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6.0 CALCULATION OF REVENUE DEFICIENCY OR SUFFICIENCY

2 6.1 REVENUE DEFICIENCY OVERVIEW

3	6.1.1	REV	ENUE	DEFIC	CIENCY	OVERVIEW
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- 5 Brantford Power Inc. has included the following information in this exhibit, excluding energy costs (i.e
- 6 costs of power and associated costs) and revenues:
- Determination of Net Utility Income
- Statement of Rate Base
- Actual Utility Return on Rate Base
- Indicated Rate of Return
- Requested Rate of Return
- Deficiency or Sufficiency in Revenue
- Gross Deficiency or Sufficiency in Revenue
- 14 The information in this exhibit supports Brantford Power Inc.'s request in this application for an increase
- in its revenue requirement to support the proposed capital and operating budgets for 2017, to service
- debt, to pay deemed PILs, and to earn the allowable return on equity.
- 17 Brantford Power Inc. has determined that the Revenue Deficiency for the 2017 Test Year is \$2,621,032.
- 18 The calculations on which this determination is based are set out below. The Revenue Deficiency
- 19 calculation does not include the following:
- Recovery of Deferral and Variance Accounts
- Other electricity charges which include Energy Commodity, Transmission Charges and Wholesale
- 22 Market Service Charges
- 23 These items are considered elsewhere in this Application and are treated either as recoveries of
- 24 regulatory assets or regulatory liabilities on the Balance Sheet or as energy related costs recorded in the

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- 1 OEB-prescribed Retail Settlement Variance Accounts. BPI notes that there have been no significant
- 2 changes to the methodologies which would cause any material impacts to revenue deficiency.
- 3 Revenue Requirement
- 4 Brantford Power Inc.'s revenue requirement is comprised of the following components:
- Operation, Maintenance, and Administration Expense
- Depreciation/Amortization Expense
- 7 Property Taxes
- 8 PILs
- Return on Rate Base (Debt Interest Expenses + Return on Equity)
- 10 BPI's revenue requirement is primarily received through electricity distribution rates and offset by
- 11 revenue from Board Approved specific service charges, late payment charges, interest, and other
- 12 operating income.
- BPI has included the OEB's Revenue Requirement Work Form ("RRWF") as Attachment 6-A of this Exhibit
- as a PDF document and has also included an excel version.
- 15 BPI has ensured that numbers entered in the RRWF reconcile with the appropriate numbers in other
- 16 Exhibits of this Application.

6.2 DETERMINATION OF NET UTILITY INCOME

2 6.2.1 DETERMINATION OF NET UTILITY INCOME

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- 4 BPI has determined its allowable 2017 Net Income as \$3,250,685. Table 6.2-A provides the detailed Net
- 5 Income calculation for the 2017 Test Year.

6

TABLE 6.2-A - Determination of Net Utility Income

Description	Initial Application
Operating Revenues:	
Distribution Revenue (At Proposed Rates)	18,910,832
Other Operating Revenue (Net)	1,335,003
Total Operating Revenues	20,245,835
Operating Expenses:	
Administrative & General, Billing & Collecting	7,213,629
Operation & Maintenance	3,256,878
Donations - LEAP	25,000
Depreciation & Amortization	3,696,567
Property Taxes	-
Total	14,192,074
Deemed Interest Expense	2,105,255
Total Expenses	16,297,328
Utility Income before Taxes	3,948,507
Income Taxes	697,822
Utility Net Income	3,250,685

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6.3 STATEMENT OF RATE BASE

2 6.3.1 STATEMENT OF RATE BASE

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- 4 A summary of BPI's Rate Base for the 2017 Test Year, calculated on BPI's deemed capital structure in
- 5 accordance with OEB filing requirements, is summarized below in Table 6.3-A. BPI's 2017 Rate Base is
- 6 \$88,429,953.

7

TABLE 6.3-A - Rate Base

Rate Base Calculation					
Details	Initial Application				
Gross Fixed Assets (Average)	125,667,450				
Accumulated Depreciation(Average)	(46,702,445)				
Net Fixed Assets (Average)	78,965,004				
Allowance for Working Capital	9,464,949				
Total Rate Base	88,429,953				
Allowance for Working Capital- Derivation					
Controllable Expenses	10,361,873				
Cost of Power	115,837,446				
Working Capital Base	126,199,319				
Working Capital Rate	7.50%				
Working Capital Allowance	9,464,949				

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6.4 ACTUAL UTILITY RETURN ON RATE BASE

2 6.4.1 ACTUAL UTILITY RETURN ON RATE BASE

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- 4 Table 6.4-A summarizes the computation of BPI's 2017 Test Year at existing rates (3.88%) and the 2017
- 5 Test Year at proposed rates (6.06%) in order to achieve the required revenue.

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TABLE 6.4-A - Return on Rate Base

Actual Return on Rate Base:	2017 Test Existing Rates	2017 Test Required Revenue
Rate Base	88,429,953	88,429,953
Interest Expense	2,105,255	2,105,255
Net Income	1,324,227	3,250,685
Total Actual Return on Rate Base	3,429,482	5,355,940
Actual Return on Rate Base	3.88%	6.06%
Required Return on Rate Base		
Rate Base	88,429,953	88,429,953
Return Rates:		
Return on Debt (Weighted)	3.97%	3.97%
Return on Equity	9.19%	9.19%
Deemed Interest Expense	2,105,255	2,105,255
Return On Equity	3,250,685	3,250,685
Total Return	5,355,940	5,355,940
Expected Return on Rate Base	6.06%	6.06%

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Indicated Rate of Return

- 10 BPI's 2017 Indicated Rate of Return is 6.06% as presented in Table 6.4-A and it is calculated as the sum
- of Utility Net Income and Deemed Interest Expense divided by the Utility Rate of Return on Rate Base.
- 12 The 2017 Indicated Rate of Return at 2016 approved rates is 3.88%, 2.18% or 218 basis points below the
- requested rate of 1 return.

14 Requested Rate of Return

BPI has determined its requested rate of return on rate base to be 6.06% or \$5,355,940.

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- 1 Table 6.4-A above summarizes the computation of BPI's expected 2017 rate of return on rate base of
- 2 3.88% and BPI's 2017 requested rate of 6.06%
- 3 As summarized in table 6.4-A, in the absence of a change to distribution rates for 2017, as determined in
- 4 the table calculation above and assuming that the 2016 approved rates remained unchanged, BPI's
- 5 return on rate base would be \$3,429,482, or a rate of return of 3.88%.

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1 6.5 DEFICIENCY OR SUFFICIENCY IN REVENUE

- 2 6.5.1 DEFICIENCY OR SUFFICIENCY IN REVENUE
- 3 BPI has provided a detailed calculation supporting its 2017 Revenue Deficiency in table 6.6-A below.

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6.6 GROSS DEFICIENCY OR SUFFICIENCY IN REVENUE

2 6.6.1 GROSS DEFICIENCY OR SUFFICIENCY IN REVENUE

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- 4 BPI has provided a detailed calculation supporting its 2017 Revenue Deficiency in table 6.6-A below. The
- 5 Gross Revenue Deficiency is calculated at \$2,621,032. Table 6.6-A provides the Revenue Deficiency
- 6 calculation for the 2017 Test Year at Proposed Rates, which balances the Revenue Deficiency, Net
- 7 Income and Total Return on Rate Base.

TABLE 6.6-A - Revenue Deficiency Determination

Initial Application

8 9

Line No.	Particulars	At Current Approved Rates	At Proposed Rates
1	Revenue Deficiency from Below		\$2,621,032
2	Distribution Revenue	\$16,289,800	\$16,289,800
3	Other Operating Revenue Offsets - net	\$1,335,003	\$1,335,003
4	Total Revenue	\$17,624,803	\$20,245,835
5 6 8	Operating Expenses Deemed Interest Expense Total Cost and Expenses	\$14,192,074 \$2,105,255 \$16,297,328	\$14,192,074 \$2,105,255 \$16,297,328
9	Utility Income Before Income Taxes	\$1,327,475	\$3,948,507
10	Tax Adjustments to Accounting Income per 2013 PILs model	(\$1,315,217)	(\$1,315,217)
11	Taxable Income	\$12,258	\$2,633,290
12	Income Tax Rate	26.50%	26.50%

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13	Income Tax on Taxable	\$3,248		\$697,822
14	Income Tax Credits	\$ -		\$ -
15	Utility Net Income	\$1,324,227	· <u> </u>	\$3,250,685
16	Utility Rate Base	\$88,429,953		\$88,429,953
17	Deemed Equity Portion of Rate Base	\$35,371,981		\$35,371,981
18	Income/(Equity Portion of Rate Base)	3.74%		9.19%
19	Target Return - Equity on Rate Base	9.19%		9.19%
20	Deficiency/Sufficiency in Return on Equity	-5.45%		0.00%
21	Indicated Rate of Return	3.88%		6.06%
22	Requested Rate of Return on Rate Base	6.06%		6.06%
23	Deficiency/Sufficiency in Rate of Return	-2.18%		0.00%
24	Target Return on Equity	\$3,250,685		\$3,250,685
25	Revenue Deficiency/(Sufficiency)	\$1,926,458		\$0
26	Gross Revenue Deficiency/(Sufficiency)	\$2,621,032	(1)	

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6.7 COST DRIVERS ON REVENUE DEFICIENCY

2 6.7.1 COST DRIVERS ON REVENUE DEFICIENCY

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- 3 Table 6.7-A below outlines the contributors to the Revenue Deficiency by Revenue Requirement
- 4 component. Column A lists the 2013 approved amounts. Column B lists the 2017 Revenue at existing
- 5 rates shown in table 6.6-A allocated to revenue requirement component based on the proportions in
- 6 column A. Column B estimates the revenue requirement components for revenue at existing rates based
- 7 on the components assumed in existing rates. Column C lists the 2017 proposed components. Finally,
- 8 Column D represents the difference between Column C and Column B which provides an estimate of the
- 9 revenue requirement components for the revenue deficiency of \$2,621,032.

TABLE 6.7-A – Revenue Deficiency by revenue requirement component

Service Revenue Requirement	2013 Approved (A)	Rates Allocated in Proportion	(C)	Revenue Deficiency (D)= (C)-(B)
OM&A including property taxes	8,866,025	9,166,761	10,495,506	1,328,746
Depreciation	2,900,650	2,999,040	3,696,567	697,527
Return on Rate Base	4,689,981	4,849,065	5,355,940	506,875
PILs	589,927	609,937	697,822	87,884
Total	17,046,583	17,624,803	20,245,835	2,621,032
Rate Base	75,737,921		88,429,953	12,692,032

12 There are 2 main contributors to the revenue deficiency of \$2,621,032 for the 2017 Test Year:

- The first contributor is the increase in OM&A as detailed in Exhibit 4. Please refer to Exhibit 4
 Table 4.1-A: Summary of OM&A Increases 2013 Board Approved to 2017 Test Year. This
 increase of \$1,633,919 is close to the revenue deficient component for OM&A of \$1,328,746
 shown above.
- The second contributor relates to the increase in the return on rate base resulting from an increase in Rate Base of approximately \$12.7M which is detailed in Exhibit 2. Please refer to Exhibit 2, Table 2.1.1-A Summary of Rate Base which supports the Rate Base values shown above for 2013 Approved and 2017 Proposed. The rationale that supports the \$12.7M increase in Rate Base since 2013 is provided in the evidence in Exhibit 2.

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List of Attachments

Attachment 6-A - Revenue Requirement Work Form

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Attachment 6-A

Revenue Requirement Work Form



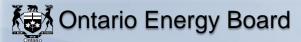


Version 6.00

Utility Name	Brantford Power Inc.	
Service Territory	brantford ON	
Assigned EB Number	EB-2016-0058	
Name and Title	Brian D'Amboise, CFO and VP Corporate Services	
Phone Number	519-751-3522 x5133	
Email Address	bdamboise@brantford.ca	

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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.



1. Info 6. Taxes_PILs

2. Table of Contents 7. Cost_of_Capital

3. Data_Input_Sheet 8. Rev_Def_Suff

4. Rate_Base 9. Rev_Reqt

5. Utility Income 10. Tracking Sheet

Notes:

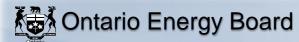
(1) Pale green cells represent inputs

(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



Data Input (1)

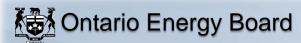
	<u>-</u>	Initial Application	(2)		(6)	Per Board Decision	_
1	Rate Base Gross Fixed Assets (average) Accumulated Depreciation (average)	\$125,667,450 (\$46,702,445)	(5)	\$ 125,667,45 (\$46,702,44		\$125,667,450 (\$46,702,445)	
	Allowance for Working Capital: Controllable Expenses Cost of Power	\$10,361,873 \$115,837,446		\$ 10,361,87 \$ 115,837,44	3	\$10,361,873 \$115,837,446	
2	Working Capital Rate (%) Utility Income	7.50%	(9)	7.50	% (9)	7.50%	(9)
_	Operating Revenues:						
	Distribution Revenue at Current Rates Distribution Revenue at Proposed Rates	\$16,289,800 \$18,910,832					
	Other Revenue: Specific Service Charges	¢506.105					
	Late Payment Charges	\$506,195 \$235,599					
	Other Distribution Revenue	\$264,212					
	Other Income and Deductions	\$328,997					
	Total Revenue Offsets	\$1,335,003	(7)				
	Operating Evanges:						
	Operating Expenses: OM+A Expenses	\$10,495,506		\$ 10,495,50	6	\$10,495,506	
	Depreciation/Amortization	\$3,696,567		\$ 3,696,56		\$3,696,567	
	Property taxes	φο,σσσ,σσ.		Ψ 0,000,00		φο,σσο,σσι	
	Other expenses						
•	Tarana (DIII a						
3	Taxes/PILs Taxable Income:						
	Taxable income.	(\$1,315,217)	(3)				
	Adjustments required to arrive at taxable income	(ψ1,010,217)	(0)				
	Utility Income Taxes and Rates:						
	Income taxes (not grossed up)	\$512,899					
	Income taxes (grossed up)	\$697,822					
	Federal tax (%)	15.00%					
	Provincial tax (%)	11.50%					
	Income Tax Credits	\$ -					
4	Capitalization/Cost of Capital Capital Structure:						
	Long-term debt Capitalization Ratio (%)	56.0%					
	Short-term debt Capitalization Ratio (%)	4.0%	(8)		(8)		(8)
	Common Equity Capitalization Ratio (%)	40.0%					
	Prefered Shares Capitalization Ratio (%)	0.0%					
		100.0%					
	Cost of Capital						
	Long-term debt Cost Rate (%)	4.13%					
	Short-term debt Cost Rate (%)	1.65%					
	Common Equity Cost Rate (%)	9.19%					
	Prefered Shares Cost Rate (%)	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.

- 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
- (2) colimn 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.
- Input total revenue offsets for deriving the base revenue requirement from the service revenue requirement
- 4.0% unless an Applicant has proposed or been approved for another amount.
- (9) The default Working Capital Allowance factor is 7.5% (of Cost of Power plus controllable expenses), per the letter issued by the Board on June 3, 2015. Alternatively, WCA factor based on lead-lag study or approved WCA factor for another distributor, with supporting rationale.



Rate Base and Working Capital

Rate Base

Line No.	Particulars	_	Initial Application				Per Board Decision
1	Gross Fixed Assets (average)	(3)	\$125,667,450	\$ -	\$125,667,450	\$ -	\$125,667,450
2	Accumulated Depreciation (average)	(3)	(\$46,702,445)	\$ -	(\$46,702,445)	\$ -	(\$46,702,445)
3	Net Fixed Assets (average)	(3)	\$78,965,004	\$ -	\$78,965,004	\$ -	\$78,965,004
4	Allowance for Working Capital	_(1)	\$9,464,949	<u> </u>	\$9,464,949	<u> </u>	\$9,464,949
5	Total Rate Base	=	\$88,429,953	<u> \$ -</u>	\$88,429,953	<u> </u>	\$88,429,953

(1) Allowance for Working Capital - Derivation

Controllable Expenses		\$10,361,873	\$ -	\$10,361,873	\$ -	\$10,361,873
Cost of Power		\$115,837,446	\$ -	\$115,837,446	\$ -	\$115,837,446
Working Capital Base		\$126,199,319	\$ -	\$126,199,319	\$ -	\$126,199,319
Working Capital Rate %	(2)	7.50%	0.00%	7.50%	0.00%	7.50%
Working Capital Allowance		\$9,464,949		\$9,464,949		\$9,464,949

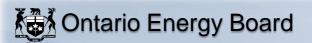
<u>Notes</u>

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(2)

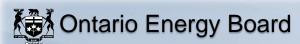
Some Applicants may have a unique rate as a result of a lead-lag study. The default rate for 2016 cost of service applications is 7.5%, per the letter issued by the Board on June 3, 2015. Alternatively, a utility could conduct and file its own lead-lag study.

(3) Average of opening and closing balances for the year.



Utility Income

Line No.	Particulars	Initial Application				Per Board Decision
1	Operating Revenues: Distribution Revenue (at Proposed Rates)	\$18,910,832	(\$18,910,832)	\$ -	\$ -	\$ -
2	Other Revenue (*)	1)\$1,335,003	(\$1,335,003)	\$ -	\$ -	<u> </u>
3	Total Operating Revenues	\$20,245,835	(\$20,245,835)	<u> </u>	<u> \$ -</u>	\$-
4 5 6 7 8 9 10 11 12	Operating Expenses: OM+A Expenses Depreciation/Amortization Property taxes Capital taxes Other expense Subtotal (lines 4 to 8) Deemed Interest Expense Total Expenses (lines 9 to 10) Utility income before income taxes Income taxes (grossed-up) Utility net income	\$10,495,506 \$3,696,567 \$- \$- \$- \$- \$14,192,074 \$2,105,255 \$16,297,328 \$3,948,507 \$697,822 \$3,250,685	\$ - \$ - \$ - \$ - \$ - \$ - (\$2,105,255) (\$2,105,255) (\$18,140,580) \$ -	\$10,495,506 \$3,696,567 \$- \$14,192,074 \$- \$14,192,074 (\$14,192,074) \$697,822 (\$14,889,895)	\$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ -	\$10,495,506 \$3,696,567 \$- \$14,192,074 \$- \$14,192,074 (\$14,192,074) \$697,822 (\$14,889,895)
14	Othic net income	φ3,230,063	(\$18,140,580)	(\$14,009,093)		(\$14,009,095)
<u>Notes</u>	Other Revenues / Reven	ue Offsets				
(1)	Specific Service Charges Late Payment Charges Other Distribution Revenue Other Income and Deductions Total Revenue Offsets	\$506,195 \$235,599 \$264,212 \$328,997 \$1,335,003	\$-	\$ - \$ - \$ - \$ - \$ -	<u>\$-</u>	\$ - \$ - \$ - \$ - \$ -



Taxes/PILs

1 2 3 4 6 7 8 9 10	Particulars	Application		Per Board Decision
	Determination of Taxable Income			
1	Utility net income before taxes	\$3,250,685	\$ -	\$ -
2	Adjustments required to arrive at taxable utility income	(\$1,315,217)	\$ -	(\$1,315,217)
3	Taxable income	\$1,935,468	<u> </u>	(\$1,315,217)
	Calculation of Utility income Taxes			
4	Income taxes	\$512,899	\$512,899	\$512,899
6	Total taxes	\$512,899	\$512,899	\$512,899
7	Gross-up of Income Taxes	\$184,923	\$184,923	\$184,923
8	Grossed-up Income Taxes	\$697,822	\$697,822	\$697,822
9	PILs / tax Allowance (Grossed-up Income taxes + Capital taxes)	\$697,822	\$697,822	\$697,822
10	Other tax Credits	\$ -	\$ -	\$ -
	Tax Rates			
11	Federal tax (%)	15.00%	15.00%	15.00%
12 13	Provincial tax (%) Total tax rate (%)	11.50% 26.50%	11.50% 26.50%	11.50% 26.50%

<u>Notes</u>



Capitalization/Cost of Capital

Line No.	Particulars	Capitaliz	ation Ratio	Cost Rate	Return		
		Initial A	pplication				
		(%)	(\$)	(%)	(\$)		
1	Debt Long-term Debt	56.00%	\$49,520,774	4.13%	\$2,046,891		
2	Short-term Debt	4.00%	\$3,537,198	1.65%	\$58,364		
3	Total Debt	60.00%	\$53,057,972	3.97%	\$2,105,255		
	Equity						
4	Common Equity	40.00%	\$35,371,981	9.19%	\$3,250,685		
5 6	Preferred Shares Total Equity	0.00% 40.00%	\$ - \$35,371,981	<u>0.00%</u> <u>9.19%</u>	\$ - \$3,250,685		
7	Total	100.00%	\$88,429,953	6.06%	\$5,355,940		
	Debt	(%)	(\$)	(%)	(\$)		
1	Long-term Debt	0.00%	\$ -	0.00%	\$ -		
2	Short-term Debt	0.00%	\$ -	0.00%	\$ -		
3	Total Debt	0.00%	<u> </u>	0.00%	\$ -		
4	Equity	0.000/	ф	0.000/	Φ.		
4 5	Common Equity Preferred Shares	0.00% 0.00%	\$ - \$ -	0.00% 0.00%	\$ - \$ - \$ -		
6	Total Equity	0.00%	\$ -	0.00%	\$ -		
7	Total	0.00%	\$88,429,953	0.00%	<u> </u>		
		Per Boar	d Decision				
	Debt	(%)	(\$)	(%)	(\$)		
8	Long-term Debt	0.00%	\$ -	4.13%	\$ -		
9	Short-term Debt	0.00%	\$ -	1.65%	\$ -		
10	Total Debt	0.00%	<u> </u>	0.00%	<u>\$ -</u>		
44	Equity	0.000/	Φ.	0.400/	0		
11 12	Common Equity Preferred Shares	0.00% 0.00%	\$ - \$ -	9.19% 0.00%	\$ - \$ -		
13	Total Equity	0.00%	\$ -	0.00%	\$ -		
14	Total	0.00%	\$88,429,953	0.00%	\$ -		
Notes							
(1)			ed. For updated revenue etc., use colimn M and Adj	-	t of interrogatory		
	responses, technical or	Settlement Comercines,	eto., use commi ivi and Auj	usunonis in columni i			



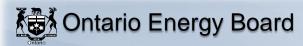
Revenue Deficiency/Sufficiency

		Initial Appli	cation	Per Board Decision				
Line No.	Particulars	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		\$2,621,032		(\$2,571,921)		\$14,192,074	
2 3	Distribution Revenue Other Operating Revenue Offsets - net	\$16,289,800 \$1,335,003	\$16,289,800 \$1,335,003	\$16,289,800 \$ -	\$21,482,753 \$ -	\$ - \$ -	(\$14,192,074) \$ -	
4	Total Revenue	\$17,624,803	\$20,245,835	\$16,289,800	\$18,910,832	\$ -	\$ -	
5 6	Operating Expenses Deemed Interest Expense	\$14,192,074 \$2,105,255	\$14,192,074 \$2,105,255	\$14,192,074 \$ -	\$14,192,074 \$ -	\$14,192,074 \$ -	\$14,192,074 \$ -	
8	Total Cost and Expenses	\$16,297,328	\$16,297,328	\$14,192,074	\$14,192,074	\$14,192,074	\$14,192,074	
9	Utility Income Before Income Taxes	\$1,327,475	\$3,948,507	\$2,097,727	\$4,718,759	(\$14,192,074)	(\$14,192,074)	
10	Tax Adjustments to Accounting Income per 2013 PILs model	(\$1,315,217)	(\$1,315,217)	(\$1,315,217)	(\$1,315,217)	\$ -	\$ -	
11	Taxable Income	\$12,258	\$2,633,290	\$782,510	\$3,403,541	(\$14,192,074)	(\$14,192,074)	
12 13	Income Tax Rate	26.50% \$3,248	26.50% \$697,822	26.50% \$207,365	26.50% \$901,938	26.50% (\$3,760,899)	26.50% (\$3,760,899)	
14	Income Tax on Taxable Income Income Tax Credits	\$ -	\$ -	\$ -	\$ -	\$ -	\$.	
15	Utility Net Income	\$1,324,227	\$3,250,685	\$1,890,362	(\$14,889,895)	(\$10,431,174)	(\$14,889,895)	
16	Utility Rate Base	\$88,429,953	\$88,429,953	\$88,429,953	\$88,429,953	\$88,429,953	\$88,429,953	
17	Deemed Equity Portion of Rate Base	\$35,371,981	\$35,371,981	\$ -	\$ -	\$ -	\$	
18	Income/(Equity Portion of Rate Base)	3.74%	9.19%	0.00%	0.00%	0.00%	0.00%	
19	Target Return - Equity on Rate Base	9.19%	9.19%	0.00%	0.00%	0.00%	0.00%	
20	Deficiency/Sufficiency in Return on Equity	-5.45%	0.00%	0.00%	0.00%	0.00%	0.00%	
21	Indicated Rate of Return	3.88%	6.06%	2.14%	0.00%	-11.80%	0.00%	
22	Requested Rate of Return on Rate Base	6.06%	6.06%	0.00%	0.00%	0.00%	0.00%	
23	Deficiency/Sufficiency in Rate of Return	-2.18%	0.00%	2.14%	0.00%	-11.80%	0.00%	
24 25 26	Target Return on Equity Revenue Deficiency/(Sufficiency) Gross Revenue Deficiency/(Sufficiency)	\$3,250,685 \$1,926,458 \$2,621,032 (1)	\$3,250,685 \$0	\$ - (\$1,890,362) (\$2,571,921) (1)	\$ - \$ -	\$ - \$10,431,174 \$14,192,074 (1)	\$ - \$ -	

Notes: (1)

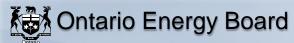
Revenue Deficiency/Sufficiency divided by (1 - Tax Rate)

Deficiency/(Sufficiency)



Revenue Requirement

Line No.	Particulars	Application				Per Board Decision	
1 2 3	OM&A Expenses Amortization/Depreciation Property Taxes	\$10,495,506 \$3,696,567 \$-		\$10,495,506 \$3,696,567		\$10,495,506 \$3,696,567	
5 6 7	Income Taxes (Grossed up) Other Expenses Return	\$697,822 \$ -		\$697,822		\$697,822	
	Deemed Interest Expense Return on Deemed Equity	\$2,105,255 \$3,250,685		\$ - \$ -		\$ - \$ -	
8	Service Revenue Requirement (before Revenues)	\$20,245,835		\$14,889,895		\$14,889,895	
9 10	Revenue Offsets Base Revenue Requirement (excluding Tranformer Owership Allowance credit adjustment)	\$1,335,003 \$18,910,832		\$ - \$14,889,895		\$ - \$14,889,895	
11 12	Distribution revenue Other revenue	\$18,910,832 \$1,335,003		\$ - \$ -		\$ - \$ -	
13	Total revenue	\$20,245,835		\$ -		\$ -	
14	Difference (Total Revenue Less Distribution Revenue Requirement before Revenues)	\$-	(1)	(\$14,889,895)	(1)	(\$14,889,895)	(1)
Notes (1)	Line 11 - Line 8						



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.)

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

Summary of Proposed Changes

		Cost of Capital Rate		Rate Bas	Base and Capital Expenditures		Operating Expenses			Revenue Requirement			
Reference (1)	Item / Description ⁽²⁾	Regulated Return on Capital	Regulated Rate of Return	Rate Base	Working Capital	Working Capital Allowance (\$)		Taxes/PILs	OM&A	Service Revenue Requirement	Revenues		•
	Original Application	\$ 5,355,940	6.06%	\$ 88,429,953	\$ 126,199,319	\$ 9,464,949	\$ 3,696,567	\$ 697,822	\$ 10,495,506	\$ 20,245,835	\$ 1,335,003	\$ 18,910,832	\$ 2,621,032

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