

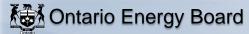


Version 6.00

Utility Name	Chapleau Public Utilities Corporation
Service Territory	Town of Chapleau
Assigned EB Number	EB-2015-0060
Name and Title	Alan Morin - Manager
Phone Number	705-864-0111
Email Address	cpuc@ontera.net

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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:

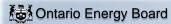
(1) Pale green cells represent inputs

(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



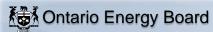
Data Input (1)

		Initial Application	(2)			(6)	Per Board Decision	=
1	Rate Base							
-	Gross Fixed Assets (average)	\$2,754,517		\$	2,754,517		\$2,754,517	
	Accumulated Depreciation (average)	(\$1,662,622)	(5)		(\$1,662,622)		(\$1,662,622)	
	Allowance for Working Capital:			_			4	
	Controllable Expenses Cost of Power	\$728,300		\$ \$	728,300		\$728,300	
	Working Capital Rate (%)	\$3,267,388 7.50%	(9)	Э	3,267,388 7.50%	(9)	\$3,267,388 7.50%	(9)
	- ' '	7.0070	(0)		7.0070	(0)	7.0070	(0)
2	Utility Income Operating Revenues:							
	Distribution Revenue at Current Rates	\$778,753						
	Distribution Revenue at Proposed Rates	\$847.617						
	Other Revenue:	\$017,017						
	Specific Service Charges	\$8,055						
	Late Payment Charges	\$6,500						
	Other Distribution Revenue	\$15,750						
	Other Income and Deductions	\$13,200						
	Total Revenue Offsets	\$43,505	(7)					
	Operating Expenses:							
	OM+A Expenses	\$720,300		\$	720,300		\$720,300	
	Depreciation/Amortization	\$74,699		\$	74,699		\$74,699	
	Property taxes	\$8,000		\$	8,000		\$8,000	
	Other expenses							
3	Taxes/PILs							
	Taxable Income:							
	Adjustments required to arrive at taxable income	(\$47,350)	(3)					
	Utility Income Taxes and Rates:							
	Income taxes (not grossed up) Income taxes (grossed up)	\$570 \$671						
	Federal tax (%)	10.50%						
	Provincial tax (%)	4.50%						
	Income Tax Credits	4.5070						
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 (%)	4.54%						
	Short-term debt Cost Rate (%)	1.65%						
	Common Equity Cost Rate (%)	9.19%						
	Prefered Shares Cost Rate (%)	0.00%						

Notes:

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). General 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 (%)

- (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 colimn M and Adjustments in column I
- Net of addbacks and deductions to arrive at taxable income.
- Average of Gross Fixed Assets at beginning and end of the Test Year
 Average of Accumulated Depreciation at the beginning and end of the Test Year. Enter as a negative amount.
- 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.
 - 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

	Nate Dase						
1 Gr 2 Ac 3 Ne	Particulars	_	Initial Application				Per Board Decision
1 2 3	Gross Fixed Assets (average) Accumulated Depreciation (average) Net Fixed Assets (average)	(3) _(3) (3)	\$2,754,517 (\$1,662,622) \$1,091,896	\$ - \$ - \$ -	\$2,754,517 (\$1,662,622) \$1,091,896	\$ - \$ - \$ -	\$2,754,517 (\$1,662,622) \$1,091,896
4	Allowance for Working Capital	(1)	\$299,677	\$ -	\$299,677	<u> </u>	\$299,677
5	Total Rate Base	_	\$1,391,572	<u> </u>	\$1,391,572	<u> </u>	\$1,391,572

(1) Allowance for Working Capital - Derivation

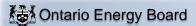
Controllable Expenses		\$728,300	\$ -	\$728,300	\$ -	\$728,300
Cost of Power		\$3,267,388	\$ -	\$3,267,388	\$ -	\$3,267,388
Working Capital Base		\$3,995,688	\$ -	\$3,995,688	\$ -	\$3,995,688
Working Capital Rate %	(2)	7.50%	0.00%	7.50%	0.00%	7.50%
Working Capital Allowance	=	\$299,677		\$299,677		\$299,677

10 Notes (2)

(3)

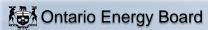
Some Applicants may have a unique rate as a result of a lead-lag study. The default rate for 2016 cost of service applications is 7.5%, per the letter issued by the Board on June 3, 2015. Alternatively, a utility could conduct and file its own lead-lag study.

Average of opening and closing balances for the year.



Utility Income

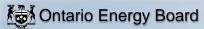
Line No.	Particulars	Initial Application				Per Board Decision
1	Operating Revenues: Distribution Revenue (at Proposed Rates)	\$847,617	(\$847,617)	\$ -	\$ -	\$ -
2	Other Revenue	(1)\$43,505	(\$43,505)	<u> </u>	\$ -	\$ -
3	Total Operating Revenues	\$891,122	(\$891,122)	<u> </u>	<u> </u>	\$ -
4 5 6 7 8 9	Operating Expenses: OM+A Expenses Depreciation/Amortization Property taxes Capital taxes Other expense Subtotal (lines 4 to 8) Deemed Interest Expense	\$720,300 \$74,699 \$8,000 \$ - \$ - \$802,999	\$ - \$ - \$ - \$ - \$ - \$ - (\$36,298)	\$720,300 \$74,699 \$8,000 \$- \$802,999	\$ - \$ - \$ - \$ - \$ - \$ -	\$720,300 \$74,699 \$8,000 \$ - \$802,999
11	Total Expenses (lines 9 to 10)	\$839,297	(\$36,298)	\$802,999	<u> </u>	\$802,999
12	Utility income before income taxes	\$51,825	(\$854,824)	(\$802,999)	<u> </u>	(\$802,999)
13	Income taxes (grossed-up)	\$671	\$ -	\$671	\$ -	\$671
14	Utility net income	\$51,155	(\$854,824)	(\$803,670)	<u>\$ -</u>	(\$803,670)
Notes	Other Revenues / Revenues	nue Offsets				
(1)	Specific Service Charges Late Payment Charges Other Distribution Revenue Other Income and Deductions Total Revenue Offsets	\$8,055 \$6,500 \$15,750 \$13,200 \$43,505	\$-	\$ - \$ - \$ - \$ - \$ -	<u>\$-</u>	\$ - \$ - \$ - \$ -



Taxes/PILs

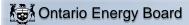
Line No.	Particulars	Application		Per Board Decision
	Determination of Taxable Income			
1	Utility net income before taxes	\$51,154	\$ -	\$ -
2	Adjustments required to arrive at taxable utility income	(\$47,350)	\$ -	(\$47,350)
3	Taxable income	\$3,804	<u> </u>	(\$47,350)
	Calculation of Utility income Taxes			
4	Income taxes	\$570	\$570	\$570
6	Total taxes	\$570	\$570	\$570
7	Gross-up of Income Taxes	\$101	\$101	\$101
8	Grossed-up Income Taxes	\$671	\$671	\$671
9	PILs / tax Allowance (Grossed-up Income taxes + Capital taxes)	\$671	\$671	\$671
10	Other tax Credits	\$ -	\$ -	\$ -
	Tax Rates			
11 12 13	Federal tax (%) Provincial tax (%) Total tax rate (%)	10.50% 4.50% 15.00%	10.50% 4.50% 15.00%	10.50% 4.50% 15.00%

Notes



Capitalization/Cost of Capital

Line Particulars		Capitaliza	tion Ratio	Cost Rate	Return
		Initial Ap	plication		
	Debt	(%)	(\$)	(%)	(\$)
1 2 3	Long-term Debt Short-term Debt Total Debt	56.00% 4.00% 60.00%	\$779,280 \$55,663 \$834,943	4.54% 1.65% 4.35%	\$35,379 \$918 \$36,298
4 5 6	Equity Common Equity Preferred Shares Total Equity	40.00% 0.00% 40.00%	\$556,629 \$ - \$556,629	9.19% 0.00% 9.19%	\$51,154 \$- \$51,154
7	Total	100.00%	\$1,391,572	6.28%	\$87,452
1 2 3	Debt Long-term Debt Short-term Debt Total Debt	(%) 0.00% 0.00% 0.00%	(\$) \$ - \$ - \$ -	(%) 0.00% 0.00% 0.00%	(\$) \$ - \$ - \$ -
4 5 6	Equity Common Equity Preferred Shares Total Equity	0.00% 0.00% 0.00%	\$ - \$ - \$ -	0.00% 0.00% 0.00%	\$ - \$ - \$ -
7	Total	0.00%	\$1,391,572	0.00%	<u> \$ -</u>
		Per Board	l Decision		
8 9	Debt Long-term Debt Short-term Debt	(%) 0.00% 0.00%	(\$) \$ - \$ -	(%) 4.54% 1.65%	(\$) \$ - \$ -
10	Total Debt	0.00%	\$ -	0.00%	\$ -
11 12 13	Equity Common Equity Preferred Shares Total Equity	0.00% 0.00% 0.00%	\$ - \$ - \$ -	9.19% 0.00% 0.00%	\$ - \$ - \$ -
14	Total	0.00%	\$1,391,572	0.00%	\$ -
Notes (1)		Application as originally fir settlement conferences, or			



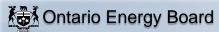
Revenue Deficiency/Sufficiency

		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		\$68,864		\$15,890		\$802,999
2 3	Distribution Revenue Other Operating Revenue Offsets - net	\$778,753 \$43,505	\$778,753 \$43,505	\$778,753 \$ -	\$831,727 \$ -	\$ - \$ -	(\$802,999) \$ -
4	Total Revenue	\$822,258	\$891,122	\$778,753	\$847,617	\$ -	\$ -
5 6	Operating Expenses Deemed Interest Expense	\$802,999 \$36,298	\$802,999 \$36,298	\$802,999 \$ -	\$802,999 \$-	\$802,999 \$ -	\$802,999 \$ -
8	Total Cost and Expenses	\$839,297	\$839,297	\$802,999	\$802,999	\$802,999	\$802,999
9	Utility Income Before Income Taxes	(\$17,039)	\$51,825	(\$24,246)	\$44,618	(\$802,999)	(\$802,999)
10	Tax Adjustments to Accounting Income per 2013 PILs model	(\$47,350)	(\$47,350)	(\$47,350)	(\$47,350)	\$ -	\$ -
11	Taxable Income	(\$64,389)	\$4,475	(\$71,596)	(\$2,732)	(\$802,999)	(\$802,999)
12 13	Income Tax Rate Income Tax on Taxable Income	15.00% (\$9,658)	15.00% \$671	15.00% (\$10,739)	15.00% (\$410)	15.00% (\$120,450)	15.00% (\$120,450)
14	Income Tax Credits	\$-	\$ -	\$ -	\$ -	\$ -	\$ -
15	Utility Net Income	(\$7,380)	\$51,155	(\$13,507)	(\$803,670)	(\$682,549)	(\$803,670)
16	Utility Rate Base	\$1,391,572	\$1,391,572	\$1,391,572	\$1,391,572	\$1,391,572	\$1,391,572
17	Deemed Equity Portion of Rate Base	\$556,629	\$556,629	\$ -	\$ -	\$ -	\$ -
18	Income/(Equity Portion of Rate Base)	-1.33%	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	-10.52%	0.00%	0.00%	0.00%	0.00%	0.00%
21 22	Indicated Rate of Return Requested Rate of Return on Rate Base	2.08% 6.28%	6.28% 6.28%	-0.97% 0.00%	0.00% 0.00%	-49.05% 0.00%	0.00% 0.00%
23	Deficiency/Sufficiency in Rate of Return	-4.21%	0.00%	-0.97%	0.00%	-49.05%	0.00%
24 25 26	Target Return on Equity Revenue Deficiency/(Sufficiency) Gross Revenue	\$51,154 \$58,535 \$68,864 (1)	\$51,154 \$0	\$ - \$13,507 \$15,890 (1)	\$ - \$ -	\$ - \$682,549 \$802,999 (1)	\$ - \$ -

Notes

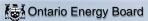
Revenue Deficiency/Sufficiency divided by (1 - Tax Rate)

Deficiency/(Sufficiency)



Revenue Requirement

Line No.	Particulars	Application				Per Board Decision
1 2 3 5 6	OM&A Expenses Amortization/Depreciation Property Taxes Income Taxes (Grossed up) Other Expenses	\$720,300 \$74,699 \$8,000 \$671 \$ -		\$720,300 \$74,699 \$8,000 \$671		\$720,300 \$74,699 \$8,000 \$671
7	Return Deemed Interest Expense Return on Deemed Equity	\$36,298 \$51,154		\$ - \$ -		\$ - \$ -
8	Service Revenue Requirement (before Revenues)	\$891,122		\$803,670		\$803,670
9 10	Revenue Offsets Base Revenue Requirement (excluding Tranformer Owership Allowance credit adjustment)	\$43,505 \$847,617		\$ - \$803,670		\$ - \$803,670
11 12	Distribution revenue Other revenue	\$847,617 \$43,505		\$ - \$ -		\$ - \$ -
13	Total revenue	\$891,122		\$ -		\$ -
14	Difference (Total Revenue Less Distribution Revenue Requirement before Revenues)	\$0	(1)	(\$803,670)	(1)	<u>(\$803,670)</u> (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.)

(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

			Cost	of Capital	Rate Bas	e and Capital Exp	enditures	Ope	erating Expens	es		Revenue R	equirement	
F	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	Other Revenues		
		Original Application	\$ 87,45	6.28%	\$ 1,391,572	\$ 3,995,688	\$ 299,677	\$ 74,699	\$ 671	\$ 720,300	\$ 891,122	\$ 43,505	\$ 847,617	\$ 68,864
														1