

UNDERTAKING NO. J3.10: TO USE THE 2016 PROPOSED RATES AND WORK THEM FORWARD FOR THE 2017 COST ALLOCATION. ALSO, TO INCLUDE THE CALCULATION FOR 2018 THROUGH 2020.

RESPONSE:

Please see the following Appendix 2-P (1), revised to reflect the response to this undertaking.

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**Appendix 2-P (1)
 Cost Allocation - 2016**

Please complete the following four tables.

A) Allocated Costs

Classes	Costs Allocated from Previous Study (PowerStream 2013)	%	Costs Allocated in 2016 Test Year Study (Column 7A)	%
Residential	\$ 86,596,037	52.78%	\$ 107,674,776	53.94%
GS < 50 kW	\$ 25,700,411	15.66%	\$ 30,484,705	15.27%
GS > 50 kW	\$ 48,128,504	29.33%	\$ 58,309,560	29.21%
Large User	\$ 347,235	0.21%	\$ 444,970	0.22%
Street Lighting	\$ 2,820,943	1.72%	\$ 1,991,526	1.00%
Sentinel Lighting	\$ 16,178	0.01%	\$ 25,066	0.01%
Unmetered Scattered Load (USL)	\$ 460,065	0.28%	\$ 683,488	0.34%
Total	\$ 164,069,372	100.00%	\$ 199,614,092	100.00%

B) Calculated Class Revenues

Classes (same as previous table)	Column 7B	Column 7C	Column 7D	Column 7E
	Load Forecast (LF) X current approved rates	LF X current approved rates X (1 + d)	LF X proposed rates	Miscellaneous Revenue
Residential	\$ 87,473,969	\$ 101,115,223	\$ 101,115,223	\$ 7,573,814
GS < 50 kW	\$ 24,576,765	\$ 28,409,424	\$ 28,507,357	\$ 1,870,815
GS > 50 kW	\$ 46,764,217	\$ 54,056,930	\$ 54,243,277	\$ 2,902,423
Large User	\$ 266,234	\$ 307,752	\$ 364,942	\$ 14,343
Street Lighting	\$ 2,219,325	\$ 2,565,421	\$ 2,221,990	\$ 167,842
Sentinel Lighting	\$ 16,351	\$ 18,901	\$ 18,966	\$ 1,626
Unmetered Scattered Load (USL)	\$ 475,661	\$ 549,839	\$ 551,734	\$ 59,741
Total	\$ 161,792,522	\$ 187,023,489	\$ 187,023,489	\$ 12,590,603
	<i>line 18</i>	<i>line 23</i>	<i>As per Rate model</i>	<i>line 19</i>

Notes:

- Columns 7B to 7D - LF means Load Forecast of Annual Billing Quantities (i.e. customers or connections X 12, (kWh or kW, as applicable). Revenue Quantities should be net of Transformer Ownership Allowance. Exclude revenue from rate adders and rate riders.
- Columns 7C and 7D - Column total in each column should equal the Base Revenue Requirement
- Columns 7C - The Board cost allocation model calculates "1+d" in worksheet O-1, cell C21. "d" is defined as Revenue Deficiency/ Revenue at Current Rates.
- Columns 7E - If using the Board-issued Cost Allocation model, enter Miscellaneous Revenue as it appears in Worksheet O-1, row 19.

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

Class	Previously Approved Ratio	Status Quo Ratios	Proposed Ratios	Policy Range
	Most Current Year	(7C + 7E) / (7A)	(7D + 7E) / (7A)	
	2013			
	%	%	%	%
Residential	102.1	100.9	100.9	85 - 115
GS < 50 kW	98.0	99.3	99.7	80 - 120
GS > 50 kW	98.0	97.7	98.0	80 - 120
Large User	85.0	72.4	85.2	85 - 115
Street Lighting	89.7	137.2	120.0	80 - 120
Sentinel Lighting	95.0	81.9	82.2	80 - 120
Unmetered Scattered Load (USL)	102.4	89.2	89.5	80 - 120

Notes:

- Previously Approved Revenue-to-Cost Ratios - For most applicants, most recent year would be the third year of the IRM 3 period, e.g. if the applicant rebased in 2009 with further adjustments over 2 years, the Most recent year is 2011. For applicants whose most recent rebasing year is 2006 the applicant should enter the ratios from their
- Status Quo Ratios - The Board's updated Cost Allocation Model yields the Status Quo Ratios in Worksheet O-1.

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Appendix 2-P (2) Cost Allocation - 2017

Please complete the following four tables.

A) Allocated Costs

Classes	Costs Allocated from Previous Study (PowerStream 2013)	%	Costs Allocated in 2017 Test Year Study (Column 7A)	%
Residential	\$ 86,596,037	52.78%	\$ 124,417,434	55.78%
GS < 50 kW	\$ 25,700,411	15.66%	\$ 31,437,996	14.10%
GS > 50 kW	\$ 48,128,504	29.33%	\$ 64,016,527	28.70%
Large User	\$ 347,235	0.21%	\$ 500,935	0.22%
Street Lighting	\$ 2,820,943	1.72%	\$ 1,971,703	0.88%
Sentinel Lighting	\$ 16,178	0.01%	\$ 27,167	0.01%
Unmetered Scattered Load (USL)	\$ 460,065	0.28%	\$ 671,265	0.30%
Total	\$ 164,069,372	100.00%	\$ 223,043,027	100.00%

B) Calculated Class Revenues

Classes (same as previous table)	Column 7B	Column 7C	Column 7D	Column 7E
	Load Forecast (LF) X current approved rates	LF X current approved rates X (1 + d)	LF X proposed rates	Miscellaneous Revenue
Residential	\$ 101,845,622	\$ 114,033,824	\$ 114,203,085	\$ 8,199,319
GS < 50 kW	\$ 28,512,419	\$ 31,924,594	\$ 31,924,594	\$ 1,588,508
GS > 50 kW	\$ 54,332,266	\$ 60,834,387	\$ 60,924,684	\$ 2,707,047
Large User	\$ 363,279	\$ 406,754	\$ 412,466	\$ 13,932
Street Lighting	\$ 2,207,729	\$ 2,471,935	\$ 2,206,635	\$ 159,409
Sentinel Lighting	\$ 18,890	\$ 21,151	\$ 21,182	\$ 1,536
Unmetered Scattered Load (USL)	\$ 564,512	\$ 632,069	\$ 632,069	\$ 48,561
Total	\$ 187,844,717	\$ 210,324,715	\$ 210,324,715	\$ 12,718,312

line 18
line 23
As per Rate model
line 19

Notes:

- Columns 7B to 7D - LF means Load Forecast of Annual Billing Quantities (i.e. customers or connections X 12, (kWh or kW, as applicable). Revenue Quantities should be net of Transformer Ownership Allowance. Exclude revenue from rate adders and rate riders.
- Columns 7C and 7D - Column total in each column should equal the Base Revenue Requirement
- Columns 7C - The Board cost allocation model calculates "1+d" in worksheet O-1, cell C21. "d" is defined as Revenue Deficiency/ Revenue at Current Rates.
- Columns 7E - If using the Board-issued Cost Allocation model, enter Miscellaneous Revenue as it appears in Worksheet O-1, row 19.

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

Class	Previously Approved Ratio	Status Quo Ratios	Proposed Ratios	Policy Range
	Most Current Year	(7C + 7E) / (7A)	(7D + 7E) / (7A)	
	2013			
	%	%	%	%
Residential	102.1	98.2	98.4	85 - 115
GS < 50 kW	98.0	106.6	106.6	80 - 120
GS > 50 kW	98.0	99.3	99.4	80 - 120
Large User	85.0	84.0	85.1	85 - 115
Street Lighting	89.7	133.5	120.0	80 - 120
Sentinel Lighting	95.0	83.5	83.6	80 - 120
Unmetered Scattered Load (USL)	102.4	101.4	101.4	80 - 120

Notes:

- Previously Approved Revenue-to-Cost Ratios - For most applicants, most recent year would be the third year of the IRM 3 period, e.g. if the applicant rebased in 2009 with further adjustments over 2 years, the Most recent year is 2011. For applicants whose most recent rebasing year is 2006 the applicant should enter the ratios from their
- Status Quo Ratios - The Board's updated Cost Allocation Model yields the Status Quo Ratios in Worksheet O-1.

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Appendix 2-P (3) Cost Allocation - 2018

Please complete the following four tables.

A) Allocated Costs

Classes	Costs Allocated from Previous Study (PowerStream 2013)	%	Costs Allocated in 2018 Test Year Study (Column 7A)	%
Residential	\$ 86,596,037	52.78%	\$ 129,814,629	55.42%
GS < 50 kW	\$ 25,700,411	15.66%	\$ 32,916,096	14.05%
GS > 50 kW	\$ 48,128,504	29.33%	\$ 68,407,399	29.20%
Large User	\$ 347,235	0.21%	\$ 534,825	0.23%
Street Lighting	\$ 2,820,943	1.72%	\$ 1,833,897	0.78%
Sentinel Lighting	\$ 16,178	0.01%	\$ 28,527	0.01%
Unmetered Scattered Load (USL)	\$ 460,065	0.28%	\$ 711,238	0.30%
Total	\$ 164,069,372	100.00%	\$ 234,246,611	100.00%

B) Calculated Class Revenues

Classes (same as previous table)	Column 7B	Column 7C	Column 7D	Column 7E
	Load Forecast (LF) X current approved rates	LF X current approved rates X (1 + d)	LF X proposed rates	Miscellaneous Revenue
Residential	\$ 115,464,772	\$ 120,841,719	\$ 120,996,010	\$ 8,253,509
GS < 50 kW	\$ 31,846,880	\$ 33,329,921	\$ 33,329,921	\$ 1,596,380
GS > 50 kW	\$ 60,995,964	\$ 63,836,416	\$ 63,917,922	\$ 2,746,511
Large User	\$ 410,988	\$ 430,127	\$ 440,912	\$ 14,238
Street Lighting	\$ 2,190,330	\$ 2,292,329	\$ 2,045,717	\$ 154,959
Sentinel Lighting	\$ 21,147	\$ 22,132	\$ 22,160	\$ 1,542
Unmetered Scattered Load (USL)	\$ 647,151	\$ 677,288	\$ 677,288	\$ 49,542
Total	\$ 211,577,232	\$ 221,429,930	\$ 221,429,930	\$ 12,816,681
	<i>line 18</i>	<i>line 23</i>	<i>As per Rate model</i>	<i>line 19</i>

Notes:

- Columns 7B to 7D - LF means Load Forecast of Annual Billing Quantities (i.e. customers or connections X 12, (kWh or kW, as applicable). Revenue Quantities should be net of Transformer Ownership Allowance. Exclude revenue from rate adders and rate riders.
- Columns 7C and 7D - Column total in each column should equal the Base Revenue Requirement
- Columns 7C - The Board cost allocation model calculates "1+d" in worksheet O-1, cell C21. "d" is defined as Revenue Deficiency/ Revenue at Current Rates.
- Columns 7E - If using the Board-issued Cost Allocation model, enter Miscellaneous Revenue as it appears in Worksheet O-1, row 19.

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

Class	Previously Approved Ratio	Status Quo Ratios	Proposed Ratios	Policy Range
	Most Current Year	(7C + 7E) / (7A)	(7D + 7E) / (7A)	
	2013	%	%	
	%	%	%	%
Residential	102.1	99.4	99.6	85 - 115
GS < 50 kW	98.0	106.1	106.1	80 - 120
GS > 50 kW	98.0	97.3	97.5	80 - 120
Large User	85.0	83.1	85.1	85 - 115
Street Lighting	89.7	133.4	120.0	80 - 120
Sentinel Lighting	95.0	83.0	83.1	80 - 120
Unmetered Scattered Load (USL)	102.4	102.2	102.2	80 - 120

Notes:

- Previously Approved Revenue-to-Cost Ratios - For most applicants, most recent year would be the third year of the IRM 3 period, e.g. if the applicant rebased in 2009 with further adjustments over 2 years, the Most recent year is 2011. For applicants whose most recent rebasing year is 2006 the applicant should enter the ratios from their
- Status Quo Ratios - The Board's updated Cost Allocation Model yields the Status Quo Ratios in Worksheet O-1.

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Appendix 2-P (4) Cost Allocation - 2019

Please complete the following four tables.

A) Allocated Costs

Classes	Costs Allocated from Previous Study (PowerStream 2013)	%	Costs Allocated in 2019 Test Year Study (Column 7A)	%
Residential	\$ 86,596,037	52.78%	\$ 135,038,349	55.13%
GS < 50 kW	\$ 25,700,411	15.66%	\$ 34,297,310	14.00%
GS > 50 kW	\$ 48,128,504	29.33%	\$ 72,344,156	29.53%
Large User	\$ 347,235	0.21%	\$ 563,849	0.23%
Street Lighting	\$ 2,820,943	1.72%	\$ 1,923,886	0.79%
Sentinel Lighting	\$ 16,178	0.01%	\$ 29,738	0.01%
Unmetered Scattered Load (USL)	\$ 460,065	0.28%	\$ 753,702	0.31%
Total	\$ 164,069,372	100.00%	\$ 244,950,990	100.00%

B) Calculated Class Revenues

Classes (same as previous table)	Column 7B Load Forecast (LF) X current approved rates	Column 7C LF X current approved rates X (1 + d)	Column 7D LF X proposed rates	Column 7E Miscellaneous Revenue
Residential	\$ 122,431,111	\$ 127,305,725	\$ 127,305,725	\$ 8,322,435
GS < 50 kW	\$ 33,393,524	\$ 34,723,093	\$ 34,723,093	\$ 1,604,995
GS > 50 kW	\$ 64,075,858	\$ 66,627,049	\$ 66,619,578	\$ 2,787,657
Large User	\$ 439,765	\$ 457,275	\$ 464,748	\$ 14,472
Street Lighting	\$ 2,068,897	\$ 2,151,271	\$ 2,151,271	\$ 157,189
Sentinel Lighting	\$ 22,172	\$ 23,055	\$ 23,052	\$ 1,543
Unmetered Scattered Load (USL)	\$ 696,824	\$ 724,569	\$ 724,569	\$ 50,661
Total	\$ 223,128,152	\$ 232,012,036	\$ 232,012,036	\$ 12,938,953
	<i>line 18</i>	<i>line 23</i>	<i>As per Rate model</i>	<i>line 19</i>

Notes:

- Columns 7B to 7D - LF means Load Forecast of Annual Billing Quantities (i.e. customers or connections X 12, (kWh or kW, as applicable). Revenue Quantities should be net of Transformer Ownership Allowance. Exclude revenue from rate adders and rate riders.
- Columns 7C and 7D - Column total in each column should equal the Base Revenue Requirement
- Columns 7C - The Board cost allocation model calculates "1+d" in worksheet O-1, cell C21. "d" is defined as Revenue Deficiency/ Revenue at Current Rates.
- Columns 7E - If using the Board-issued Cost Allocation model, enter Miscellaneous Revenue as it appears in Worksheet O-1, row 19.

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

Class	Previously Approved Ratio	Status Quo Ratios (7C + 7E) / (7A)	Proposed Ratios (7D + 7E) / (7A)	Policy Range
	Most Current Year 2013			
	%	%	%	%
Residential	102.1	100.4	100.4	85 - 115
GS < 50 kW	98.0	105.9	105.9	80 - 120
GS > 50 kW	98.0	96.0	95.9	80 - 120
Large User	85.0	83.7	85.0	85 - 115
Street Lighting	89.7	120.0	120.0	80 - 120
Sentinel Lighting	95.0	82.7	82.7	80 - 120
Unmetered Scattered Load (USL)	102.4	102.9	102.9	80 - 120

Notes:

- Previously Approved Revenue-to-Cost Ratios - For most applicants, most recent year would be the third year of the IRM 3 period, e.g. if the applicant rebased in 2009 with further adjustments over 2 years, the Most recent year is 2011. For applicants whose most recent rebasing year is 2006 the applicant should enter the ratios from their
- Status Quo Ratios - The Board's updated Cost Allocation Model yields the Status Quo Ratios in Worksheet O-1.

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Appendix 2-P (5) Cost Allocation - 2020

Please complete the following four tables.

A) Allocated Costs

Classes	Costs Allocated from Previous Study (PowerStream 2013)	%	Costs Allocated in 2020 Test Year Study (Column 7A)	%
Residential	\$ 86,596,037	52.78%	\$ 139,785,024	54.88%
GS < 50 kW	\$ 25,700,411	15.66%	\$ 35,602,682	13.98%
GS > 50 kW	\$ 48,128,504	29.33%	\$ 75,913,452	29.80%
Large User	\$ 347,235	0.21%	\$ 588,386	0.23%
Street Lighting	\$ 2,820,943	1.72%	\$ 1,995,858	0.78%
Sentinel Lighting	\$ 16,178	0.01%	\$ 30,752	0.01%
Unmetered Scattered Load (USL)	\$ 460,065	0.28%	\$ 795,487	0.31%
Total	\$ 164,069,372	100.00%	\$ 254,711,641	100.00%

B) Calculated Class Revenues

Classes (same as previous table)	Column 7B	Column 7C	Column 7D	Column 7E
	Load Forecast (LF) X current approved rates	LF X current approved rates X (1 + d)	LF X proposed rates	Miscellaneous Revenue
Residential	\$ 128,810,812	\$ 132,882,869	\$ 132,882,869	\$ 8,396,616
GS < 50 kW	\$ 34,828,052	\$ 35,929,060	\$ 35,929,060	\$ 1,616,588
GS > 50 kW	\$ 67,190,759	\$ 69,314,840	\$ 69,315,903	\$ 2,828,433
Large User	\$ 465,263	\$ 479,972	\$ 485,461	\$ 14,674
Street Lighting	\$ 2,173,999	\$ 2,242,725	\$ 2,236,172	\$ 159,264
Sentinel Lighting	\$ 23,166	\$ 23,899	\$ 23,899	\$ 1,544
Unmetered Scattered Load (USL)	\$ 745,619	\$ 769,190	\$ 769,190	\$ 51,967
Total	\$ 234,237,671	\$ 241,642,555	\$ 241,642,555	\$ 13,069,086
	<i>line 18</i>	<i>line 23</i>	<i>As per Rate model</i>	<i>line 19</i>

Notes:

- Columns 7B to 7D - LF means Load Forecast of Annual Billing Quantities (i.e. customers or connections X 12, (kWh or kW, as applicable). Revenue Quantities should be net of Transformer Ownership Allowance. Exclude revenue from rate adders and rate riders.
- Columns 7C and 7D - Column total in each column should equal the Base Revenue Requirement
- Columns 7C - The Board cost allocation model calculates "1+d" in worksheet O-1, cell C21. "d" is defined as Revenue Deficiency/ Revenue at Current Rates.
- Columns 7E - If using the Board-issued Cost Allocation model, enter Miscellaneous Revenue as it appears in Worksheet O-1, row 19.

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

Class	Previously Approved Ratio	Status Quo Ratios	Proposed Ratios	Policy Range
	Most Current Year	(7C + 7E) / (7A)	(7D + 7E) / (7A)	
	2013			
	%	%	%	%
Residential	102.1	101.1	101.1	85 - 115
GS < 50 kW	98.0	105.5	105.5	80 - 120
GS > 50 kW	98.0	95.0	95.0	80 - 120
Large User	85.0	84.1	85.0	85 - 115
Street Lighting	89.7	120.3	120.0	80 - 120
Sentinel Lighting	95.0	82.7	82.7	80 - 120
Unmetered Scattered Load (USL)	102.4	103.2	103.2	80 - 120

Notes:

- Previously Approved Revenue-to-Cost Ratios - For most applicants, most recent year would be the third year of the IRM 3 period, e.g. if the applicant rebased in 2009 with further adjustments over 2 years, the Most recent year is 2011. For applicants whose most recent rebasing year is 2006, the applicant should enter the ratios from their
- Status Quo Ratios - The Board's updated Cost Allocation Model yields the Status Quo Ratios in Worksheet O-1.