



**Entegrus Powerlines Inc.**  
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Phone: (519) 352-6300  
Toll Free: 1-866-804-7325  
*entegrus.com*

November 6, 2015

Ms. Kirsten Walli  
Ontario Energy Board  
PO Box 2319  
27th Floor, 2300 Yonge Street  
Toronto, Ontario M4P 1E4

**Re: 2016 Cost of Service Application, Presentation Day Presentation**  
**Board File No.: EB-2015-0061**

Dear Ms. Walli,

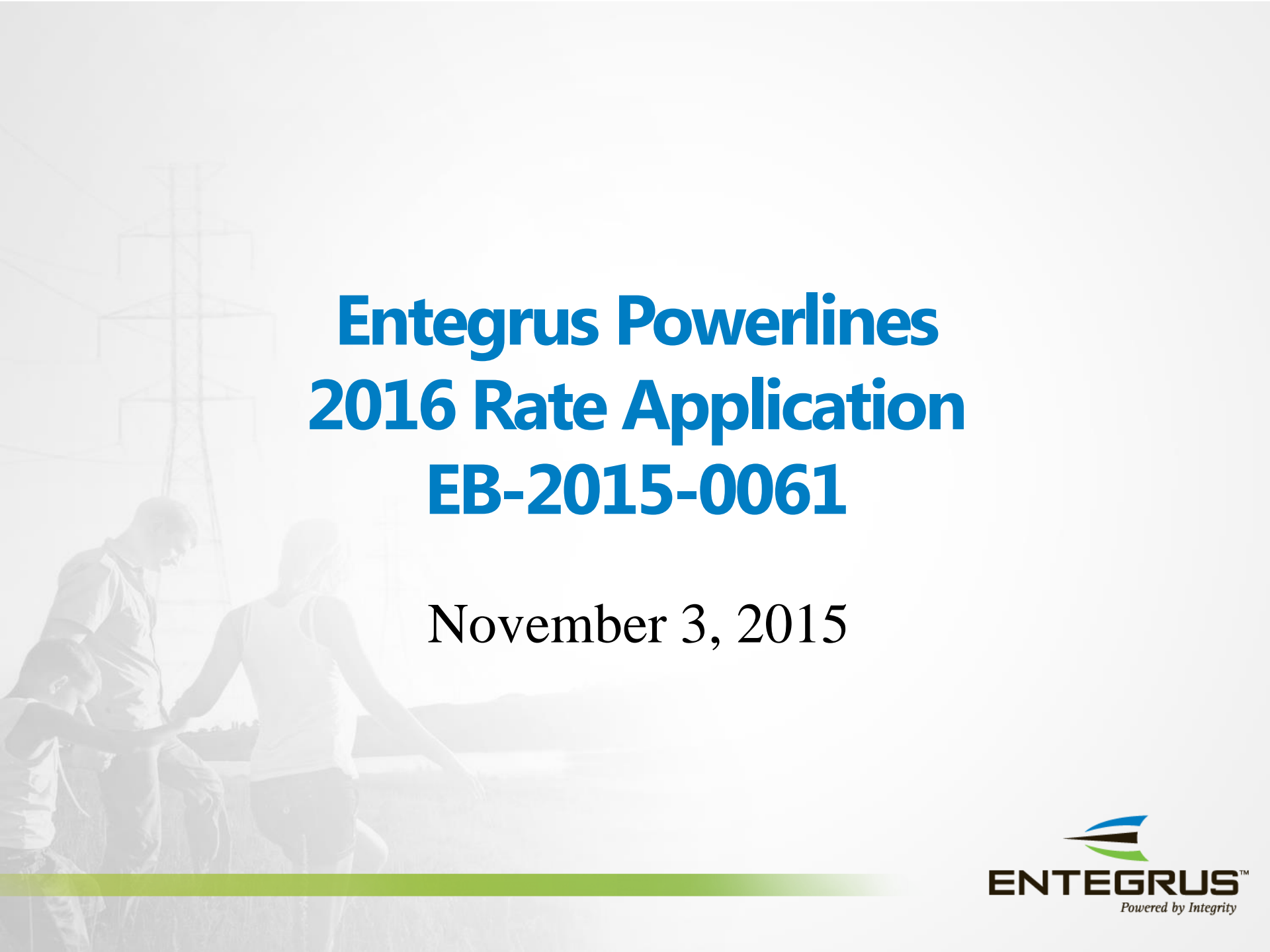
Please find enclosed Entegrus Powerlines Inc.'s presentation from the Presentation Day at the Ontario Energy Board offices on Tuesday November 3<sup>rd</sup>, 2015.

If you have any further questions, please do not hesitate to contact me at (519) 352-6300 Ext 243 or via email at [andrya.eagen@entegrus.com](mailto:andrya.eagen@entegrus.com).

Regards,

*[Original Signed By]*

Andrya Eagen  
Senior Regulatory Specialist  
Phone: 519-352-6300 Ext 243  
Email: [andrya.eagen@entegrus.com](mailto:andrya.eagen@entegrus.com)



# **Entegrus Powerlines 2016 Rate Application EB-2015-0061**

November 3, 2015

# Agenda

- 1. The Evolution of Entegrus and the RRFE**  
*(Jim Hogan, President & CEO)*
- 2. The Entegrus Distribution System Plan**  
*(Dan Charron, VP Engineering & Asset Management)*
- 3. The Entegrus Rate Application**  
*(Chris Cowell, CFO & VP Administration)*

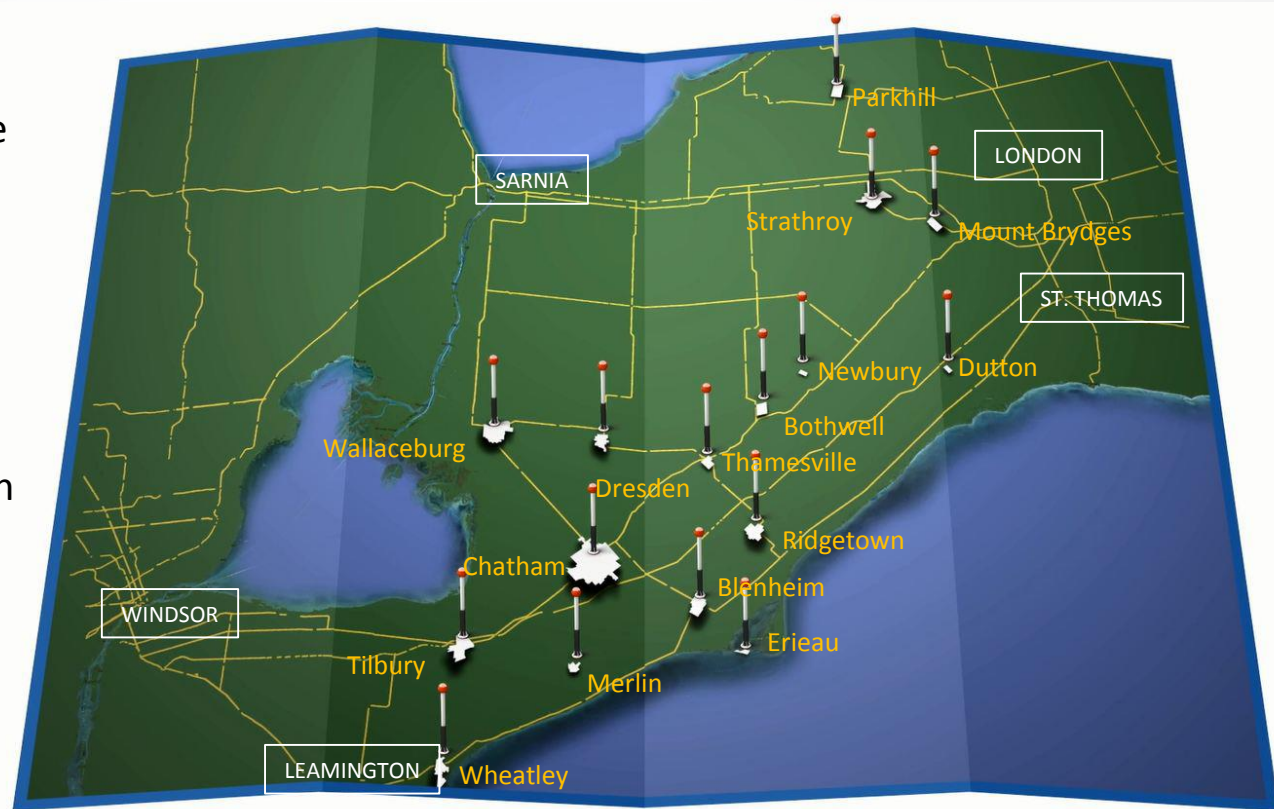
# The Evolution of Entegrus



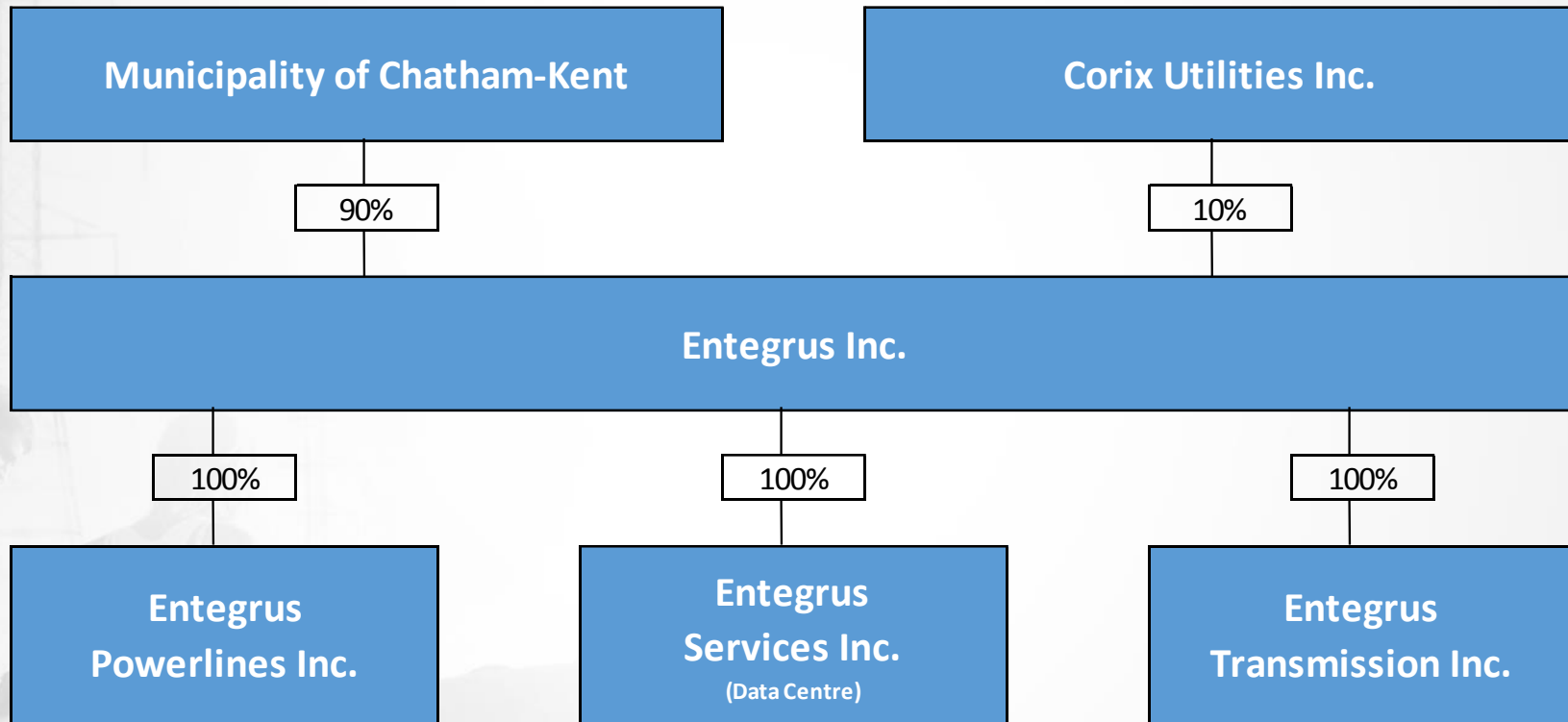
Jim Hogan  
*President & CEO*

# The Entegrus Powerlines Service Territory

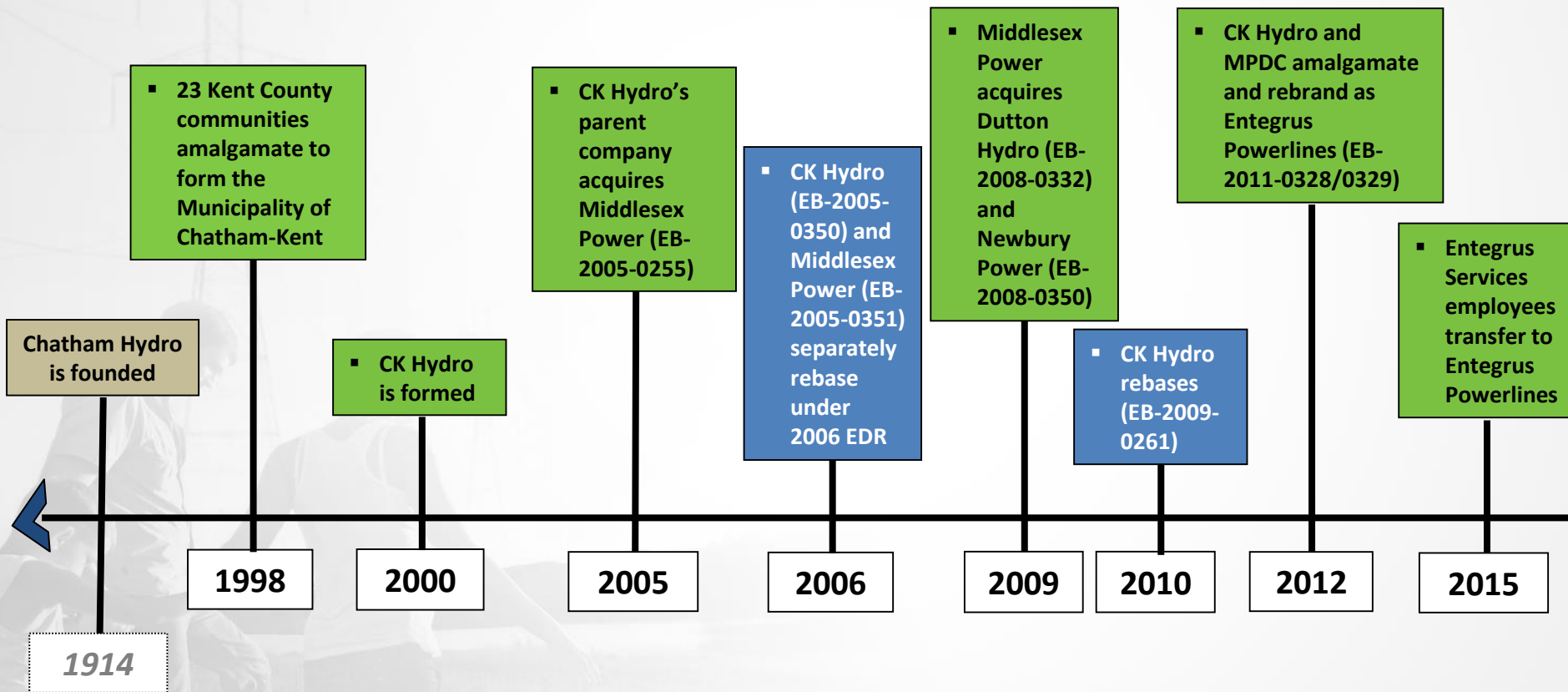
- EPI is the amalgamation of the following legacy utilities:
  - Chatham-Kent Hydro
  - Middlesex Power
  - Dutton Hydro
  - Newbury Power
- EPI serves 40,000 customers in 16 communities
- The EPI service territory encompasses 96 square km, spread over 5,000 square km



# The Entegrus Organization



# The Evolution of Entegrus Powerlines



# The Entegrus 2014 Scorecard

Performance Outcomes	Performance Categories	Measures	2010	2011	2012	2013	2014	Trend	Target	
									Industry	Distributor
<b>Customer Focus</b>  Services are provided in a manner that responds to identified customer preferences.	Service Quality	New Residential/Small Business Services Connected on Time	97.60%	93.80%	92.00%	97.00%	98.80%	⬆️	90.00%	
		Scheduled Appointments Met On Time	100.00%	96.70%	99.00%	99.40%	98.00%	⬆️	90.00%	
		Telephone Calls Answered On Time	67.00%	68.80%	95.90%	77.40%	72.70%	⬆️	65.00%	
	Customer Satisfaction	First Contact Resolution					76%			
		Billing Accuracy					99.73%	↔️	98.00%	
		Customer Satisfaction Survey Results					92%			
<b>Operational Effectiveness</b>  Continuous improvement in productivity and cost performance is achieved; and distributors deliver on system reliability and quality objectives.	Safety	Level of Public awareness [measure to be determined]								
		Level of Compliance with Ontario Regulation 22/04	NI	NI	C	C	C	⬆️		C
		Serious Electrical Incident Index	0	0	0	0	0	↔️		0
		Number of General Public Incidents Rate per 10, 100, 1000 km of line	0.000	0.000	0.000	0.000	0.000	↔️		0.000
	System Reliability	Average Number of Hours that Power to a Customer is Interrupted	1.33	0.88	1.18	1.23	1.31	⬆️		at least within 0.88 - 1.33
		Average Number of Times that Power to a Customer is Interrupted	0.91	0.72	0.97	0.94	0.84	⬆️		at least within 0.72 - 0.97
	Asset Management	Distribution System Plan Implementation Progress					80%			
	Cost Control	Efficiency Assessment			2	2	2			
		Total Cost per Customer <sup>1</sup>	\$507	\$517	\$495	\$531	\$533			
		Total Cost per Km of Line <sup>1</sup>	\$20,075	\$21,921	\$20,765	\$22,407	\$22,585			
<b>Public Policy Responsiveness</b>  Distributors deliver on obligations mandated by government (e.g., in legislation and in regulatory requirements imposed further to Ministerial directives to the Board).	Conservation & Demand Management	Net Annual Peak Demand Savings (Percent of target achieved) <sup>2</sup>		13.17%	15.95%	26.60%	53.12%	🔴		12.12MW
		Net Cumulative Energy Savings (Percent of target achieved)		21.91%	60.49%	81.11%	109.16%	🟢		46.53GWh
	Connection of Renewable Generation	Renewable Generation Connection Impact Assessments Completed On Time		60.00%	60.00%		100.00%			
		New Micro-embedded Generation Facilities Connected On Time				100.00%	100.00%		90.00%	
<b>Financial Performance</b>  Financial viability is maintained; and savings from operational effectiveness are sustainable.	Financial Ratios	Liquidity: Current Ratio (Current Assets/Current Liabilities)	1.40	1.35	1.19	1.16	1.61			
		Leverage: Total Debt (Includes short-term and long-term debt) to Equity Ratio	1.31	1.27	1.28	1.22	1.44			
		Profitability: Regulatory Return on Equity			9.85%	9.85%	9.85%			
		Deemed (included in rates) Achieved			7.61%	7.61%	10.20%			

## Notes:

- These figures were generated by the Board based on the total cost benchmarking analysis conducted by Pacific Economics Group Research, LLC and based on the distributor's annual reported information.
- The Conservation & Demand Management net annual peak demand savings include any persisting peak demand savings from the previous years.

Legend: ⬆️ up ⬆️ down ↔️ flat  
 🟢 target met 🔴 target not met

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# OEB 2015 Efficiency Rankings

← More Efficient		Less Efficient →			
Group I	Group II	Group III	Group IV	Group V	
Stretch Factor = 0%	Stretch Factor = 0.15%	Stretch Factor = 0.30%	Stretch Factor = 0.45%	Stretch Factor = 0.60%	
E.L.K. Energy Inc. Halton Hills Hydro Inc. Hearst Power Distribution Company Limited Hydro Hawkesbury Inc. Northern Ontario Wires Inc. Wasaga Distribution Inc.	Cooperative Hydro Embrun Inc. Enersource Hydro Mississauga Inc. <b>Entegrus Powerlines</b> Espanola Regional Hydro Dist Corp Essex Powerlines Corporation Grimsby Power Incorporated Haldimand County Hydro Inc. Kitchener Lakefront Utilities Inc. London Hydro Inc. Milton Hydro Distribution Inc. Newmarket Oshawa PUC Networks Inc. Welland Hydro-Electric System Corp.	Bluewater Power Distribution Corporation Brantford Power Inc. Brant County Power Inc. Burlington Hydro Inc. Cambridge And North Dumfries Hydro Inc. Centre Wellington Hydro Ltd. Collus Power Corporation Erie Thames Powerlines Corporation Fort Frances Power Corporation Guelph Hydro Electric Systems Inc. Horizon Utilities Corporation Hydro 2000 Inc. Hydro One Brampton Networks Inc. Hydro Ottawa Limited Innisfil Hydro Distribution Systems Limited Kenora Hydro Electric Corporation Ltd. Kingston Hydro Corporation Lakeland Power Distribution Ltd.	Niagara Peninsula Energy Inc. Niagara-On-The-Lake Hydro Inc. Norfolk Power Distribution Inc. North Bay Hydro Distribution Limited Orangeville Hydro Limited Orillia Power Distribution Corporation Ottawa River Power Corporation Powerstream Inc. Rideau St. Lawrence Distribution Inc. Sioux Lookout Hydro Inc. St. Thomas Energy Inc. Thunder Bay Hydro Electricity Distribution Veridian Connections Inc. Waterloo North Hydro Inc. Westario Power Inc. Whitby Hydro Electric Corporation	Atikokan Hydro Inc. Canadian Niagara Power Inc. Chapleau Public Utilities Corporation Enwin Utilities Ltd. Festival Hydro Inc. Greater Sudbury Hydro Inc. Midland Power Utility Corporation Oakville Hydro Electricity Distribution Inc. Peterborough Distribution Incorporated PUC Distribution Inc. Renfrew Hydro Inc. Tillsonburg Hydro Inc. Wellington North Power Inc.	Algoma Power Inc. Hydro One Networks Inc. Toronto Hydro-Electric System Limited West Coast Huron Energy Inc. Woodstock Hydro Services Inc.

The Ontario Energy Board annually ranks the province's 70+ utilities in terms of cost efficiency. For 2015, Entegrus was once again recognized in Group II, which represents utilities with total costs 10%-25% below predicted levels.

# The Entegrus Strategy



## Vision:

To be an industry leader in all we do

## Mission:

To provide safe, reliable delivery of electricity and related services, in an environmentally and fiscally responsible manner. To provide exceptional service to our customers, support to the communities we serve and rewarding growth opportunities for our employees.

### Safety

Safety first  
in everything we do

*To have zero lost time  
injuries each year*

### Inspired & Empowered People

Having a workforce of inspired  
and empowered people  
who are passionate about their  
jobs

*Achieve year-over-year  
improvement in employee  
satisfaction survey results*

### Customer & Community Focus

Exceeding the needs of our  
customers and the communities  
we serve, by having a customer  
and community focus

*Achieve year-over-year  
improvement in customer  
satisfaction survey results*

### Operational Excellence

Achieving operational  
excellence by always striving  
for continuous improvement

*Achieve year-over-year reduction  
in the average number of hours per  
customer that power is interrupted  
(SAIDI score)*

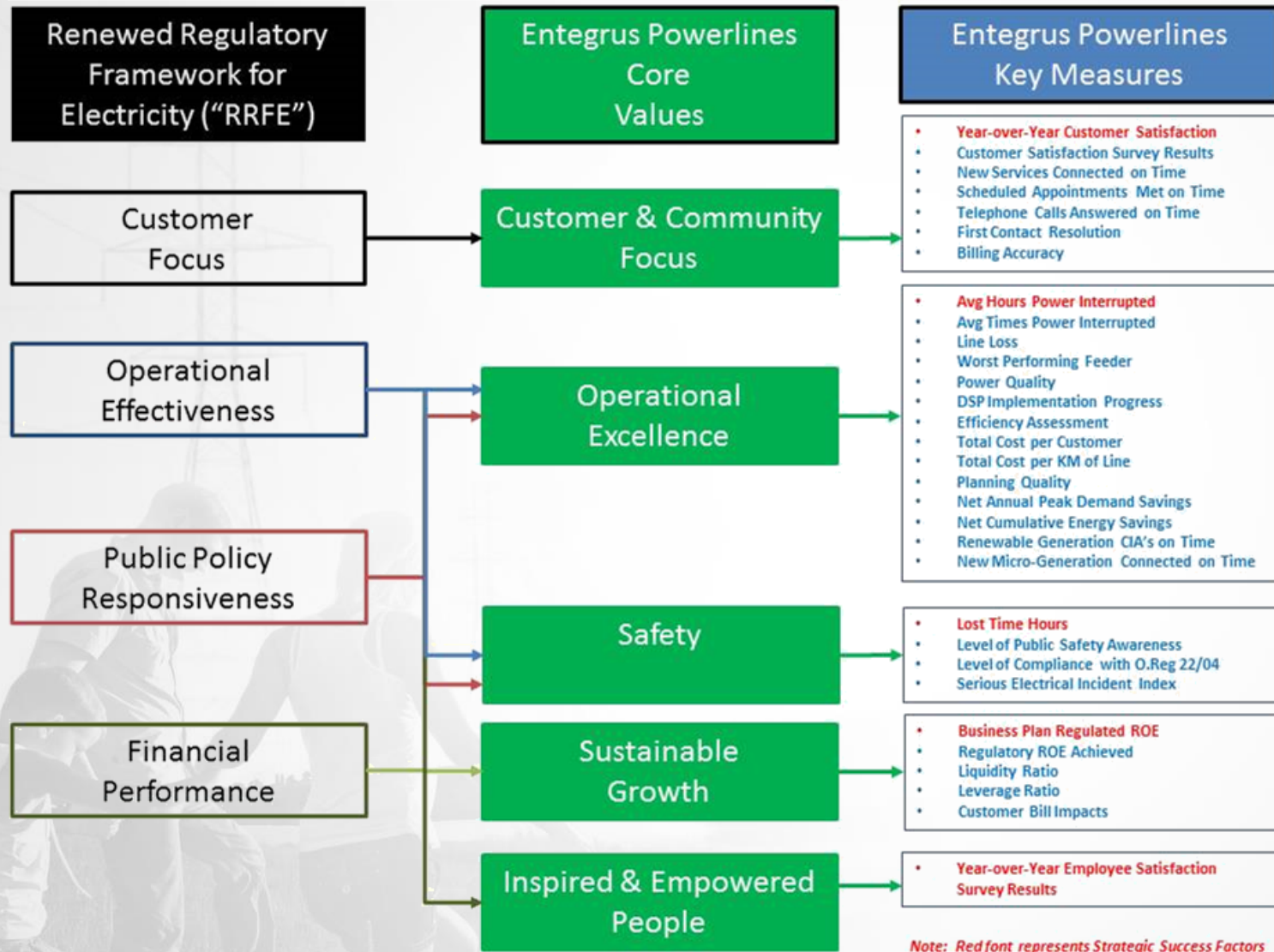
### Sustainable Growth

Delivering sustainable  
growth for our  
stakeholders through  
wise investments

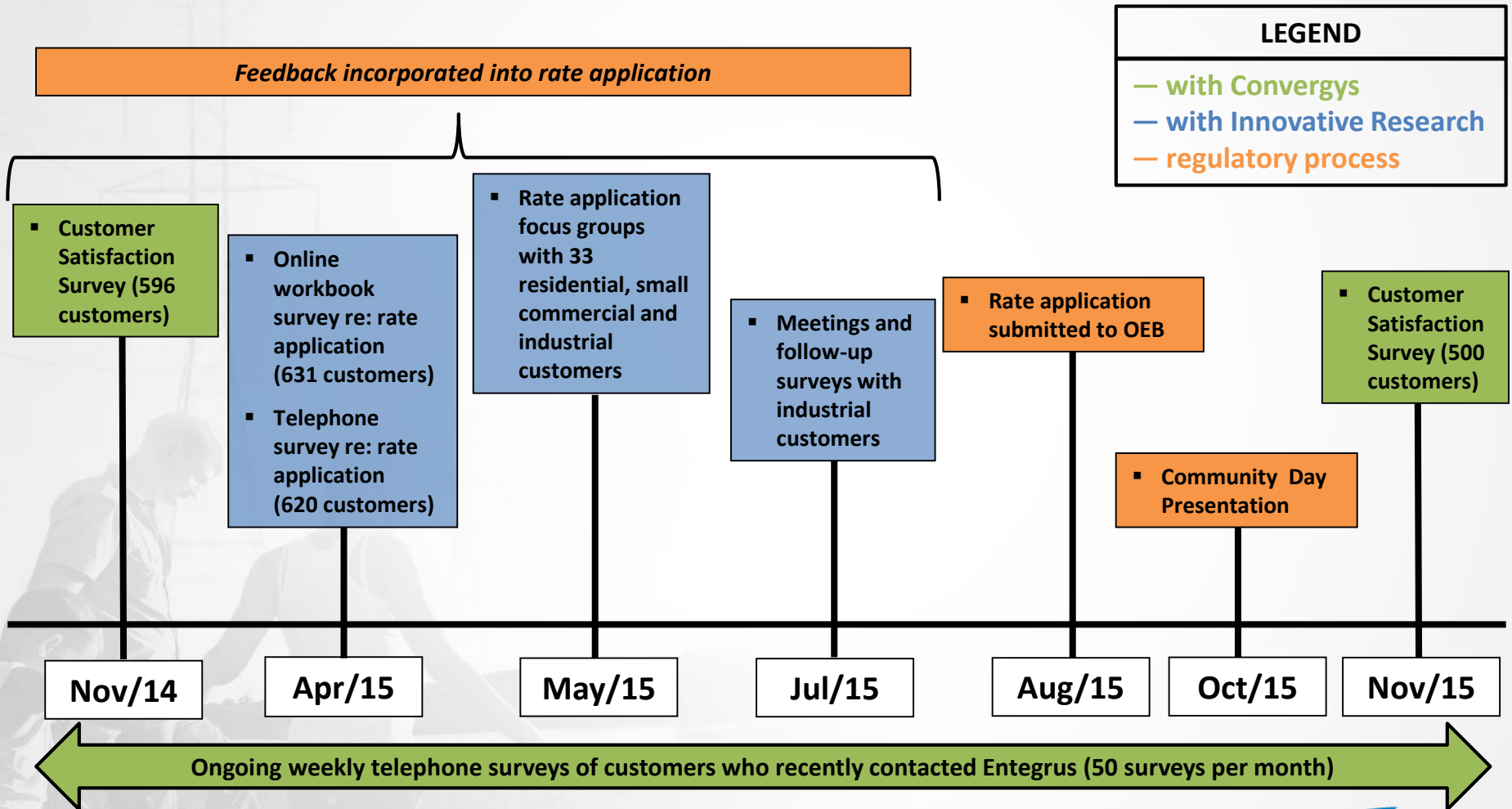
*Meet or exceed the annual  
business plan ROE targets*

## Values

# Alignment: EPI Core Values and the RRFE



# Entegrus Customer Engagement

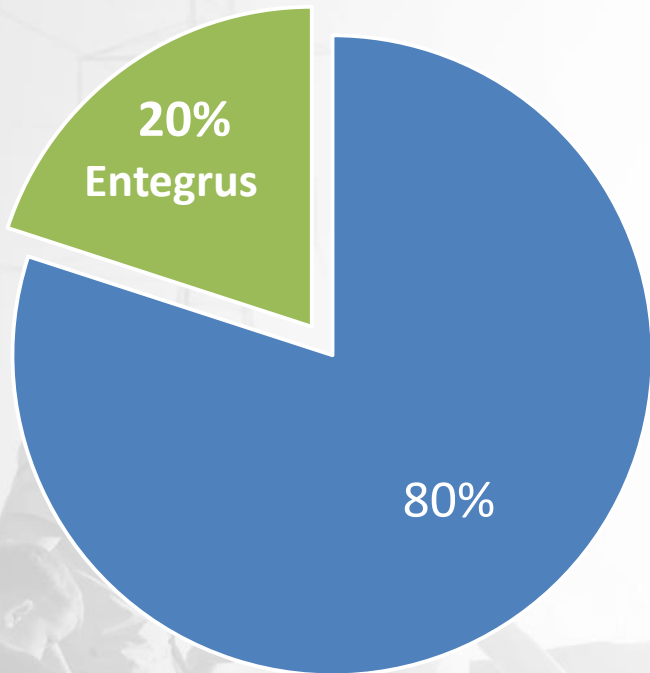


# Summary of Customer Engagement Findings

1. *Focus on Affordable Distribution Rates*
2. *Focus on Improving Reliability and Reducing Outages*
3. *Enhance Customer Communication*

# Affordable Distribution Rates

**Response: Minimize impact of rising commodity costs**



- Continue to minimize costs where possible
- Leverage IFRS conversion to reduce rates where possible
- Harmonize rates across all legacy rate zones

# Improve Reliability and Reduce Outages


## Response: Validation of Distribution System Plan

- In 2013, EPI commenced work on a comprehensive Distribution System Plan with METSCO
- METSCO assisted EPI in establishing a formalized risk-based asset management plan based on international engineering standards
- The DSP was based on Chapter 5 Filing Requirements and was finalized in 2015



# Enhancing Customer Communication

## Response: Invest in Improvements



<b>1. Customer Energy Literacy Tools</b>	<ul style="list-style-type: none"><li>• Improve website content</li><li>• Add more educational on-line videos</li></ul>
<b>2. Customer Outage Information</b>	<ul style="list-style-type: none"><li>• Expand outage communication with geographic outage mapping</li></ul>
<b>3. The Customer Phone Experience</b>	<ul style="list-style-type: none"><li>• Continue bi-weekly surveys of those customers who call us</li><li>• Open on-line results portal for CSRs</li></ul>
<b>4. The Customer Self Service Experience</b>	<ul style="list-style-type: none"><li>• Enhance and expand existing tools</li><li>• Create more awareness of web tools and options</li></ul>

# Enhancing Customer Communication: Proposed Rate Harmonization (23→8)

Rate Class - Current	Rate Class – Harmonization Plan	Current Rate Zone (Legacy Utility) & Customers			
		Chatham-Kent Hydro	Middlesex Power (Strathroy, Mt. Brydges & Parkhill)	Dutton Hydro	Newbury Power
Residential	Residential	28,799	6,505	542	170
GS < 50 kW	GS < 50 kW	3,087	663	89	33
GS > 50 kW – 999 kW	GS > 50 kW to 4,999 kW	381	-	-	-
GS > 50 kW to 4,999 kW		-	97	-	4
Intermediate >= 1,000 kW		13	-	-	-
Intermediate with Self Gen		1	-	-	-
Large Use (>= 5,000 kW)	Large Use	-	1	-	-
Unmetered Scattered Load	Unmetered Scattered Load	199	52	-	-
Sentinel Lighting	Sentinel Lighting	440	52	1	-
Street Lighting	Street Lighting	1	2	1	1
n/a	Embedded Distribution	1	-	-	-

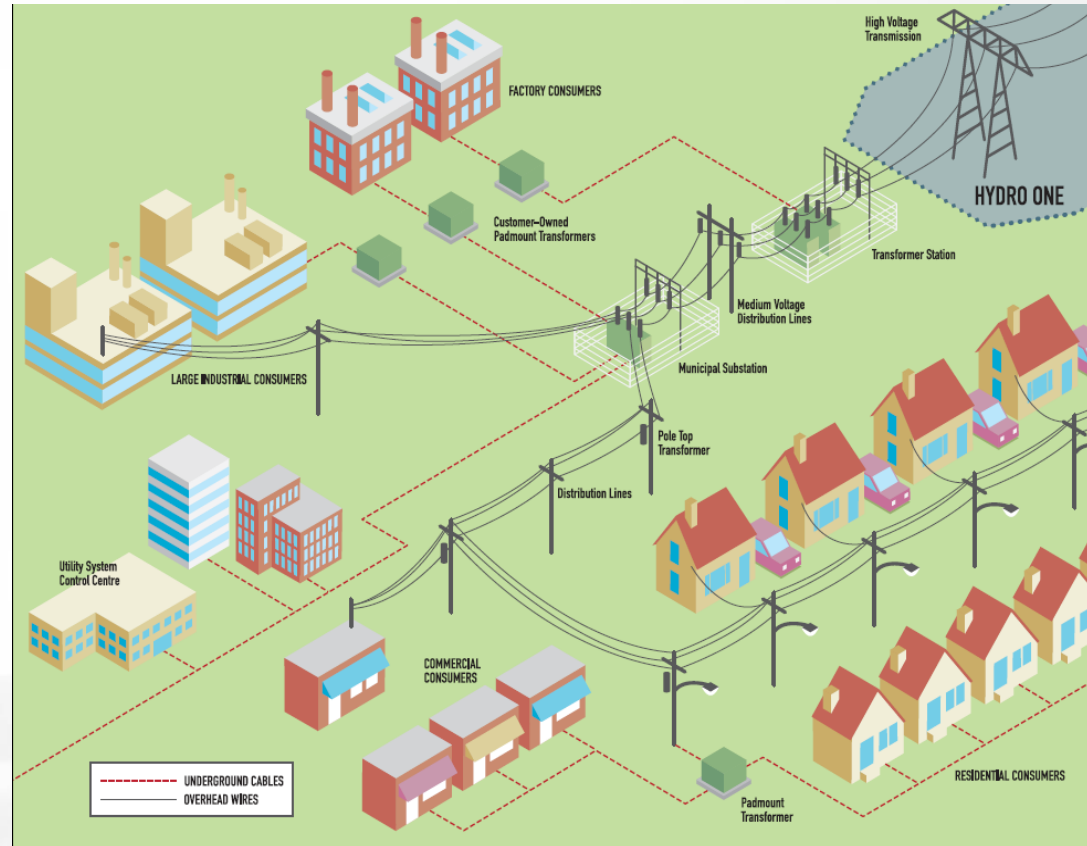
# The Entegrus Distribution System Plan

Dan Charron

*VP Engineering & Asset Management*

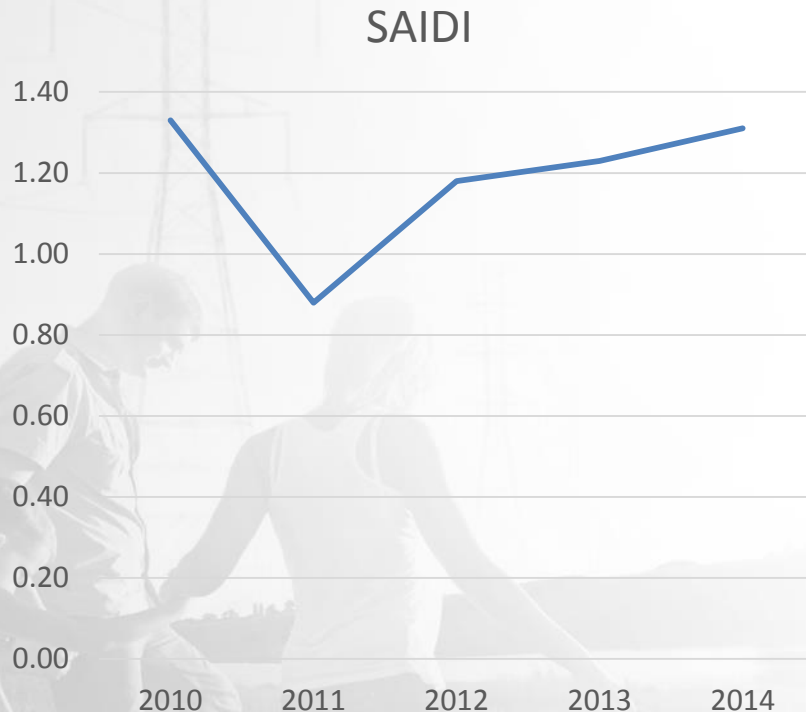
# The Entegrus Distribution System

- EPI's territory covers 96 km<sup>2</sup> of urban area encompassed within a 5,000 km<sup>2</sup> geographic area
- The system contains 680 km of overhead wire, 268 km of underground cable and 17 substations
- Much of the current distribution system was built in the 1950-1970
- The Chatham-Kent municipal amalgamation and subsequent acquisitions have resulted in a varied mix of equipment within the system

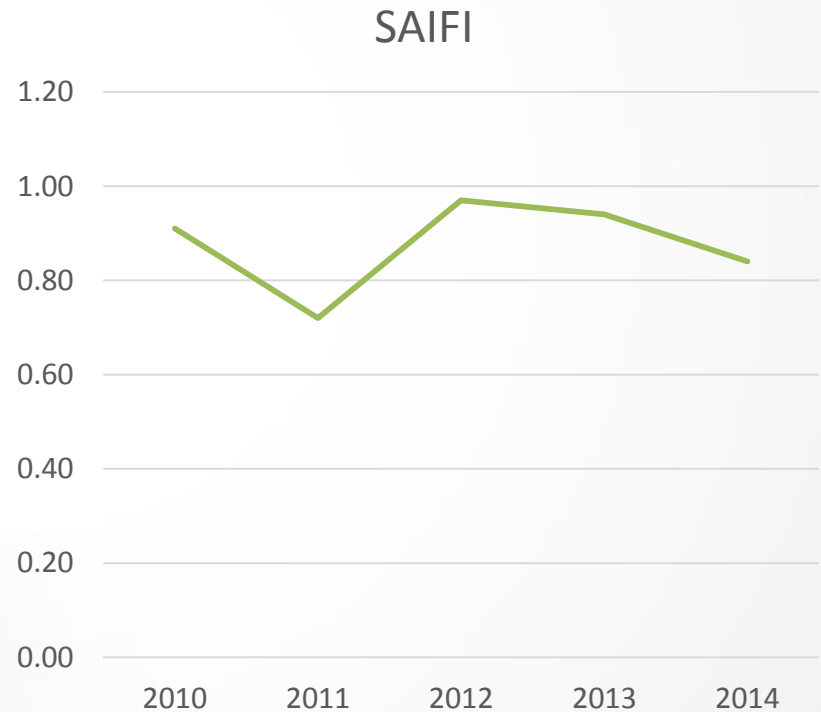


# Entegrus Reliability Statistics

**Average Number of Hours that Power to a Customer is Interrupted**

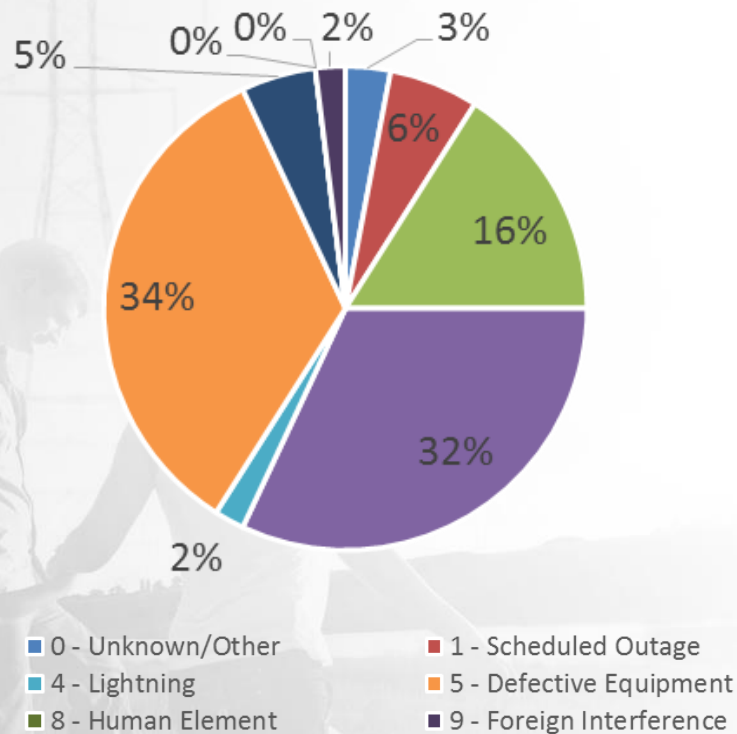


**Average Number of Times that Power to a Customer is Interrupted**

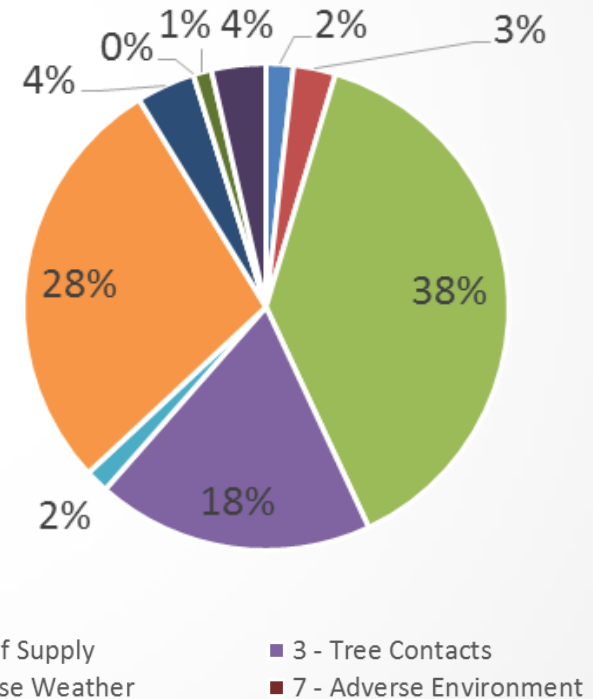


# EPI Outage Causes in 2014

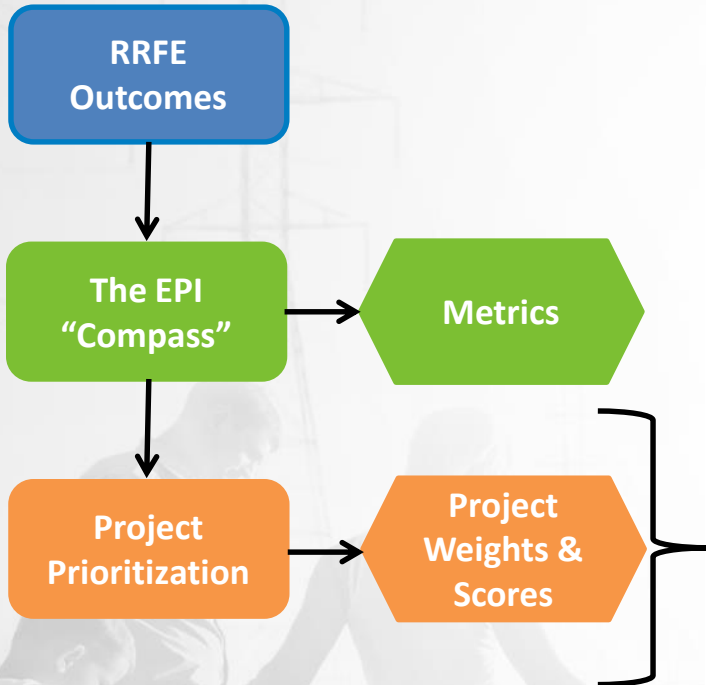
## Duration by Type (SAIDI)



## Frequency by Type (SAIFI)

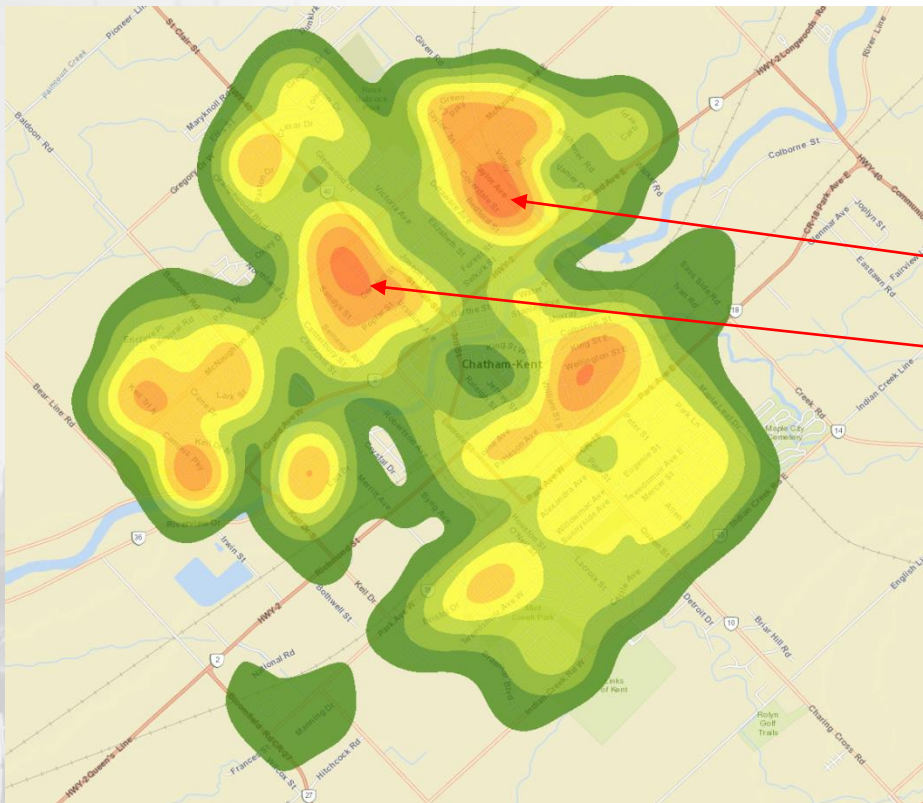


# The DSP & Project Prioritization



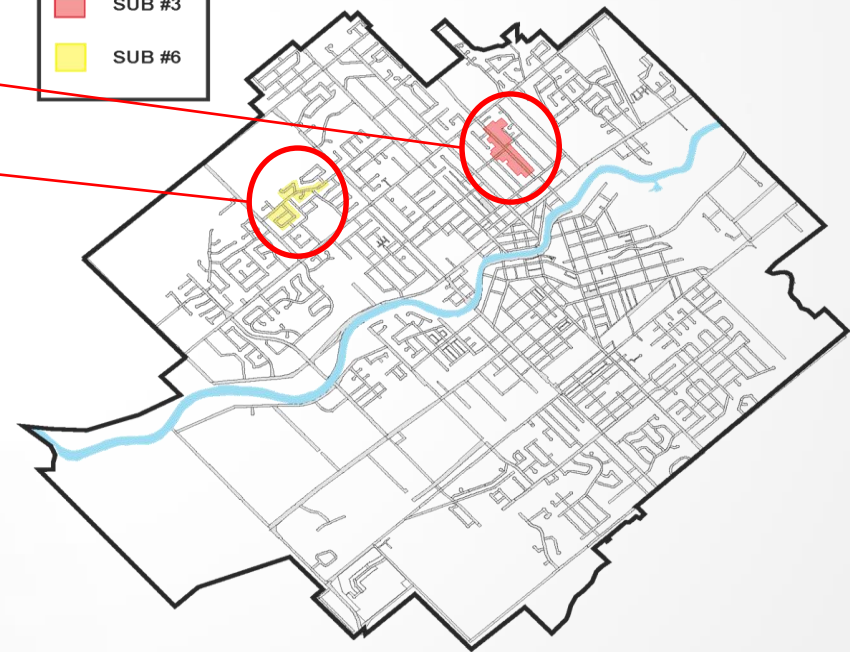
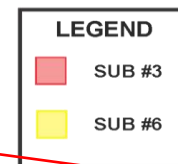
Asset Mgmt Objectives	EPI Core Values	Project Weighting (1-5)
Public Safety	Safety	5
Employee Safety	Safety / Inspired & Empowered People	5
Environment	Safety / Sustainable Growth	4
Reliability	Operational Excellence / Customer & Community Focus	3
Operational Efficiency	Operational Excellence / Customer & Community Focus	2
Cost Effectiveness	Sustainable Growth	3

# Converting Remaining Substations



**Chatham Outage Frequency Heat Map  
(poorest reliability in red)**

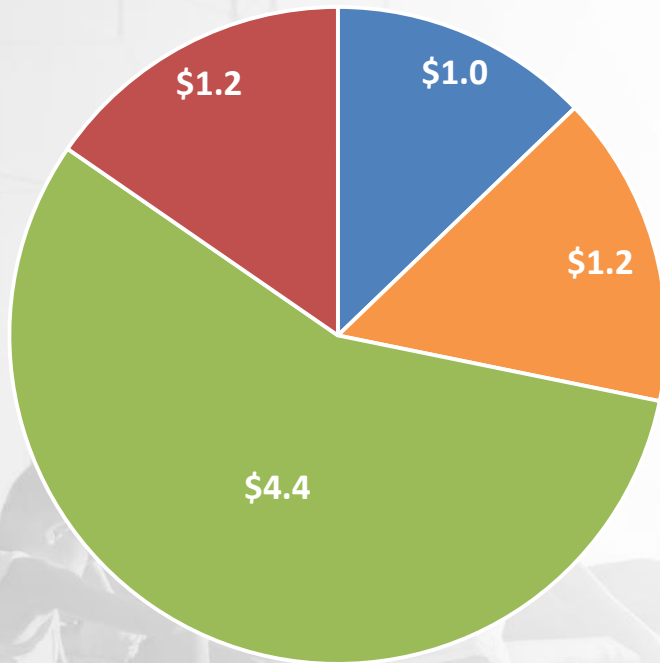
## 2016 CHATHAM CONVERSION ZONES



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# 2016 Test Year Capital Expenditures

Entegrus 2016 Capital Plan: \$7.8 mil



## System Access

**Definition:** Projects that respond to customer requests for new connections or new infrastructure development. These are usually a high priority, "must do" type of request

**Programs (e.g.):** Customer Connections, Relocating assets based on infrastructure needs

## System Renewal

**Definition:** Projects focused on replacing aging equipment in poor condition

**Programs (e.g.):** Distribution Station Refurbishment, Voltage Conversion, Underground Cable Replacement, Overhead Wire Replacement

## System Service

**Definition:** Primarily consisting of projects that improve system reliability

**Programs (e.g.):** Automated Switches, better distribution system monitoring equipment

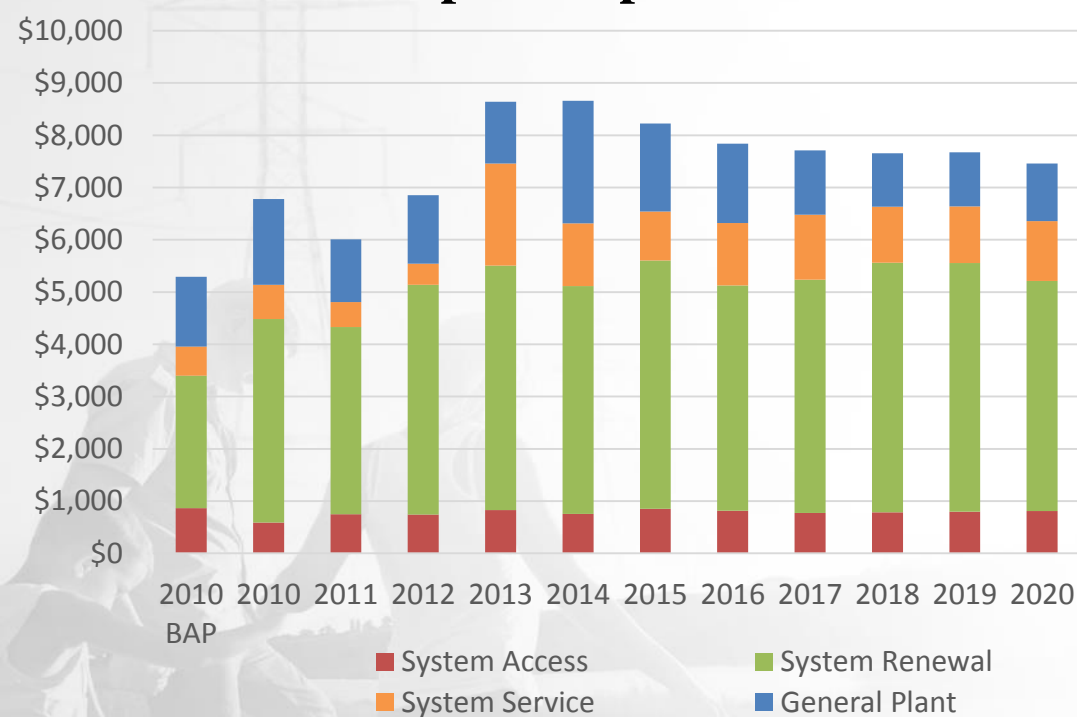
## General Plant

**Definition:** Investments in supporting assets, such as tools, vehicles, buildings and information technology (IT) equipment that are needed so that we may perform our task to operate and maintain the distribution system

**Programs (e.g.):** IT, facilities, fleet

# Capital Expenditures are Driven by the DSP

## Capital Expenditures



Note: 2012 normalized to excluded Smart Meter disposition

- The 2010 Board Approved Proxy does not include System Renewal investments required after the acquisition of Middlesex Power, Dutton Hydro and Newbury Power
- System-wide, EPI began investing more into System Renewal in 2013 with the commencement of the DSP
- 2013 System Service includes the EPI Operational Data Store

# The Entegrus Rate Application

Chris Cowell

*CFO & VP Administration*

# Board Filing Requirements and Other Policies

- EPI has not, to the best of its knowledge, deviated from:
  - *The Chapter 2 Filing Requirements*
  - *The Chapter 5 Filing Requirements*
  - *The Board's other policies*
- The following unique proposals will be discussed in upcoming slides:
  - *2010 Board Approved Proxy concept*
  - *Post harmonization move to fixed Residential charges in 2017-2019*
  - *Proposed immediate “pooled harmonization” of DVAs*
  - *Mitigation for plan for Strathroy Large Use Customer (below 10%)*
  - *No mitigation plan for Strathroy Street Lights (above 10%)*

# 2010 Board Approved Proxy

- Chatham-Kent Hydro last re-based in 2010
  - *The service territory of the former Chatham-Kent Hydro accounts for approximately 80% of EPI's customer base and costs*
- EPI has developed 2010 Board Approved Proxy figures to include Middlesex Power, Dutton and Newbury and facilitate comparisons to the 2016 Test Year in such areas as: OM&A, FTEs, Other Revenue, etc.

## EPI 2010 Board Approved Proxy =

CKH 2010 Board-Approved  
+ MPDC 2006 EDR Board-Approved (escalated for 2007-2010 IRMs)  
+ Dutton 2006 EDR Board-Approved (escalated for 2007-2010 IRMs)  
+ Newbury 2006 EDR Board-Approved (escalated for 2007-2010 IRMs)

# Revenue Requirement

Description	Amount
OM&A Expenses	\$9,495,813
Depreciation	\$3,849,791
Property Taxes	\$243,162
Income Taxes <small>(Grossed Up)</small>	\$159,910
Other Expenses	\$23,040
Deemed Interest Expense	\$2,386,884
Return on Deemed Equity	\$3,219,905
<b>Service Revenue Requirement</b>	<b>\$19,378,505</b>
Revenue Offsets	\$1,188,521
<b>Base Revenue Requirement</b>	<b>\$18,189,948</b>

- Total Rate Base: \$86.6M
  - Avg net fixed assets of \$76.7M
  - WCA of \$9.9M, based on a Lead/Lag Study WCA Factor of 8.22%
- Application used 2015 placeholder WACC Rate of 6.48%
  - Grossed Up Rev Deficiency: \$156k
- New 2016 WACC rate is 6.28%
  - Projected Grossed Up Rev Sufficiency: \$25k

# Distribution Rates Are Decreasing for Most Rate Classes

Current Rate Classes	Harmonization Plan Rate Classes	Current Rate Zone							
		Chatham-Kent		Strathroy, Mt. Brydges & Parkhill		Dutton		Newbury	
		\$	%	\$	%	\$	%	\$	%
Residential	Residential	\$0.08	0%	-\$3	-2%	-\$4	-3%	-\$5	-4%
GS < 50 kW	GS < 50 kW	-\$20	-6%	\$6	2%	-\$5	-2%	-\$21	-6%
GS > 50 kW to 999 kW	GS > 50 kW to 4,999 kW	\$1,071	4%	-	-	-	-	-	-
GS > 50 kW to 4,999 kW		-	-	\$1,720	7%	-	-	-\$468	-2%
Intermediate >= 1,000 kW		-\$4,571	-2%	-	-	-	-	-	-
Intermediate w/Self Gen	Large Use	-\$10,649	-3%	-	-	-	-	-	-
Large Use (>= 5,000 kW)		-	-	-\$1,526	0%	-	-	-	-
Unmetered Scattered Load	Unmetered Scattered Load	-\$3	-9%	-\$2	-7%	-	-	-	-
Sentinel Lighting	Sentinel Lighting	-\$1	-4%	-\$39	-56%	\$1	2%	-	-
Street Lighting	Street Lighting	-\$1	-4%	\$3	12%	-\$1	-5%	-\$3	-11%
General Service > 50 kW	Embedded Distribution	-\$49	0%	-	-	-	-	-	-

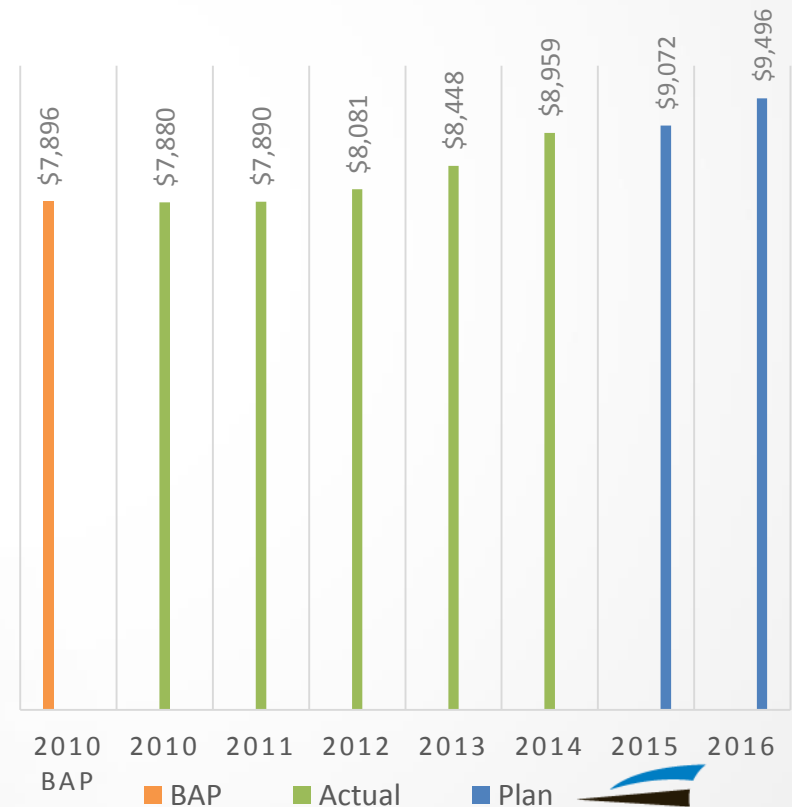
Projected Typical Monthly Bill Impact of 2016 Distribution Rate Change, with commodity and all other bill components held equal

# Proposed 2016 Expenses Compared to 2010

2010 Board Approved Proxy	(\$mils)
OM&A and Property Taxes	\$8.2
Depreciation	4.5
Income Taxes	1.2
<b>Total</b>	<b>13.9</b>
<b>Changes 2010-2016:</b>	
<b>OM&amp;A and Property Taxes</b>	
IFRS Accounting Conversion	0.6
GDP-IPI (Inflation)	0.8
Enhanced Reliability & Reduced Outages	0.3
Enhanced Customer Communication	0.2
Other, including administrative merger savings	<u>(0.3)</u>
<b>OM&amp;A and Property Taxes Change</b>	<b>1.6</b>
<b>Depreciation Change</b>	<b>(0.7)</b>
<b>Income Tax Change</b>	<b><u>(1.0)</u></b>
<b>2016 Expenses Application Request</b>	<b>\$13.8</b>

## OM&A Trend 2010-2016 (excluding Property Tax)

GDP-IPI Avg: 2.1%  
EPI Avg ↑ (IFRS Norm'd): 2.5%

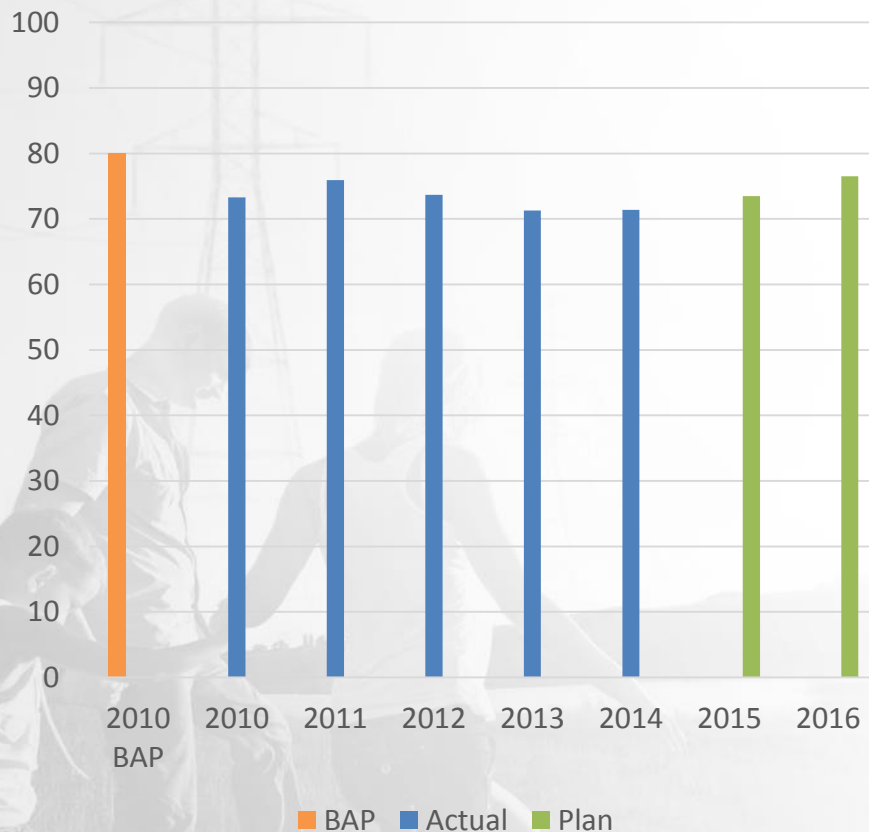


# Shared Services

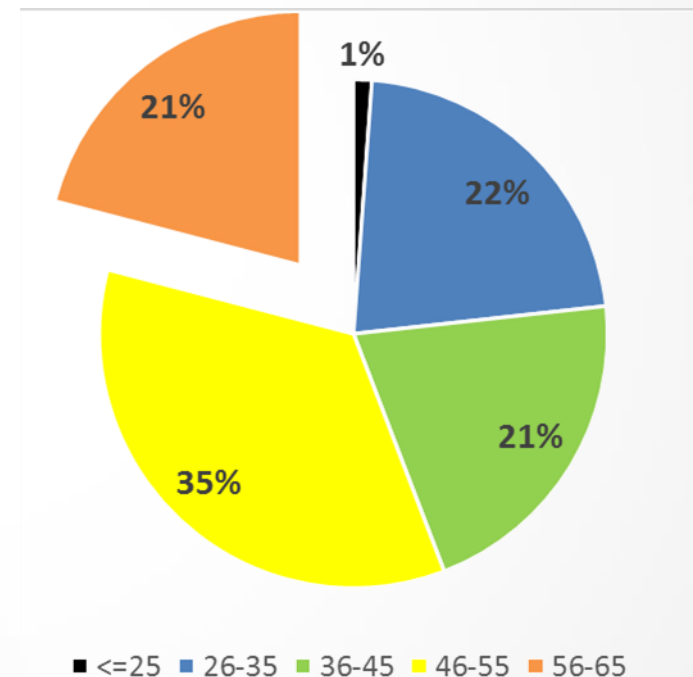
Company		Service	Allocation	
From	To		Charge	Cost
EPI	ETI	Finance, HR, Communications & IT	\$95,493	
EPI	ESI	Finance, HR, Communications & IT	\$81,508	
EPI	CK PUC	Water Billing/Collection & Admin	\$2,247,579	
EPI	CK Muni	Streetlight Maintenance	\$207,243	
EI	EPI	Finance, HR, Communications & Admin		\$1,018,462
CK Muni	EPI	HR, IT & Treasury		\$194,554
CK Muni	EPI	Geographic Information System		\$276,351
			<b>\$2,631,823</b>	<b>\$1,489,377</b>

# FTEs & Succession Planning

## EPI FTEs



## Age Demographics of EPI Employees



# M&A Activity

## Synergies Occurred in Waves

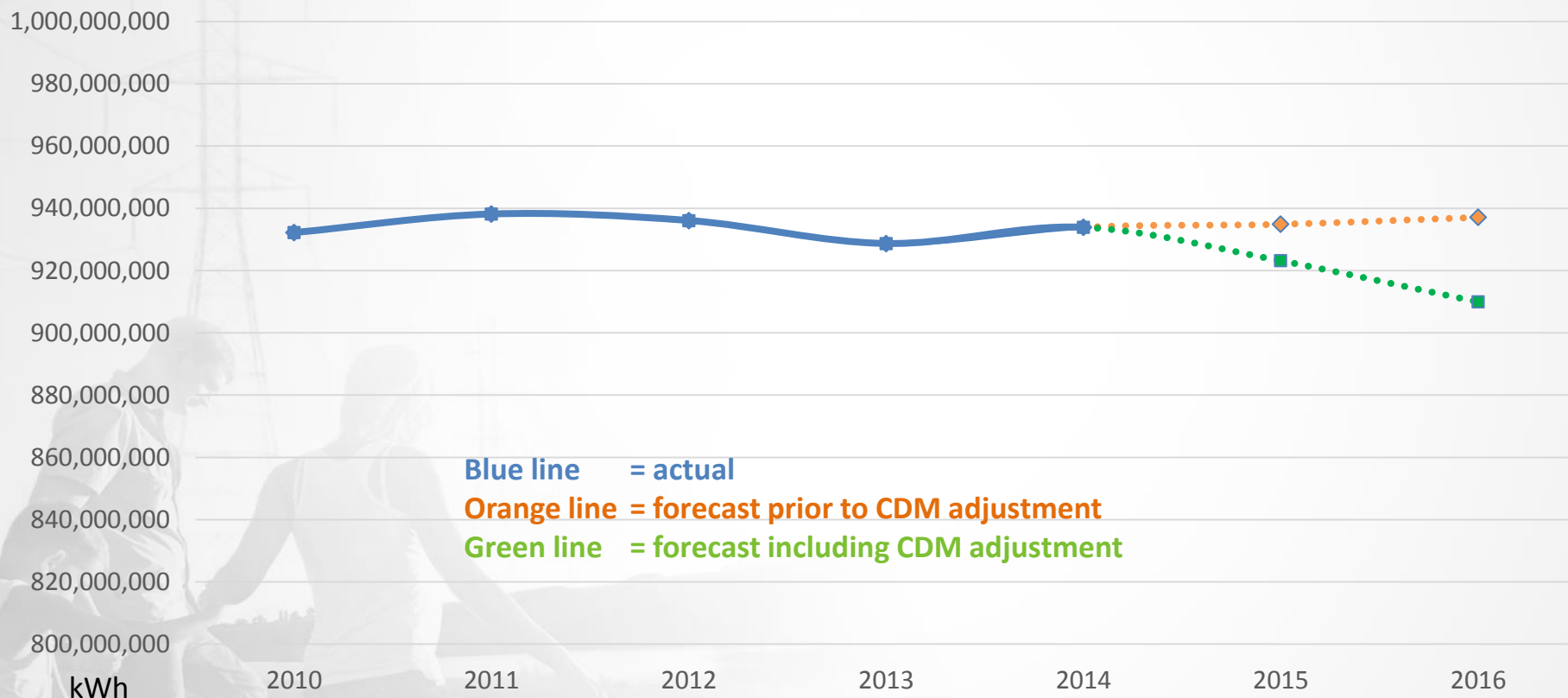
Year	Event
2002	<ul style="list-style-type: none"> <li>Commencement of providing administrative services to Middlesex Power</li> </ul>
2004	<ul style="list-style-type: none"> <li>Assumption of Middlesex Power executive duties at behest of Middlesex shareholder</li> </ul>
2005	<ul style="list-style-type: none"> <li>Acquisition of Middlesex Power (11 employees) and commencement of additional consolidation and expanded utility services</li> <li>Operational centre and call centre maintained in Strathroy</li> </ul>
2007	<ul style="list-style-type: none"> <li>Commencement of providing billing services to Dutton Hydro and Newbury Power</li> </ul>
2009	<ul style="list-style-type: none"> <li>Acquisition of Dutton Hydro (no employees) and Newbury Power (no employees)</li> <li>Commencement of expanded utility services and distribution system repair and update</li> </ul>
2012	<ul style="list-style-type: none"> <li>Merger of Chatham-Kent Hydro and Middlesex Power to create Entegrus</li> <li>Commencement of administrative consolidation</li> </ul>

# Cost of Capital Summary

Line No.	Particulars	Capitalization Ratio		Cost Rate	Return
		(%)	(\$)	(%)	(\$)
	<b>Debt</b>				
1	Long-term Debt	56.00%	\$48,471,681	4.77%	\$2,312,099
2	Short-term Debt	4.00% (1)	\$3,462,263	2.16%	\$74,785
3	<b>Total Debt</b>	60.0%	\$51,933,944	4.60%	\$2,386,884
	<b>Equity</b>				
4	Common Equity	40.00%	\$34,622,629	9.30%	\$3,219,905
5	Preferred Shares		\$ -		\$ -
6	<b>Total Equity</b>	40.0%	\$34,622,629	9.30%	\$3,219,905
7	<b>Total</b>	100.0%	\$86,556,573	6.48%	\$5,606,789

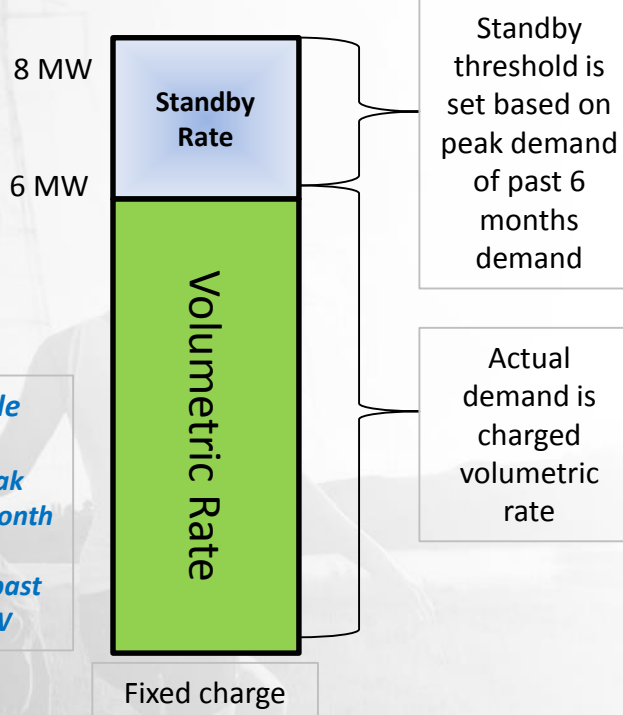
# Load Forecast

## Purchased-Based Regression Model



# Standby Rate Design

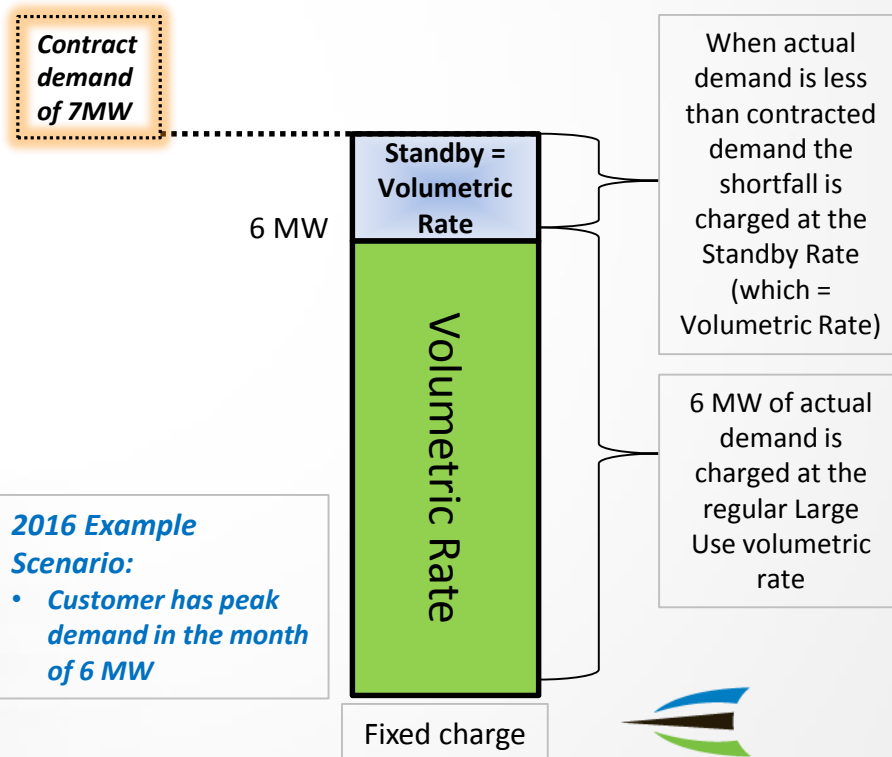
## Current State: Intermediate with Self Generation Rate Class



### 2014/2015 Example Scenario:

- Customer has peak demand in the month of 6 MW
- Highest peak of past 6 months is 8 MW

## Proposed State: Large Use Rate Class (with Load Displacement Generation)



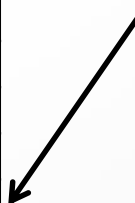
### 2016 Example Scenario:

- Customer has peak demand in the month of 6 MW

# DVA Disposition Request

Line No.	USoA	Description	Balance for Disposition
<b>GROUP ONE</b>			
1	1550	Low Voltage	\$332,721
2	1551	Smart Metering Entity Charge	-\$3,258
3	1568	LRAMVA	\$224,096
4	1580	RSVA Wholesale Market	-\$73,970
5	1584	RSVA Network	\$33,322
6	1586	RSVA Connection	\$707,984
7	1588	RSVA Power	\$408,839
8	1589	RSVA Global	\$1,812,670
9	1590	Disposition and Recovery of Regulatory Assets	\$0
10	1595	Disposition and Recovery of Regulatory Assets	-\$115,634
11		<b>Subtotal</b>	<b>\$3,326,770</b>
<b>GROUP TWO</b>			
12	1508	Other Regulatory Assets	\$614,516
13	1518	RCVA Retail	-\$240,372
14	1534	Smart Grid Capital	\$25,117
15	1548	RCVA STR	\$160,507
16	1555	Smart Meter Capital and Recovery Offset	\$317,141
17	1576	CGAAP Accounting Changes	-\$4,050,102
18	1582	RSVA One Time	\$9,544
19	1592	PILs & Tax Variance	-\$197,854
20		<b>Subtotal</b>	<b>-\$3,361,502</b>
21		<b>GRAND TOTAL</b>	<b>-\$34,732</b>

- No new DVAs are being requested
- EPI has a May rate year, and proposes immediate harmonized disposition of all rate zones on a go forward basis effective May 2016
- A disposition of 1 year is proposed for all DVAs, with the following exception:
  - *Proposing 2 years for Acct 1576 (“Accounting Changes”)*



# In Conclusion

## RENEWED REGULATORY FRAMEWORK

- We believe we have linked our application with the four outcomes articulated in the RRFE

## DISTRIBUTION SYSTEM PLAN

- We presented in the DSP the current profile of our assets and the asset profile that is needed for the future, and what needs to be done to get us there and how

## CUSTOMER ENGAGEMENT

- The advent of the RRFE has enhanced our focus on customer engagement, thereby sharpening our knowledge of customer preferences

## OPERATIONAL EFFECTIVENESS

- As our relative efficiency ranking attests, we are an efficient utility and the revenue sufficiency we are proposing will ensure that we remain so, for many years to come



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