604,719)	(\$18,049,075)	(\$18,604,719)
3	Taxable income	<u>\$22,102,137</u>	<u>\$17,747,858</u>	<u>\$17,620,687</u>
Calculation of Utility income Taxes				
4	Income taxes	\$5,588,566	\$4,584,682	\$4,584,682
6	Total taxes	<u>\$5,588,566</u>	<u>\$4,584,682</u>	<u>\$4,584,682</u>
7	Gross-up of Income Taxes	\$1,998,579	\$1,652,981	\$1,652,981
8	Grossed-up Income Taxes	<u>\$7,587,145</u>	<u>\$6,237,663</u>	<u>\$6,237,663</u>
9	PILs / tax Allowance (Grossed-up Income taxes + Capital taxes)	<u>\$7,587,145</u>	<u>\$6,237,663</u>	<u>\$6,237,663</u>
10	Other tax Credits	(\$233,500)	(\$118,500)	(\$118,500)
Tax Rates				
11	Federal tax (%)	15.00%	15.00%	15.00%
12	Provincial tax (%)	11.34%	11.50%	11.50%
13	Total tax rate (%)	<u>26.34%</u>	<u>26.50%</u>	<u>26.50%</u>

Notes



Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2015 Filers

Capitalization/Cost of Capital

Line No.	Particulars	Capitalization Ratio		Cost Rate	Return
Initial Application					
		(%)	(\$)	(%)	(\$)
	Debt				
1	Long-term Debt	56.00%	\$612,791,380	4.23%	\$25,921,075
2	Short-term Debt	4.00%	\$43,770,813	2.16%	\$945,450
3	Total Debt	60.00%	\$656,562,192	4.09%	\$26,866,525
Equity					
4	Common Equity	40.00%	\$437,708,128	9.30%	\$40,706,856
5	Preferred Shares	0.00%	\$ -	0.00%	\$ -
6	Total Equity	40.00%	\$437,708,128	9.30%	\$40,706,856
7	Total	100.00%	\$1,094,270,321	6.18%	\$67,573,381
Settlement Agreement					
		(%)	(\$)	(%)	(\$)
	Debt				
1	Long-term Debt	56.00%	\$545,328,692	3.75%	\$20,433,466
2	Short-term Debt	4.00%	\$38,952,049	2.16%	\$841,364
3	Total Debt	60.00%	\$584,280,741	3.64%	\$21,274,830
Equity					
4	Common Equity	40.00%	\$389,520,494	9.19%	\$35,796,933
5	Preferred Shares	0.00%	\$ -	0.00%	\$ -
6	Total Equity	40.00%	\$389,520,494	9.19%	\$35,796,933
7	Total	100.00%	\$973,801,235	5.86%	\$57,071,764
Per Board Decision					
		(%)	(\$)	(%)	(\$)
	Debt				
8	Long-term Debt	56.00%	\$545,328,692	4.23%	\$23,067,404
9	Short-term Debt	4.00%	\$38,952,049	2.16%	\$841,364
10	Total Debt	60.00%	\$584,280,741	4.09%	\$23,908,768
Equity					
11	Common Equity	40.00%	\$389,520,494	9.30%	\$36,225,406
12	Preferred Shares	0.00%	\$ -	0.00%	\$ -
13	Total Equity	40.00%	\$389,520,494	9.30%	\$36,225,406
14	Total	100.00%	\$973,801,235	6.18%	\$60,134,174

Notes

(1) Data in column E is for Application as originally filed. For updated revenue requirement as a result of interrogatory responses, technical or settlement conferences, etc., use column M and Adjustments in column I



Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2015 Filers

Revenue Deficiency/Sufficiency

Line No.	Particulars	Initial Application		Settlement Agreement		Per Board Decision	
		At Current Approved Rates	At Proposed Rates	At Current Approved Rates	At Proposed Rates	At Current Approved Rates	At Proposed Rates
1	Revenue Deficiency from Below		\$53,175,698		\$31,078,558		\$34,295,451
2	Distribution Revenue	\$159,356,002	\$159,356,002	\$159,358,169	\$159,358,169	\$159,358,169	\$156,141,276
3	Other Operating Revenue	\$11,897,833	\$11,897,833	\$11,895,283	\$11,895,283	\$11,895,283	\$11,895,283
4	Offsets - net						
4	Total Revenue	\$171,253,835	\$224,429,532	\$171,253,452	\$202,332,010	\$171,253,452	\$202,332,010
5	Operating Expenses	\$149,269,006	\$149,269,006	\$139,022,583	\$139,022,583	\$139,022,583	\$139,022,583
6	Deemed Interest Expense	\$26,866,525	\$26,866,525	\$21,274,830	\$21,274,830	\$23,908,768	\$23,908,768
8	Total Cost and Expenses	\$176,135,531	\$176,135,531	\$160,297,413	\$160,297,413	\$162,931,351	\$162,931,351
9	Utility Income Before Income Taxes	(\$4,881,697)	\$48,294,001	\$10,956,039	\$42,034,597	\$8,322,101	\$39,400,659
10	Tax Adjustments to Accounting Income per 2013 PILs model	(\$18,604,719)	(\$18,604,719)	(\$18,049,075)	(\$18,049,075)	(\$18,049,075)	(\$18,049,075)
11	Taxable Income	(\$23,486,415)	\$29,689,282	(\$7,093,036)	\$23,985,522	(\$9,726,974)	\$21,351,584
12	Income Tax Rate	26.34%	26.34%	26.50%	26.50%	26.50%	26.50%
13	Income Tax on Taxable Income	(\$6,186,708)	\$7,820,645	(\$1,879,655)	\$6,356,163	(\$2,577,648)	\$5,658,170
14	Income Tax Credits	(\$233,500)	(\$233,500)	(\$118,500)	(\$118,500)	(\$118,500)	(\$118,500)
15	Utility Net Income	\$1,538,511	\$40,706,856	\$12,954,193	\$35,796,933	\$11,018,249	\$33,162,996
16	Utility Rate Base	\$1,094,270,321	\$1,094,270,321	\$973,801,235	\$973,801,235	\$973,801,235	\$973,801,235
17	Deemed Equity Portion of Rate Base	\$437,708,128	\$437,708,128	\$389,520,494	\$389,520,494	\$389,520,494	\$389,520,494
18	Income/(Equity Portion of Rate Base)	0.35%	9.30%	3.33%	9.19%	2.83%	8.51%
19	Target Return - Equity on Rate Base	9.30%	9.30%	9.19%	9.19%	9.30%	9.30%
20	Deficiency/Sufficiency in Return on Equity	-8.95%	0.00%	-5.86%	0.00%	-6.47%	-0.79%
21	Indicated Rate of Return	2.60%	6.18%	3.51%	5.86%	3.59%	5.86%
22	Requested Rate of Return on Rate Base	6.18%	6.18%	5.86%	5.86%	6.18%	6.18%
23	Deficiency/Sufficiency in Rate of Return	-3.58%	0.00%	-2.35%	0.00%	-2.59%	-0.31%
24	Target Return on Equity	\$40,706,856	\$40,706,856	\$35,796,933	\$35,796,933	\$36,225,406	\$36,225,406
25	Revenue Deficiency/(Sufficiency)	\$39,168,345	\$0	\$22,842,740	\$0	\$25,207,157	(\$3,062,410)
26	Gross Revenue	\$53,175,698	(1)	\$31,078,558	(1)	\$34,295,451	(1)
	Deficiency/(Sufficiency)						

Notes:

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



Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2015 Filers

Revenue Requirement

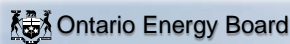
Line No.	Particulars	Application	Settlement Agreement	Per Board Decision
1	OM&A Expenses	\$96,601,878	\$87,266,738	\$87,266,738
2	Amortization/Depreciation	\$50,294,804	\$49,383,520	\$49,383,520
3	Property Taxes	\$2,372,325	\$2,372,325	\$2,372,325
5	Income Taxes (Grossed up)	\$7,587,145	\$6,237,663	\$6,237,663
6	Other Expenses	\$ -		
7	Return			
	Deemed Interest Expense	\$26,866,525	\$21,274,830	\$23,908,768
	Return on Deemed Equity	\$40,706,856	\$35,796,933	\$36,225,406
8	Service Revenue Requirement (before Revenues)	<u>\$224,429,532</u>	<u>\$202,332,010</u>	<u>\$205,394,420</u>
9	Revenue Offsets	\$11,897,833	\$11,895,283	\$ -
10	Base Revenue Requirement (excluding Transformer Ownership Allowance credit adjustment)	<u>\$212,531,699</u>	<u>\$190,436,727</u>	<u>\$205,394,420</u>
11	Distribution revenue	\$212,531,699 (2)	\$190,436,727 (3)	\$190,436,727
12	Other revenue	\$11,897,833	\$11,895,283	\$11,895,283
13	Total revenue	<u>\$224,429,532</u>	<u>\$202,332,010</u>	<u>\$202,332,010</u>
14	Difference (Total Revenue Less Distribution Revenue Requirement before Revenues)	<u>\$0 (1)</u>	<u>\$0 (1)</u>	<u>(\$3,062,410) (1)</u>

Notes

(1) Line 11 - Line 8

(2) Distribution Revenue not including Transformer Ownership Allowance, Total Revenue Requirement is \$213,637,062

(3) Distribution Revenue not including Transformer Ownership Allowance, Total Revenue Requirement is \$191,542,089



Revenue Requirement Workform (RRWF) for 2015 Filers

Tracking Form

The last row shown is the most current estimate of the cost of service data reflecting the original application and any updates provided by the applicant distributor (for updated evidence, responses to interrogatories, undertakings, etc.)

Please ensure a Reference (Column B) and/or Item Description (Column C) is entered. Please note that unused rows will automatically be hidden and the PRINT AREA set when the PRINT BUTTON on Sheet 1 is activated.

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

⁽²⁾ Short description of change, issue, etc.

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

Summary of Proposed Changes

Reference ⁽¹⁾	Item / Description ⁽²⁾	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	\$ 67,573,381	6.18%	\$1,094,270,321	\$1,044,172,704	\$ 148,272,524	\$ 50,294,804	\$ 7,587,145	\$ 96,601,878	\$ 224,429,532	\$ 11,897,833	\$ 212,531,699	\$ 53,175,698
1 2020 Year		\$ 67,573,381	6.18%	\$1,094,270,321	\$1,044,172,704	\$ 148,272,524	\$ 50,294,804	\$ 7,587,145	\$ 96,601,878	\$ 224,429,532	\$ 11,897,833	\$ 224,429,532	\$ 53,175,698