

April 19, 2017

Delivered by Courier and E-file

Ms. Kirsten Walli  
Board Secretary  
Ontario Energy Board  
P.O. Box 2319,  
2300 Yonge Street, 27<sup>th</sup> Floor  
Toronto, ON M4P 1E4

Dear Ms. Walli:

**Re: Welland Hydro-Electric System Corp.  
EB-2016-0110 - 2017 Distribution Rates Application  
Settlement Proposal**

Please be advised the Parties in this matter have reached a complete settlement. Pursuant to Procedural Order No. 1, please find attached the settlement proposal in this matter as well as supporting documentation.

An electronic copy has been filed using the OEB's E-filing services (RESS).

Yours very truly,



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Bill Harper, VECC  
Georgette Vlahos, Ontario Energy Board  
Bruce Bacon, Borden Ladner Gervais  
John Vellone, Borden Ladner Gervais

**EB-2016-0110**

**IN THE MATTER OF** the *Ontario Energy Board Act*,  
1998, S.O. 1998, c. 15, (Schedule B);

**AND IN THE MATTER OF** an application by Welland  
Hydro-Electric System Corp. for an order approving just and  
reasonable rates and other charges for electricity distribution  
to be effective May 1, 2017.

**WELLAND HYDRO-ELECTRIC SYSTEM CORP.  
SETTLEMENT PROPOSAL**

**APRIL 19, 2017**

**Welland Hydro-Electric System Corp.**

**EB-2016-0110**

**Settlement Proposal**

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## **LIVE EXCEL MODELS**

In addition to the Appendices listed above, the following live excel models have been filed together with and form an integral part of this Settlement Proposal:

Welland\_2017 Chapter 2 Appendices\_Settlement\_20170419  
Welland\_2017 Cost Allocation Model\_Settlement\_20170419  
Welland\_2017 DVA Continuity Schedule\_Settlement\_20170419  
Welland\_2017 Income Tax PILS Workform\_Settlement\_20170419  
Welland\_2017 Load Forecast No Manual CDM\_Settlement\_20170419  
Welland\_2017 Load Forecast\_Settlement\_20170419  
Welland\_2017 LRAMVA Work Form\_Settlement\_20170419  
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Welland\_2017 RTSR Workform\_Settlement\_20170419  
Welland\_2017 Tariff Schedule and Bill Impacts\_Settlement\_20170419  
Welland\_2017 Benchmarking Spreadsheet\_Settlement\_20170419

**Welland Hydro-Electric System Corp.**

**EB-2016-0110**

**Settlement Proposal**

**Filed with OEB:** April 19, 2017

Welland Hydro-Electric System Corp. (the “Applicant” or “Welland Hydro”) filed a complete cost of service application with the Ontario Energy Board (the “OEB”) on December 15, 2016 under section 78 of the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15, (Schedule B) (the “Act”), seeking approval for changes to the rates that Welland Hydro charges for electricity distribution and other charges, to be effective May 1, 2017. (OEB Docket Number EB-2016-0110) (the “Application”).

The OEB issued and published a Notice of Hearing dated January 18, 2017, and Procedural Order No. 1 on February 16, 2017, the latter of which required the parties to the proceeding to develop a draft issues list and scheduled a Settlement Conference for April 3-4, 2017.

Welland Hydro filed its interrogatory responses with the OEB on March 20, 2017, pursuant to which Welland Hydro updated several models and submitted them to the OEB as Excel documents. On March 24, 2017, following the interrogatories, Ontario Energy Board staff (“OEB staff”) submitted a proposed issues list as agreed to by the parties. On March 28, 2017 the OEB issued its decision on the proposed issues list, approving the list submitted by OEB staff (the “Issues List”). This Settlement Proposal is filed with the OEB in connection with the Application and is organized in accordance with the Issues List.

Further to the OEB’s Procedural Order No. 1, a settlement conference was convened on April 3, 2017 and continued to April 4, 2017, in accordance with the OEB’s *Rules of Practice and Procedure* (the “Rules”) and the OEB’s *Practice Direction on Settlement Conferences* (the “Practice Direction”).

Jim Faught acted as facilitator for the settlement conference which lasted for two days.

Welland Hydro and the following intervenors (the “Intervenors”), participated in the settlement conference:

Energy Probe Research Foundation (“EP”);  
School Energy Coalition (“SEC”); and  
Vulnerable Energy Consumers Coalition (“VECC”).

Welland Hydro and the Intervenors are collectively referred to below as the “Parties”.

OEB staff also participated in the settlement conference. The role adopted by OEB staff is set out in page 5 of the Practice Direction. Although OEB staff is not a party to this Settlement Proposal, as noted in the Practice Direction, OEB staff who did participate in the settlement conference are bound by the same confidentiality requirements that apply to the Parties to the proceeding.

This document is called a “Settlement Proposal” because it is a proposal by the Parties to the OEB to settle the issues in this proceeding. It is termed a proposal as between the Parties and the OEB. However, as between the Parties, and subject only to the OEB’s approval of this Settlement Proposal, this document is intended to be a legal agreement, creating mutual obligations, and binding and enforceable in accordance with its terms. As set forth later in this Preamble, this agreement is subject to a condition subsequent, that if it is not accepted by the OEB in its entirety, then unless amended by the Parties it is null and void and of no further effect. In entering into this agreement, the Parties understand and agree that, pursuant to the Act, the OEB has exclusive jurisdiction with respect to the interpretation and enforcement of the terms hereof.

The Parties acknowledge that this settlement proceeding is confidential in accordance with the Practice Direction. The Parties understand that confidentiality in that context does not have the same meaning as confidentiality in the OEB’s Practice Direction on Confidential Filings, and the rules of that latter document do not apply. Instead, in this settlement conference, and in this Agreement, the Parties have interpreted “confidential” to mean that the documents and other information provided during the course of the settlement proceeding, the discussion of each issue, the offers and counter-offers, and the negotiations leading to the settlement – or not – of each issue during the settlement conference are strictly privileged and without prejudice. None of the foregoing is admissible as evidence in this proceeding, or otherwise, with one exception, the need to resolve a subsequent dispute over the interpretation of any provision of this Settlement Proposal. Further, the Parties shall not disclose those documents or other information to persons who were not attendees at the settlement conference. However, the Parties agree that “attendees” is deemed to include, in this context, persons who were not physically in attendance at the settlement conference but were a) any persons or entities that the Parties engage to assist them with the settlement conference, and b) any persons or entities from whom they seek instructions with respect to the negotiations; in each case provided that any such persons or entities have agreed to be bound by the same confidentiality provisions.

This Settlement Proposal provides a brief description of each of the settled and partially settled issues, as applicable, together with references to the evidence. The Parties agree that references to the “evidence” in this Settlement Proposal shall, unless the context otherwise requires, include (a) additional information included by the Parties in this Settlement Proposal, and (b) the Appendices to this document. The supporting Parties for each settled and partially settled issue, as applicable, agree that the evidence in respect of that settled or partially settled issue, as applicable, is sufficient in the context of the overall settlement to support the proposed settlement, and the sum of the evidence in this proceeding provides an appropriate evidentiary record to support acceptance by the OEB of this Settlement Proposal.

There are Appendices to this Settlement Proposal which provide further support for the proposed settlement. The Parties acknowledge that the Appendices were prepared by Welland Hydro. While the Intervenors have reviewed the Appendices, the Intervenors are relying on the accuracy of the underlying evidence in entering into this Settlement Proposal.

Outlined below are the final positions of the Parties following the settlement conference. For ease of reference, this Settlement Proposal follows the format of the final approved issues list for the Application attached to the Issues List Decision dated March 28, 2017.

The Parties are pleased to advise the OEB that they have reached a complete agreement with respect to the settlement of all of the issues in this proceeding. Specifically:

<b>“Complete Settlement”</b> means an issue for which complete settlement was reached by all Parties, and if this Settlement Proposal is accepted by the OEB, the Parties will not adduce any evidence or argument during the oral hearing in respect of these issues.	# issues settled: <b>All</b>
<b>“Partial Settlement”</b> means an issue for which there is partial settlement, as Welland Hydro and the Intervenor who take any position on the issue were able to agree on some, but not all, aspects of the particular issue. If this Settlement Proposal is accepted by the OEB, the Parties who take any position on the issue will only adduce evidence and argument during the hearing on those portions of the issues not addressed in this Settlement Proposal.	# issues partially settled: <b>None</b>
<b>“No Settlement”</b> means an issue for which no settlement was reached. Welland Hydro and the Intervenor who take a position on the issue will adduce evidence and/or argument at the hearing on the issue.	# issues not settled: <b>None</b>

According to the Practice Direction (p. 3), the Parties must consider whether a Settlement Proposal should include an appropriate adjustment mechanism for any settled issue that may be affected by external factors. These adjustments are specifically set out in the text of the Settlement Proposal.

The Parties have settled the issues as a package, and none of the parts of this Settlement Proposal are severable. If the OEB does not accept this Settlement Proposal in its entirety, then there is no settlement (unless the Parties agree in writing that any part(s) of this Settlement Proposal that the OEB does accept may continue as a valid settlement without inclusion of any part(s) that the OEB does not accept).

In the event that the OEB directs the Parties to make reasonable efforts to revise the Settlement Proposal, the Parties agree to use reasonable efforts to discuss any potential revisions, but no Party will be obligated to accept any proposed revision. The Parties agree that all of the Parties who took on a position on a particular issue must agree with any revised Settlement Proposal as it relates to that issue prior to its resubmission to the OEB.

Unless stated otherwise, the settlement of any particular issue in this proceeding and the positions of the Parties in this Settlement Proposal are without prejudice to the rights of Parties to raise the same issue and/or to take any position thereon in any other proceeding, whether or not Welland Hydro is a party to such proceeding.

Where in this Agreement, the Parties “Accept” the evidence of Welland Hydro, or the Parties or any of them “agree” to a revised term or condition, including a revised budget or forecast, then



unless the Agreement expressly states to the contrary, the words “for the purpose of settlement of the issues herein” shall be deemed to qualify that acceptance or agreement.

## SUMMARY

In reaching this complete settlement, the Parties have been guided by the Filing Requirements for 2017 rates, the approved issues list attached as Schedule A to the OEB's Issues List Decision of March 28, 2017, and the Report of the OEB titled *Renewed Regulatory Framework for Electricity Distributors: A Performance-Based Approach* dated October 18, 2012 ("RRFE").

This Settlement Proposal reflects a complete settlement of the issues in this proceeding.

Welland Hydro has made changes to the Revenue Requirement as depicted below in Table A.

Table A: Revenue Requirement Summary

Description		Application	Interrogatories	Variance	Settlement	Variance
		(A)	(B)	(C)=(B)-(A)	(D)	(E)=(D)-(B)
Cost of Capital	Regulated Return on Capital	2,106,053	1,903,212	-202,841	1,907,334	4,122
	Regulated Rate of Return	6.28%	5.67%	-0.61%	5.67%	0.00%
Rate Base & Capital Expenditures	Rate Base	33,512,388	33,592,421	80,033	33,665,168	72,747
	Working Capital Base	53,574,437	53,879,696	305,259	55,509,328	1,629,632
	Working Capital Allowance	4,018,083	4,040,977	22,894	4,163,200	122,223
Operating Expenses	Amortization	1,429,600	1,416,779	-12,821	1,415,729	-1,050
	Taxes/PILs (Grossed Up)	100,775	89,111	-11,664	91,096	1,985
	OM&A	6,999,907	6,999,907	0	6,800,000	-199,907
Revenue Requirement	Service Revenue Requirement	10,636,334	10,409,010	-227,324	10,214,159	-194,851
	Other Revenue	530,050	530,134	84	530,134	0
	Base Revenue Requirement	10,106,284	9,878,876	-227,408	9,684,025	-194,851
	Grossed Up Revenue Deficiency	1,056,407	844,140	-212,267	526,253	-317,887

The Bill Impacts as a result of this settlement agreement is summarized in Table B.

Table B: Summary of Bill Impacts

Customer Class	kWh	kW	2016 Bill Amount	2017 Bill Amount	Difference	Total Bill Impact %	Distribution Bill Impact %
Residential	750		\$148.13	\$148.36	\$0.23	0.15%	3.09%
Residential (10th percentile)	308		\$74.35	\$76.60	\$2.25	3.03%	10.02%
General Service Less Than 50 kW	2,000		\$375.83	\$377.32	\$1.49	0.40%	4.69%
General Service 50 to 4,999 kW	32,400	60	\$5,395.12	\$5,493.43	\$98.31	1.82%	7.91%
General Service 50 to 4,999 kW	1,091,088	3,648	\$180,375.15	\$183,488.63	\$3,113.48	1.73%	30.69%
Unmetered Scattered Load	150		\$39.24	\$37.05	-\$2.19	-5.59%	-13.71%
Sentinel Lighting	120	0.3	\$24.28	\$26.23	\$1.95	8.03%	40.94%
Street Lighting	16	0.044	\$5.43	\$3.57	-\$1.86	-34.18%	-69.88%

As shown in Table B, the total bill impacts for all classes are less than 10%. As a result, and consistent with the OEB's policy, no proposals for rate mitigation are necessary.

The impact of the settlement agreement in regards to Capital Expenditures and OM&A Expenses results in an estimated Efficiency Assessment of 20.7% using the PEG forecasting model provided by the OEB as can be seen in Table C.

Table C: Summary of Cost Benchmarking Results

Summary of Cost Benchmarking Results				
Welland Hydro-Electric System Corp.				
		2015 (History)	2016 (Bridge)	2017 (Test Year)
<b>Cost Benchmarking Summary</b>				
Actual Total Cost		11,180,484	11,769,510	11,496,873
Predicted Total Cost		13,473,782	14,137,372	14,147,070
Difference		(2,293,297)	(2,367,862)	(2,650,197)
<b>Percentage Difference (Cost Performance)</b>		<b>-18.7%</b>	<b>-18.3%</b>	<b>-20.7%</b>
Three-Year Average Performance				-19.2%
Stretch Factor Cohort				
Annual Result		2	2	2
Three Year Average				2

The increase in benchmarking efficiency from the 2015 Actual to the 2017 Test Year represents a productivity improvement of 10.6% (20.7%/18.7%) over a two year period and reflects Welland Hydro's commitment to continuous improvement.

The Parties believe that, since there are no areas of disagreement among the Parties, no oral hearing is required if this Settlement Proposal is accepted.

Based on the foregoing, and the evidence and rationale provided below, the parties agree that this Settlement Proposal is appropriate and recommend its acceptance by the OEB. Please refer to Appendix A for the schedule of draft tariffs resulting if this settlement is accepted by the OEB. This Settlement Proposal reflects the Parties' agreement on an effective date for new rates of May 1, 2017 subject to the OEB issuing a Decision in this rate application on or before May 19, 2017. Should a decision not be issued on or before May 19, 2017 the parties agree to a date of the 1<sup>st</sup> day of the month following the OEB's decision in this rate application not to exceed a period of three months (August 1, 2017).

## 1. Planning

### 1.1 Capital

*Is the level of planned capital expenditures appropriate and is the rationale for planning and pacing choices appropriate and adequately explained, giving due consideration to:*

- *customer feedback and preferences;*
- *productivity;*
- *benchmarking of costs;*
- *reliability and service quality;*
- *impact on distribution rates;*
- *trade-offs with OM&A spending;*
- *government-mandated obligations; and*
- *the objectives of the Applicant and its customers*

**Complete Settlement:** For the purposes of the settlement of all of the issues in this proceeding, Welland Hydro agrees to adjust its 2017 rate base and test year capital plan to reflect the following changes:

- Welland Hydro agrees to reduce its test year capital expenditures by \$100,000. This would result in 2017 Capital Expenditures of \$2,108,986. This amount can be seen in Appendix B - Capital Expenditure Summary to this settlement agreement. Total 2017 Capital Additions of \$2,178,218 is comprised of 2017 Capital Expenditures of \$2,108,986 plus 2016 CWIP of \$69,232. This amount is detailed in Appendix C – 2017 Fixed Asset Continuity Schedule, and is also lower than originally proposed by the same reduction of \$100,000 as included in Appendix B.

Welland Hydro proposes to achieve this reduction in capital expenditure by modifying the anticipated scope of work for the Church-Niagara project in the test year.

With the above adjustments, and for the purposes of settlement of all the issues in this proceeding, the Parties accept that the level of planned capital expenditures and the rationale for planning and pacing choices are appropriate and adequately explained, giving due consideration to:

- The customer feedback and preferences as more fully detailed in Exhibit 1 at Section 2.1.6, Appendix 1-G, and Exhibit 2 at Appendix 2-A ;
- The past and planned productivity initiatives of Welland Hydro as more fully detailed in Exhibit 1 at Section 2.1.2, Appendix 1-A, Appendix 1-B, and Appendix 1-G;
- Welland Hydro's benchmarking performance as more fully detailed in Exhibit 1 at Section 2.1.7, Appendix 1-B and PEG forecasting model results as seen in Table C above;

- Welland Hydro's past reliability and service quality performance as well as Welland Hydro's targets for performance in the test year as more fully detailed in Exhibit 1 at Section 2.1.1 and 2.1.7, Exhibit 2 Section 2.2.2.8, and Appendix 2-A;
- The total impact on distribution rates, as more fully detailed in Appendix D to this settlement agreement;
- The settlement on OM&A as described under issue 1.2 of this Settlement Proposal;
- Welland Hydro's performance meeting government mandated obligations as more fully detailed in Exhibit 1 at Section 2.1.2 and 2.1.7, Appendix 1-A, and Appendix 1-B;
- Welland Hydro's targets and objectives as more fully detailed in Exhibit 1 Section 2.1.2 and 2.1.7, Appendix 1-A, and Exhibit 2 at Appendix 2-A.

The Parties further agree that the Distribution System Plan filed in this proceeding, combined with the resources made available to Welland Hydro in the Test Year under the terms of this Settlement Proposal, provide a foundation to Welland Hydro in the Test Year to continue to: (a) pursue continuous improvement in productivity; (b) maintain system reliability and service quality; and (c) maintain reliable and safe operation of its distribution system.

Welland Hydro agrees that, prior to its next cost of service rebasing application, it will carry out a full asset condition assessment of its system, and will prepare a new Distribution System Plan that is informed by that asset condition assessment. That new Distribution System Plan will also expressly consider rate sustainability for Welland Hydro's customers in light of economic growth and demographic forecasts for the Welland Hydro service territory. For the sake of clarity, rate sustainability will be defined by Welland Hydro in the Distribution System Plan and will be one of several considerations that will inform Welland Hydro's Distribution System Plan. Welland Hydro shall retain sole and absolute discretion to assign weights to different considerations as appropriate in its next Distribution System Plan.

Appendix B of this Settlement Proposal provides an updated Appendix 2-AB to reflect this settlement. Appendix C of this Settlement Proposal provides an updated Appendix 2-BA 2017 Fixed Asset Continuity Schedule to reflect this settlement.

**Evidence:**

*Application:* Exhibit 1 Sections 2.1.2, 2.1.3, 2.1.4, 2.1.5D, 2.1.6; Exhibit 2 Rate Base in its entirety, in particular Section 2.2.2, and Exhibit 2 Appendix 2-A

*IRRs:* 1-Staff-4, 1-Staff-9, 1-Staff-10, 1.0-SEC-2, 1.0-SEC-5, 1.0-SEC-6, 1.0-SEC-7, 1.0-VECC-1, 1.0-VECC-3, 1.0-Energy Probe-3, 1.0-Energy Probe-5; 2-Staff-12, 2-Staff-14, 2-Staff-15, 2-Staff-17, 2-Staff-18, 2-Staff-19, 2-Staff-20, 2-Staff-21, 2-Staff-22, 2-Staff-24, 2-Staff-25, 2-Staff-28, 2-Staff-29, 2-Staff-31, 2-Staff-34, 2-

Staff-36, 2-Staff-37, 2-Staff-42, 2-Staff-44, 2.0-VECC-9, 2.0-VECC-10, 2.0-VECC-11, 2.0-VECC-12, 2.0-VECC-15, 2.0-VECC-16, 2.0-VECC-20; 4-Staff-48, 4.0-VECC-32

- Welland\_2017\_Chapter 2\_Appendices\_Responses\_20170320

*Appendices to this Settlement Proposal:*

Appendix B Capital Expenditure Summary

Appendix C 2017 Fixed Asset Continuity Schedule

*Settlement Models:*

- Welland\_2017 Chapter 2 Appendices\_Settlement\_20170419

**Supporting Parties:** All

## 1.2 OM&A

*Is the level of planned OM&A expenditures appropriate and is the rationale for planning choices appropriate and adequately explained, giving due consideration to:*

- *customer feedback and preferences;*
- *productivity;*
- *benchmarking of costs;*
- *reliability and service quality;*
- *impact on distribution rates;*
- *trade-offs with capital spending;*
- *government-mandated obligations; and*
- *the objectives of the Applicant and its customers.*

**Complete Settlement:** Welland Hydro agrees to reduce its proposed OM&A expenses in the test year to \$6,800,000.

Based on the foregoing and the evidence filed by Welland Hydro, the Parties agree that the level of planned OM&A expenditures and the rationale for planning and pricing choices are appropriate and adequately explained, giving due consideration to:

- The customer feedback and preferences as more fully detailed in Exhibit 1 at Section 2.1.6, Appendix 1-E, Appendix 1-G and in Exhibit 2 at Appendix 2-A;
- The past and planned productivity initiatives of Welland Hydro as more fully detailed in Exhibit 1 at Section 2.1.2, Appendix 1-A, Appendix 1-B and Appendix 1-G;
- Welland Hydro's benchmarking performance as more fully detailed in Exhibit 1 at Section 2.1.7, Appendix 1-B, and PEG forecasting model results as seen in Table C above;
- Welland Hydro's past reliability and service quality performance as well as Welland Hydro's targets for performance in the test year as more fully detailed in Exhibit 1 at Section 2.1.2 and 2.1.7, Exhibit 2 Section 2.2.2.8, and Appendix 2-A;
- The total impact on distribution rates, as more fully detailed in Appendix D to this settlement agreement;
- The changes in capital spending as described under Issue 1.1 of this Settlement Proposal;
- Welland Hydro's performance meeting government mandated obligations as more fully detailed in Exhibit 1 at Section 2.1.2 and 2.1.7, Appendix 1-A, and Appendix 1-B;
- Welland Hydro's targets and objectives as more fully detailed in Exhibit 1 Section 2.1.2 and Section 2.1.7, Appendix 1-A, and Exhibit 2 at Appendix 2-A.

Welland Hydro's OM&A Expenses are summarized in Table 1.2A below. There were no changes to OM&A Expenses during the interrogatory process. Total OM&A Expenses have been decreased by \$199,907 in this settlement agreement as outlined in Table A of the Summary Section above. Total 2017 Settlement Test Year OM&A Expenses have increased by 9.8% compared to 2013 Actuals, 6.8% compared to 2013 Cost of Service, and 0.90% compared to 2016 Actuals.

**Table 1.2A**  
**Appendix 2-JA**  
**Summary of OM&A Expenses**

	Last Rebasing Year (2013 Board- Approved)	Last Rebasing Year (2013 Actuals)	2014 Actuals	2015 Actuals	2016 Actuals	2016 Bridge Year	2017 Test Year Settlement
	Revised	Revised					
<b>Reporting Basis</b>	<b>CGAAP</b>	<b>CGAAP</b>	<b>MIFRS</b>	<b>MIFRS</b>	<b>MIFRS</b>	<b>MIFRS</b>	<b>MIFRS</b>
Operations	\$ 1,392,257	\$ 1,232,459	\$ 1,275,287	\$ 1,320,244	\$ 1,461,617	\$ 1,401,297	\$ 1,498,740
Maintenance	\$ 1,621,552	\$ 1,653,693	\$ 1,651,437	\$ 1,834,314	\$ 1,815,064	\$ 1,854,122	\$ 1,815,576
<b>SubTotal</b>	<b>\$ 3,013,809</b>	<b>\$ 2,886,152</b>	<b>\$ 2,926,724</b>	<b>\$ 3,154,558</b>	<b>\$ 3,276,681</b>	<b>\$ 3,255,419</b>	<b>\$ 3,314,316</b>
%Change (year over year)			1.4%	7.8%	3.9%	3.2%	1.8%
%Change (Test Year vs Last Rebasing Year - Actual)							14.8%
Billing and Collecting	\$ 1,407,275	\$ 1,379,546	\$ 1,591,426	\$ 1,382,233	\$ 1,355,868	\$ 1,475,391	\$ 1,467,344
Community Relations	\$ 134,249	\$ 116,716	\$ 89,463	\$ 128,286	\$ 123,157	\$ 137,204	\$ 144,123
Administrative and General	\$ 1,814,667	\$ 1,811,046	\$ 1,610,379	\$ 1,651,361	\$ 1,983,255	\$ 1,809,522	\$ 1,874,217
<b>SubTotal</b>	<b>\$ 3,356,191</b>	<b>\$ 3,307,308</b>	<b>\$ 3,291,268</b>	<b>\$ 3,161,880</b>	<b>\$ 3,462,280</b>	<b>\$ 3,422,117</b>	<b>\$ 3,485,684</b>
%Change (year over year)			-0.5%	-3.9%	9.5%	8.2%	1.9%
%Change (Test Year vs Last Rebasing Year - Actual)							5.4%
<b>Total</b>	<b>\$ 6,370,000</b>	<b>\$ 6,193,460</b>	<b>\$ 6,217,992</b>	<b>\$ 6,316,438</b>	<b>\$ 6,738,961</b>	<b>\$ 6,677,536</b>	<b>\$ 6,800,000</b>
%Change (year over year)			0.4%	1.6%	6.7%	5.7%	0.9%

## Evidence:

*Application:* Exhibit 1 Sections 2.1.2, 2.1.3, 2.1.4, 2.1.5E, 2.1.6 including Appendix 1-A; Exhibit 2, including Table 2-28, Table 2-29 (Appendix 2-FC), Appendix 2-A; Exhibit 4 Section 2.4.1 to 2.4.3.7.

- Welland\_2017\_Filing Requirements\_Chapter 2\_Appendices\_20161027

*IRRs:* 1-Staff-4, 1-Staff-6, 1-Staff-9b, 1-Staff-10, 1.0-SEC-2, 1.0-SEC-7, 1.0-VECC-3, 1.0-Energy Probe-7; 2-Staff-19, 2-Staff-21, 2-Staff-25, 2-Staff-28, 2-Staff-29; 4-Staff-48, 4-Staff-49, 4-Staff-52, 4.0-VCC-29, 4.0-VECC-32

- Welland\_2017\_Chapter 2\_Appendices\_Responses\_20170320

*Appendices to this Settlement Proposal:* None

*Settlement Models:*

- Welland\_2017 Chapter 2 Appendices\_Settlement\_20170419

**Supporting Parties:** All



## 2. Revenue Requirement

### 2.1 Are all elements of the Revenue Requirement reasonable, and have they been appropriately determined in accordance with OEB policies and practices?

**Complete Settlement:** The Parties agree that all elements of the Base Revenue Requirement have been correctly determined in accordance with OEB policies and practices. Specifically:

- a) *Rate Base:* The Parties agree that the rate base calculations, as updated to reflect this Settlement Proposal, are reasonable and have been appropriately determined in accordance with OEB policies and practices.
- b) *Working Capital:* The Parties agree that the working capital calculations, as updated to reflect this Settlement Proposal, are reasonable and have been appropriately determined in accordance with OEB policies and practices.
- c) *Cost of Capital:* The Parties agree that the cost of capital calculations, as updated to reflect this Settlement Proposal, are reasonable and have been appropriately determined in accordance with OEB policies and practices.
- d) *Other Revenue:* The Parties agree that the other revenue calculations, as updated to reflect this Settlement Proposal, are reasonable and have been appropriately determined in accordance with OEB policies and practices.
- e) *Depreciation:* The Parties agree that the depreciation calculations, as updated to reflect this Settlement Proposal, are reasonable and have been appropriately determined in accordance with OEB policies and practices.
- f) *Taxes:* The Parties agree that the PILs calculations, as updated to reflect this Settlement Proposal, are reasonable and have been appropriately determined in accordance with OEB policies and practices. The PILs workform reflecting this Settlement Proposal is provided as part of the supporting material in file named Welland\_2017 Income Tax PILS Workform\_Settlement\_20170419.

### **Evidence:**

*Application:* Exhibit 1 Section 2.1.5A, Section 2.1.5D, Section 2.1.5F; Exhibit 2 Section 2.2-2.2.1.3; Exhibit 3 Section 2.3.3; Exhibit 4 Section 2.4.4, Section 2.4.5-2.4.5.2; Exhibit 5; Exhibit 6

- Welland\_Rev\_Reqt\_Work\_Form\_20161028
- Welland\_2017\_Filing Requirements\_Chapter 2\_Appendices\_20161027

*IRRs:* 1-Staff-6, 1.0-SEC-4, 1.0-Energy Probe-2, 1.0-Energy Probe-3, 1.0-Energy Probe-10; 2-Staff-12, 2-Staff-13, 2-Staff-14, 2-Staff-45, 2.0-VECC-13; 3-Staff-46, 3.0-VECC-28; 4.0-VECC-38, 4.0-VECC-39; 5-Staff-57; 6-Staff-58; 7.0-SEC-18.

- Welland\_Rev\_Reqt\_Work\_Form\_2017 Cost of Capital\_20161221
- Welland\_Rev\_Reqt\_Work\_Form\_2017\_Responses\_20170320
- Welland\_2017\_Chapter 2\_Appendices\_Responses\_20170320

*Appendices to this Settlement Proposal:*

Appendix B Capital Expenditure Summary

Appendix C 2017 Fixed Asset Continuity Schedule

Appendix F Chapter 2 Appendices Revenue Requirements

*Settlement Models:*

- Welland\_2017 Rev Reqt Work Form\_Settlement\_20170419
- Welland\_2017 Chapter 2 Appendices\_Settlement\_20170419

**Supporting Parties:** All

**2.2** Has the Revenue Requirement been accurately determined based on these elements?

**Complete Settlement:** Subject to the adjustments expressly noted in this Settlement Proposal, the Parties agree that the proposed Revenue Requirement has been accurately determined in the Appendices.

The elements of Revenue Requirement are detailed in Tables 2.2A to 2.2H below.

**Table 2.2A  
Revenue Requirement**

Description	Application (A)	IRR (B)	Variance (C)	Settlement (D)	Variance (E)=(D)-(B)
Administrative & General, Billing & Collecting	3,594,304	3,594,304	0	3,473,427	-120,877
Operation & Maintenance	3,392,703	3,392,703	0	3,314,316	-78,387
Donations - LEAP	12,900	12,900	0	12,257	-643
Depreciation & Amortization	1,429,600	1,416,779	-12,821	1,415,729	-1,050
<b>Total Costs and Expenses</b>	<b>8,429,507</b>	<b>8,416,686</b>	<b>-12,821</b>	<b>8,215,729</b>	<b>-200,957</b>
Regulated Return on Capital	2,106,053	1,903,212	-202,841	1,907,334	4,122
PILS	100,775	89,111	-11,664	91,096	1,985
<b>Service Revenue Requirement</b>	<b>10,636,335</b>	<b>10,409,009</b>	<b>-227,326</b>	<b>10,214,159</b>	<b>-194,850</b>
Revenue Offsets	530,050	530,134	84	530,134	0
<b>Base Revenue Requirement</b>	<b>10,106,285</b>	<b>9,878,875</b>	<b>-227,410</b>	<b>9,684,025</b>	<b>-194,850</b>
Distribution Revenue at Current Rates	9,049,877	9,034,736	-15,141	9,157,772	123,036
<b>Revenue Deficiency</b>	<b>1,056,407</b>	<b>844,140</b>	<b>-212,267</b>	<b>526,253</b>	<b>-317,887</b>

**Table 2.2B  
Rate Base**

Description	Application (A)	IRR (B)	Variance (C)	Settlement (D)	Variance (E)=(D)-(B)
Average Gross Costs	61,111,953	61,127,520	15,567	61,077,520	-50,000
Average Accumulated Depreciation	-31,617,647	-31,576,076	41,571	-31,575,553	523
<b>Average Net Book Value</b>	<b>29,494,306</b>	<b>29,551,444</b>	<b>57,138</b>	<b>29,501,967</b>	<b>-49,477</b>
Working Capital Base	53,574,437	53,879,696	305,259	55,509,328	1,629,632
Working Capital Allowance %	7.50%	7.50%	0.00%	7.50%	0.00%
<b>Working Capital (\$)</b>	<b>4,018,083</b>	<b>4,040,977</b>	<b>22,894</b>	<b>4,163,200</b>	<b>122,223</b>
<b>Rate Base</b>	<b>33,512,388</b>	<b>33,592,421</b>	<b>80,033</b>	<b>33,665,168</b>	<b>72,747</b>

**Table 2.2C**  
**Cost of Power**

Details	Metric	2017 Forecast kWh/kW	Loss Factor Proposed	2017 Uplifted kWh	2017 Rates	2017 Cost of Power
<b>Electricity - Commodity RPP</b>						
Residential	kWh	156,123,068	1.0476	163,554,526	0.11239	18,381,893
General Service < 50kW	kWh	46,332,549	1.0476	48,537,979	0.11239	5,455,183
General Service 50 to 4,999 kW	kWh	12,426,946	1.0457	12,994,769	0.11239	1,460,482
Direct Market Participant	kWh	0	1.0476	0	0.11239	0
Street Lighting	kWh	0	1.0476	0	0.11239	0
Sentinel Lighting	kWh	726,268	1.0476	760,838	0.11239	85,511
Unmetered Scattered Load	kWh	786,533	1.0476	823,972	0.11239	92,606
<b>Total RPP</b>		<b>216,395,363</b>		<b>226,672,082</b>		<b>25,475,674</b>
<b>Electricity - Commodity Non-RPP</b>						
Residential	kWh	8,928,964	1.0476	9,353,983	0.10709	1,001,718
General Service < 50kW	kWh	7,495,760	1.0476	7,852,558	0.10709	840,930
General Service 50 to 4,999 kW	kWh	123,028,834	1.0457	128,651,252	0.10709	13,777,263
Direct Market Participant	kWh	3,164,185	1.0476	3,314,800	0.00000	0
Street Lighting	kWh	1,286,433	1.0476	1,347,667	0.10709	144,322
Sentinel Lighting	kWh	23,169	1.0476	24,272	0.10709	2,599
Unmetered Scattered Load	kWh	177,292	1.0476	185,731	0.10709	19,890
<b>Total Non-RPP</b>		<b>144,104,638</b>		<b>150,730,262</b>		<b>15,786,722</b>
<b>Total Power USoA 4705</b>		<b>360,500,001</b>		<b>377,402,345</b>		<b>41,262,396</b>
<b>Wholesale Market Service</b>						
Residential	kWh	165,052,032	1.0476	172,908,509	0.00360	622,471
General Service < 50kW	kWh	53,828,309	1.0476	56,390,537	0.00360	203,006
General Service 50 to 4,999 kW	kWh	135,455,780	0.9673	131,027,009	0.00360	471,697
Direct Market Participant	kWh	3,164,185	1.0476	3,314,800	0.00000	0
Street Lighting	kWh	1,286,433	1.0476	1,347,667	0.00360	4,852
Sentinel Lighting	kWh	749,437	1.0476	785,110	0.00360	2,826
Unmetered Scattered Load	kWh	963,825	1.0476	1,009,703	0.00360	3,635
<b>Total Wholesale Market Service Charge</b>		<b>360,500,001</b>		<b>366,783,333</b>		<b>1,308,487</b>
<b>Rural Rate Protection</b>						
Residential	kWh	165,052,032	1.0476	172,908,509	0.00210	363,108
General Service < 50kW	kWh	53,828,309	1.0476	56,390,537	0.00210	118,420
General Service 50 to 4,999 kW	kWh	135,455,780	0.9673	131,027,009	0.00210	275,157
Direct Market Participant	kWh	3,164,185	1.0476	3,314,800	0.00210	6,961
Street Lighting	kWh	1,286,433	1.0476	1,347,667	0.00210	2,830
Sentinel Lighting	kWh	749,437	1.0476	785,110	0.00210	1,649
Unmetered Scattered Load	kWh	963,825	1.0476	1,009,703	0.00210	2,120
<b>Total Rural Rate Protection</b>		<b>360,500,001</b>		<b>366,783,333</b>		<b>770,245</b>
<b>Ontario Electricity Support Program</b>						
Residential	kWh	165,052,032	1.0476	172,908,509	0.00110	190,199
General Service < 50kW	kWh	53,828,309	1.0476	56,390,537	0.00110	62,030
General Service 50 to 4,999 kW	kWh	135,455,780	0.9673	131,027,009	0.00110	144,130
Direct Market Participant	kWh	3,164,185	1.0476	3,314,800	0.00000	0
Street Lighting	kWh	1,286,433	1.0476	1,347,667	0.00110	1,482
Sentinel Lighting	kWh	749,437	1.0476	785,110	0.00110	864
Unmetered Scattered Load	kWh	963,825	1.0476	1,009,703	0.00110	1,111
<b>Total Ontario Electricity Support Program</b>		<b>360,500,001</b>		<b>366,783,333</b>		<b>399,815</b>
<b>Total WMS/RPP/OESP USoA 4708</b>						<b>2,478,547</b>
<b>Transmission Network</b>						
Residential	kWh	165,052,032	1.0476	172,908,509	0.00770	1,331,396
General Service < 50kW	kWh	53,828,309	1.0476	56,390,537	0.00680	383,456
General Service 50 to 4,999 kW	kW	390,496	1.0000	390,496	2.31440	903,764
Street Lighting	kW	1,782	1.0000	1,782	2.16230	3,853
Sentinel Lighting	kW	2,061	1.0000	2,061	2.16700	4,466
Unmetered Scattered Load	kWh	963,825	1.0476	1,009,703	0.00680	6,866
<b>Total Transmission Network USoA 4714</b>						<b>2,633,799</b>
<b>Transmission Connection</b>						
Residential	kWh	165,052,032	1.0476	172,908,509	0.00600	1,037,451
General Service < 50kW	kWh	53,828,309	1.0476	56,390,537	0.00510	287,592
General Service 50 to 4,999 kW	kW	390,496	1.0000	390,496	1.99480	778,961
Street Lighting	kW	3,582	1.0000	3,582	1.64120	5,879
Sentinel Lighting	kW	2,061	1.0000	2,061	1.64480	3,390
Unmetered Scattered Load	kWh	963,825	1.0476	1,009,703	0.00510	5,149
<b>Total Transmission Connection USoA 4716</b>						<b>2,118,422</b>
<b>Smart Meter Entity Charge</b>						
Residential	Customers	21,025	12.0000	252,300	0.79000	199,317
General Service < 50kW	Customers	1,777	12.0000	21,324	0.79000	16,846
<b>Total Smart Meter Entity USoA 4751</b>						<b>216,163</b>
<b>Total Cost of Power</b>						<b>48,709,329</b>

**Table 2.2D**  
**Working Capital Allowance Calculation**

Description	Application (A)	IRR (B)	Variance (C)	Settlement (D)	Variance (E)=(D)-(B)
Administrative & General, Billing & Collecting	3,594,304	3,594,304	0	3,473,427	-120,877
Operation & Maintenance	3,392,703	3,392,703	0	3,314,316	-78,387
Donations - LEAP	12,900	12,900	0	12,257	-643
<b>Total Controllable Expenses</b>	<b>6,999,907</b>	<b>6,999,907</b>	<b>0</b>	<b>6,800,000</b>	<b>-199,907</b>
Cost of Power	46,574,530	46,879,790	305,260	48,709,328	1,829,538
<b>Total Working Capital Base</b>	<b>53,574,437</b>	<b>53,879,696</b>	<b>305,260</b>	<b>55,509,328</b>	<b>1,629,632</b>
Working Capital Allowance (%)	7.50%	7.50%	0.00%	7.50%	0.00%
<b>Working Capital Allowance</b>	<b>4,018,083</b>	<b>4,040,977</b>	<b>22,894</b>	<b>4,163,200</b>	<b>122,223</b>

**Table 2.2E**  
**Cost of Capital**

Description	Capitalization Ratio		Cost Rate	Return
	%	\$	%	\$
<b>Debt</b>				
Long-Term Debt	56%	\$18,852,494	3.72%	\$701,313
Short-Term Debt	4%	\$1,346,607	1.76%	\$23,700
<b>Total Debt</b>	<b>60%</b>	<b>\$20,199,101</b>	<b>3.59%</b>	<b>\$725,013</b>
<b>Equity</b>				
Common Equity	40%	\$13,466,067	8.78%	\$1,182,321
<b>Total Equity</b>	<b>40%</b>	<b>\$13,466,067</b>	<b>8.78%</b>	<b>\$1,182,321</b>
<b>Grand Total</b>	<b>100%</b>	<b>\$33,665,168</b>	<b>5.67%</b>	<b>\$1,907,334</b>

**Table 2.2F**  
**Amortization & Depreciation**

Description	Application (A)	IRR (B)	Variance (C)	Settlement (D)	Variance (E)=(D)-(B)
Amortization & Depreciation	1,429,600	1,416,779	-12,821	1,415,729	-1,050

**Table 2.2G**  
**Grossed Up PILs**

Description	Application (A)	IRR (B)	Variance (C)	Settlement (D)	Variance (E)=(D)-(B)
Income Taxes (Grossed up)	100,775	89,111	-11,664	91,096	1,985

**Table 2.2H  
Other Revenue**

Description	Application (A)	IRR (B)	Variance (C)	Settlement (D)	Variance (E)=(D)-(B)
Specific Service Charges	189,829	189,829	0	189,829	0
Late Payment Charges	73,781	73,781	0	73,781	0
Other Operating Revenues	252,847	252,931	84	252,931	0
Other Income or Deductions	13,593	13,593	0	13,593	0
<b>Total</b>	<b>530,050</b>	<b>530,134</b>	<b>84</b>	<b>530,134</b>	<b>0</b>

**Table 2.2.I  
Appendix 2-R  
Loss Factor**

		Historical Years					5-Year Average
		2011	2012	2013	2014	2015	
<b>Losses Within Distributor's System</b>							
<b>A(1)</b>	"Wholesale" kWh delivered to distributor (higher value)	452,079,528	420,625,131	412,297,626	381,389,978	348,146,909	402,907,834
<b>A(2)</b>	"Wholesale" kWh delivered to distributor (lower value)	450,063,130	420,812,744	414,574,163	390,690,645	371,944,024	409,616,941
<b>B</b>	Portion of "Wholesale" kWh delivered to distributor for its Large Use Customer(s)	60,263,463	48,642,229	43,091,136	16,708,020	-	33,740,970
<b>C</b>	Net "Wholesale" kWh delivered to distributor = <b>A(2) - B</b>	389,799,667	372,170,515	371,483,027	373,982,625	371,944,024	375,875,972
<b>D</b>	"Retail" kWh delivered by distributor	430,872,140	406,385,021	398,043,306	377,898,164	356,785,972	393,996,921
<b>E</b>	Portion of "Retail" kWh delivered by distributor to its Large Use Customer(s)	59,993,492	48,424,320	42,898,095	16,633,171	-	33,589,816
<b>F</b>	Net "Retail" kWh delivered by distributor = <b>D - E</b>	370,878,648	357,960,701	355,145,211	361,264,993	356,785,972	360,407,105
<b>G</b>	Loss Factor in Distributor's system = <b>C / F</b>	1.0510	1.0397	1.0460	1.0352	1.0425	1.0429
<b>Losses Upstream of Distributor's System</b>							
<b>H</b>	Supply Facilities Loss Factor	1.0045	1.0045	1.0045	1.0045	1.0045	1.0045
<b>Total Losses</b>							
<b>I</b>	Total Loss Factor = <b>G x H</b>	1.0557	1.0444	1.0507	1.0399	1.0472	1.0476

**Evidence:**

*Application:* Exhibit 1 Section 2.1.5A, Section 2.1.5D, Section 2.1.5F; Exhibit 2 Section 2.2-2.2.1.3; Exhibit 3 Section 2.3.3; Exhibit 4 Section 2.4.4, Section 2.4.5-2.4.5.2; Exhibit 5; Exhibit 6

- Welland\_Rev\_Reqt\_Work\_Form\_20161028
- Welland\_2017\_Filing Requirements\_Chapter 2\_Appendices\_20161027

*IRRs:* 1-Staff-6, 1.0-SEC-4, 1.0-Energy Probe-2, 1.0-Energy Probe-3, 1.0-Energy Probe-10; 2-Staff-12, 2-Staff-13, 2-Staff-14, 2-Staff-45, 2.0-VECC-13; 3-Staff-46, 3.0-VECC-28; 4.0-VECC-38, 4.0-VECC-39; 5-Staff-57; 6-Staff-58; 7.0-SEC-18

- Welland\_Rev\_Reqt\_Work\_Form\_2017 Cost of Capital\_20161221
- Welland\_Rev\_Reqt\_Work\_Form\_2017\_Responses\_20170320
- Welland\_2017\_Chapter 2\_Appendices\_Responses\_20170320

*Appendices to this Settlement Proposal:*

Appendix B Capital Expenditure Summary

Appendix C 2017 Fixed Asset Continuity Schedule

Appendix F Chapter 2 Appendices Revenue Requirements

*Settlement Models:*

- Welland\_2017 Rev Reqt Work Form\_Settlement\_20170419
- Welland\_2017 Chapter 2 Appendices\_Settlement\_20170419

**Supporting Parties:** All

### **3. Load Forecast, Cost Allocation and Rate Design**

#### **3.1** Are the proposed load and customer forecast, loss factors, CDM adjustments and resulting billing determinants appropriate, and, to the extent applicable, are they an appropriate reflection of the energy and demand requirements of the applicant's customers?

**Complete Settlement:** Welland Hydro agrees to the following adjustments:

- The 2017 customer/connection forecast is consistent with the forecast provided in the response to 3.0 - VECC -26 (c)
- A revised load forecast of 360.5 GWh which reflects the midpoint of the load forecast provided in 3-VECC 49 and the load forecast submitted in response to 3.0 –VECC -26 (c) updated for two items. The first update reflects the 2015 actual CDM results from the 2015 verified results with persistence. The second is the best estimate of 2016 CDM actual result currently available of 2.4 GWH.
- 2017 annualized savings for LRAMVA threshold purposes is a total of 4,350,000 kWh. This is the expected full year savings from 2017 program to occur in 2017.

Subject to the adjustments above, the Parties agree that the customer forecast, load forecast, loss factors, CDM adjustments and the resulting billing determinants are appropriate and are reflective of the energy and demand requirements of the applicant's customers. The adjusted load forecast is presented below as Table 3-1A:



**Table 3-1A**  
**Load Forecast**

Customer Class	Original Application	Response to Interrogatories 3.0-VECC 26(C)	Adjustments	Settlement
<b>Residential</b>				
Customers	21,042	21,025	0	21,025
kWh	161,051,510	158,180,520	6,871,511	165,052,031
<b>General Service &lt; 50 kW</b>				
Customers	1,783	1,777	0	1,777
kWh	54,658,680	51,585,867	2,242,442	53,828,309
<b>General Service 50-4,999 kW</b>				
Customers	149	154	0	154
kWh	128,665,764	134,086,770	4,533,195	138,619,965
kW	362,937	377,726	12,770	390,496
<b>Streetlights</b>				
Connections	6,853	6,856	0	6,856
kWh	1,282,067	1,286,433	0	1,286,433
kW	3,560	3,582	0	3,582
<b>Sentinel Lights</b>				
Connections	515	509	0	509
kWh	753,964	749,437	0	749,437
kW	2,077	2,061	0	2,061
<b>Unmetered Scattered Load</b>				
Connections	257	261	0	261
kWh	944,313	963,825	0	963,825
<b>Totals</b>				
Customer/Connections	30,599	30,582	0	30,582
kWh	347,356,298	346,852,852	13,647,148	360,500,000
kW	368,574	383,369	12,770	396,139

A revised load forecast model in working Microsoft Excel format reflecting this Settlement Proposal is included together with this Settlement Proposal under file named Welland\_2017 Load Forecast\_Settlement\_20170419.

Tables 3-1B and 3-1C below present the CDM impact on billed kWh and kW per customer class.

**Table 3-1B**  
**CDM Adjusted Forecast kWh**

Customer Class	Billed Load Forecast No CDM Adjustment (kWh)	Billed Load Forecast after CDM Adjustment (kWh)	CDM Adjustment (kWh)
Residential	165,521,772	165,052,031	-469,741
General Service < 50 kW	54,016,205	53,828,309	-187,896
General Service 50-4,999 kW	139,841,291	138,619,965	-1,221,326
Streetlights	1,582,470	1,286,433	-296,037
Sentinel Lights	749,437	749,437	0
Unmetered Scattered Load	963,825	963,825	0
<b>Totals</b>	<b>362,675,000</b>	<b>360,500,000</b>	<b>-2,175,000</b>

**Table 3-1C**  
**CDM Adjusted Forecast kW**

Customer Class	Billed Load Forecast No CDM Adjustment (kW)	Billed Load Forecast after CDM Adjustment (kW)	CDM Adjustment (kW)
General Service 50-4,999 kW	400,404	390,496	-9,908
Streetlights	4,407	3,582	-825
Sentinel Lights	2,061	2,061	0
<b>Totals</b>	<b>406,872</b>	<b>396,139</b>	<b>-10,733</b>

Table 3-1D Expected Savings for LRAM Variance Account provides the kWh and kW values to be used as the threshold in LRAM Variance Account calculation from 2017 and onwards until the next rebasing cost of service rate application occurs.

**Table 3-1D**  
**2017 Expected Savings for LRAM Variance Account**

Year	Residential	General Service < 50 kW	General Service 50 to 4,999 kW	Street Lights	Total
2017 Test - kWh	939,481	375,793	2,442,651	592,075	4,350,000
2017 Test - kW Annual			6,881	1,649	6,881
2017 Test - kW Monthly			573	137	573

**Evidence:**

*Application:* Exhibit 1 at Section 2.1.5C; Exhibit 3 Sections 2.31 to 2.3.2, Appendix 3-A, Appendix 3-B; Exhibit 4 at Section 2.4.6.2; Exhibit 7; Exhibit 8

- Welland\_2017 Load Forecast\_V1\_20161027

*IRRs:* 2-Staff-43; 3-Staff-47, 3.0-SEC-15, 3.0-VECC-23, 3.0-VECC-24, 3.0-VECC-25, 3.0-VECC-26, 3.0-VECC-27, 3.0-VECC-49, 3.0-VECC-5; 6-Staff-58; 7-Staff-59, 7-Staff-60, 7-Staff-62, 7.0-SEC-18, 7.0-VECC-44

- Welland\_2017 Load Forecast\_V3\_2016 Actuals\_20170320
- Welland\_2017 Load Forecast\_V4\_3.0-VECC-49b\_20170331
- Welland\_Final 2015 Annual Verified Results Annual Persistence\_20170331
- Welland\_2011-2014 CDM Results with Persist No DR\_Responses\_20170320
- Welland\_2006-2010 Final OPA CDM Results\_20170320

*Appendices to this Settlement Proposal:* None

*Settlement Models:*

- Welland\_Load Forecast\_Settlement\_20170419
- Welland Load Forecast No Manual CDM\_Settlement\_20170419

**Supporting Parties:** All

**3.2** Are the proposed cost allocation methodology, allocations, and revenue-to-cost ratios appropriate?

**Complete Settlement:** Welland Hydro agrees to include costs associated with metering at the TS as a “substation expense” rather than “customer metering”, and to update its cost allocation model accordingly.

Subject to the above, the Parties agree that the cost allocation methodology is appropriate and results in revenue-to-cost ratios that are within the OEB’s permitted ranges. These revenue-to-cost ratios are reproduced below in Table 3-2A.

**Table 3-2A**  
**Revenue to Cost Ratios**

Customer Class	Cost Ratios 2017 Cost Allocation Model Line 75 Tab - O1	Proposed Revenue to Cost Ratio	Board Target Low	Board Target High
Residential	104.2%	104.2%	85.0%	115.0%
General Service < 50 kW	96.4%	96.4%	80.0%	120.0%
General Service 50-4,999 kW	79.0%	86.6%	80.0%	120.0%
Streetlights	367.0%	120.0%	80.0%	120.0%
Sentinel Lights	66.8%	86.6%	80.0%	120.0%
Unmetered Scattered Load	145.4%	120.0%	80.0%	120.0%

**Evidence:**

*Application:* Exhibit 1 at Section 2.1.5G; Exhibit 4 at Section 2.4.3.2; Exhibit 7 including Appendix 7-A

- Welland\_2017\_Cost\_Allocation\_Model\_20161027

*IRRs:* 7-Staff-59, 7-Staff-60, 7.0-SEC-18, 7.0-VECC-43, 7.0-VECC-51

- Welland\_2017\_Cost Allocation Model Responses\_20170320

*Appendices to this Settlement Proposal:* None

*Settlement Models:*

- Welland\_2017 Cost Allocation Model\_Settlement\_20170419

**Supporting Parties:** All

**3.3** Are the applicant's proposals, including the proposed fixed/variable splits and the elimination of the Large Use rate class, for rate design appropriate?

**Complete Settlement:** Welland Hydro agrees to maintain the current fixed/variable splits with two exceptions. The first relates to the Residential class which includes an adjustment to reflect the change to 100% fixed rates by 2019 (3 year period). The second relates to the GS > 50kW class where Welland Hydro agrees to maintain the current fixed charge of \$281.42 per month and adjust the volumetric charge accordingly. The Large Use rate class has been eliminated in the proposed Tariff of Rates and Charges in Appendix A attached.

Subject to the above, the Parties agree that Welland Hydro's proposals, including the proposed fixed/variable splits, for rate design are appropriate. The distribution charges resulting from this Settlement Proposal are produced below as Table 3-3A.

**Table 3-3A**  
**2017 Proposed Distribution Charges**

Customer Class	2016 Distribution Rates	2017 Distribution Rates Original Application	Adjustments	2017 Distribution Rates Settlement	2017 Fixed/ Variable Split
<b>Residential</b>					
Monthly Service Charge	\$18.76	\$23.44	-\$0.68	\$22.76	82.13%
Distribution Volumetric per kWh	\$0.0105	\$0.0078	-\$0.0004	\$0.0074	17.87%
<b>General Service &lt; 50 kW</b>					
Monthly Service Charge	\$29.23	\$32.65	-\$1.74	\$30.91	57.92%
Distribution Volumetric per kWh	\$0.0086	\$0.0096	-\$0.0005	\$0.0091	42.08%
<b>General Service 50-4,999 kW</b>					
Monthly Service Charge	\$281.42	\$348.78	-\$67.36	\$281.42	33.12%
Distribution Volumetric per kW	\$2.4614	\$2.9642	\$0.0703	\$3.0345	66.88%
<b>Streetlights</b>					
Monthly Service Charge	\$1.99	\$0.64	-\$0.04	\$0.60	84.55%
Distribution Volumetric per kW	\$8.3543	\$2.6741	-\$0.1551	\$2.5190	15.45%
<b>Sentinel Lights</b>					
Monthly Service Charge	\$2.69	\$3.85	-\$0.05	\$3.80	56.94%
Distribution Volumetric per kW	\$6.0251	\$8.6259	-\$0.1218	\$8.5041	43.06%
<b>Unmetered Scattered Load</b>					
Monthly Service Charge	\$11.93	\$10.77	-\$0.46	\$10.31	83.09%
Distribution Volumetric per kWh	\$0.0079	\$0.0071	-\$0.0003	\$0.0068	16.91%

**Evidence:**

*Application:* Exhibit 8 Section 2.8 to 2.8.2, Appendix 8-B, Appendix 8-C, and Appendix 8-D

- Welland\_2017\_Rev\_Reqt\_Work\_Form\_20161028 (Tabs 12,13)

*IRRs:* 1.0 Energy Probe-2; 7-Staff-62; 8-Staff-63, 8-Staff-64, 8.0-SEC-19

- Welland\_2017\_Rev\_Work\_Form\_2017 Cost of Capital\_20161221 (Tabs 12,13)
- Welland\_2017\_Rev\_Work\_Form\_2017 Responses\_20170320 (Tabs 12,13)

*Appendices to this Settlement Proposal:* None

*Settlement Models:*

- Welland\_2017 Rev Reqt Work Form\_Settlement\_20170419 (Tabs 12,13)

**Supporting Parties:** All

- 3.4** Are the proposed Retail Transmission Service Rates (including the elimination of separate Retail Transmission Rates for Interval versus Non-Interval customers within the GS 50 to 4,999 kW rate class) and Low Voltage Service Rates appropriate?

**Complete Settlement:** The Parties agree that the proposed forecast of Retail Transmission Service Rates are appropriate. The agreement includes the elimination of separate Retail Transmission Rates for Interval versus Non-Interval customers within the GS 50 to 4,999 kW rate class. No adjustments were made to changes in Uniform Retail Transmission Service Rates currently charged to Welland Hydro by the IESO. Low Voltage Service Rates are not applicable to Welland Hydro.

Retail Transmission Service Rates service rates have been reproduced below in Table 3-4A.

**Table 3-4A**  
**Retail Transmission Service Rates**

Customer Class	2016 RTSR Rates	2017 RTSR Rates Settlement
<b>Residential</b>		
Retail Transmission Rate- Network Service Rate per kWh	\$0.0078	\$0.0077
Retail Transmission Rate- Line and Transformation Connection Service Rate per kWh	\$0.0061	\$0.0060
<b>General Service &lt; 50 kW</b>		
Retail Transmission Rate- Network Service Rate per kWh	\$0.0069	\$0.0068
Retail Transmission Rate- Line and Transformation Connection Service Rate per kWh	\$0.0052	\$0.0051
<b>General Service 50-4,999 kW</b>		
Retail Transmission Rate- Network Service Rate per kW	\$2.3625	\$2.3145
Retail Transmission Rate- Line and Transformation Connection Service Rate per kW	\$1.8047	\$1.9948
Retail Transmission Rate- Network Service Rate per kW - Interval Metered	\$2.3414	n/a
Retail Transmission Rate- Line and Transformation Connection Service Rate per kW - Interval Metered	\$2.1595	n/a
<b>Streetlights</b>		
Retail Transmission Rate- Network Service Rate per kW	\$2.1955	\$2.1623
Retail Transmission Rate- Line and Transformation Connection Service Rate per kW	\$1.6755	\$1.6411
<b>Sentinel Lights</b>		
Retail Transmission Rate- Network Service Rate per kW	\$2.2003	\$2.1670
Retail Transmission Rate- Line and Transformation Connection Service Rate per kW	\$1.6792	\$1.6448
<b>Unmetered Scattered Load</b>		
Retail Transmission Rate- Network Service Rate per kWh	\$0.0069	\$0.0068
Retail Transmission Rate- Line and Transformation Connection Service Rate per kWh	\$0.0052	\$0.0051

**Evidence:**

*Application:* Exhibit 8 Section 2.8.3 and Appendix 8-A

- Welland\_2017\_RTSR\_Workform\_20161028

*IRRs:* 8-Staff-63

*Appendices to this Settlement Proposal:* None

*Settlement Models:*

- Welland\_2017 RTSR Workform\_Settlement\_20170419

**Supporting Parties:** All



#### **4. Accounting**

- 4.1** Have all impacts of any changes in accounting standards, policies, estimates and adjustments been properly identified and recorded, and is the rate-making treatment of each of these impacts appropriate?

**Complete Settlement:** The Parties agree that the impacts of any changes in accounting standards, policies, estimates and adjustments have been properly identified, and the treatment of each of these impacts is appropriate.

The parties agree to Welland Hydro's use of the cash methodology for the purpose of including Other Post-Employment Benefits (OPEB's) expenses in distribution rates. In addition, the settlement includes the creation of a new OPEB variance account to track cumulative changes in OPEB actuarial gains and losses as supported by an actuarial re-valuation. For financial reporting purposes these actuarial gains and losses are captured in Other Comprehensive Income. The Parties agree that Welland Hydro should use Account 1508 Other Regulatory Assets, Sub-Account OPEB Actuarial Gains or Losses Deferral Account, as further described in the draft accounting order included at Appendix E.

#### **Evidence:**

*Application:* Exhibit 1 at Sections 2.1.5B and 2.1.8, Appendices 1-D, 1-F and Appendices H-L; Exhibit 2 at Sections 2.2.1.1 and 2.2.2.2; Exhibit 3 at Section 2.3.1.1; Exhibit 4 Pages 35-37, Appendix 4-A, Appendix 4-B, Appendix 4-C; Exhibit 9 at Sections 2.9.2 and 2.9.3

*IRRs:* 1-Staff-11, 1.0-Energy Probe-3, 1.0-Energy Probe-6; 2.0-SEC-13; 3.0-VECC-28; 4-Staff-52; 6-Staff-58; 9-Staff-65, 9-Staff-66, 9-Staff-67, 9-Staff-68, 9-Staff-69, 9.0-VECC-47, 9.0-VECC-48

*Appendices to this Settlement Proposal:* Appendix E Draft Accounting Order

*Settlement Models:* None

**Supporting Parties:** All

- 4.2** Are the applicant's proposals for deferral and variance accounts, including the balances in the existing accounts and their disposition, and the continuation of existing accounts appropriate?

**Complete Settlement:** The Parties agree that the Applicant's proposals for deferral and variance accounts, including the balances in the existing accounts and their disposition and the continuation of existing accounts, are appropriate.

Without limiting the generality of the foregoing, Welland Hydro agrees that it will no longer record amounts to deferral and variance accounts 1508 Other Regulatory Assets, Sub-Account Deferred IFRS Transition cost and 1575 IFRS-CGAAP Transitional PP&E Amounts.

The EDDVAR Continuity Schedule submitted in response to interrogatories (Welland\_2017\_DVA\_Continuity\_Schedule\_Responses\_20170320) was updated to reflect two changes. The first was to include the IESO true-up entry identified in response to 9-Staff-69(b) as follows:

	Account 1588	Account 1589
2015 Oct-Dec IESO True Up	(163,571)	109,356

The second was to update customer counts and forecasted volumes for the 2017 Test Year as per section 3.1 above.

An updated EDDVAR Continuity Schedule is provided in working Microsoft Excel format reflecting this Settlement Proposal provided under file named Welland\_2017 DVA Continuity Schedule Settlement\_20170419.

A summary of the variances accounts and balances for disposition are included in Table 4-2A.

**Table 4-2A**  
**Summary of Deferral and Variance Account Balances**  
**2015 Balances & Adjustments over a 1 Year Period**

Account Name	Account Number	Original Application Principal (\$)	Response to Interrogatories Principal (\$)	Adjustment Settlement Principal (\$)	Settlement Principal Balance (\$) A	Settlement Interest Balance (\$) B	Settlement Total Claim (\$) C=A+B
Smart Meter Entity Variance Charge	1551	-2,118	-2,118		-2,118	-62	-2,180
RSVA - Wholesale Market Service Charge	1580	-824,851	-824,851		-824,851	-16,335	-841,186
Variance WMS - Sub-account CBR Class B	1580	99,240	99,240		99,240	1,456	100,696
RSVA - Retail Transmission Network Charge	1584	-148,772	-148,772		-148,772	-3,541	-152,313
RSVA - Retail Transmission Connection Charge	1586	-70,493	-70,493		-70,493	-1,633	-72,126
RSVA - Power	1588	504,522	504,522	-163,571	340,951	7,311	348,262
RSVA - Global Adjustment	1589	200,038	200,038	109,356	309,394	4,410	313,804
Disposition and Recovery of Regulatory Balances (2013)	1595	0	30,025		30,025	5,850	35,875
Disposition and Recovery of Regulatory Balances (2014)	1595	-58,565	-58,565		-58,565	-6,068	-64,633
<b>Total Group 1 Accounts Excluding Global Adjustment Account 1589</b>		<b>-501,037</b>	<b>-471,012</b>	<b>-163,571</b>	<b>-634,583</b>	<b>-13,022</b>	<b>-647,605</b>
<b>Total Group 1 Accounts</b>		<b>-300,999</b>	<b>-270,974</b>	<b>-54,215</b>	<b>-325,189</b>	<b>-8,612</b>	<b>-333,801</b>
Other Regulatory Assets - Sub-Account	1508	26,015	26,015		26,015	388	26,403
Deferred IFRS Transition Costs							
Renewable Generation Connection OM&A Deferral Account	1532	16,457	22,705		22,705	0	22,705
LRAM Variance Account	1568	12,182	13,796		13,796	406	14,202
IFRS-CGAAP Transition PP&E	1575	64,607	81,786		81,786	0	81,786
<b>Total Variances for Disposition</b>		<b>-181,738</b>	<b>-126,672</b>	<b>-54,215</b>	<b>-180,887</b>	<b>-7,818</b>	<b>-188,705</b>

**Evidence:**

*Application:* Exhibit 1 at Section 2.1.5H; Exhibit 9 Sections 2.9 to 2.9.6

- Welland\_2017\_DVA\_Continuity\_Schedule\_CoS\_v2\_7\_20161028

*IRRs:* 3-VECC-28; 4-Staff-56e, 9-Staff-65, 9-Staff-66, 9-Staff-67, 9-Staff-68, 9-Staff-69, 9.0-VECC-47, 9.0-VECC-48

- Welland\_DVA\_Continuity\_Schedule\_Responses\_20170320

*Appendices to this Settlement Proposal:* None

*Settlement Models:*

- Welland\_2017 DVA Continuity Schedule\_Settlement\_20170419

**Supporting Parties:** All

## 5. Other

### 5.1 Is the proposed microFIT rate appropriate?

**Complete Settlement:** Welland Hydro agrees to reduce its proposed microFIT fee from \$11.25 to \$11.00 by excluding the Standard Supply Service Charge of \$0.25. Subject to the above change, the Parties agree that the Applicant's proposed microFIT rate is appropriate.

#### **Evidence:**

*Application:* Exhibit 7 Page 8, Appendix 1-D

- Welland\_2017\_Proposed Tariff of Rates and Charges\_20161028

*IRRs:* 7-Staff-61, 7.0-VECC-44, 7-VECC-53

*Appendices to this Settlement Proposal:*  
Appendix A Proposed Tariff of Rates and Charges

#### *Models:*

- Welland\_2017 Proposed Tariff of Rates and Charges\_Settlement\_20170419

**Supporting Parties:** All

- 5.2** Are the proposed new Specific Service Charges appropriate (i.e. Collection of Account Charge – no disconnection – during regular hours; Collection of Account Charge – no disconnection – after regular hours)?

**Complete Settlement:** Welland Hydro agrees to withdraw its request for a Collection of Account Charge – no disconnection – after regular hours, on the basis that Welland Hydro does not currently do any after hour collections. Subject to the above change, the Parties agree that the Applicant's proposed new Specific Service Charges are appropriate.

**Evidence:**

*Application:* Appendix 1-D, Exhibit 8 Section 2.8.6

- Welland\_2017\_Proposed Tariff of Rates and Charges\_20161028

*IRRs:* 7-VECC-52; 8-Staff-64, 8.0-VECC-45

*Appendices to this Settlement Proposal:*

Appendix A Proposed Tariff of Rates and Charges

*Settlement Models:*

- Welland\_2017 Proposed Tariff of Rates and Charges\_Settlement\_20170419

**Supporting Parties:** All

- 5.3** Is the proposal to obtain payment from the IESO for Ratepayer Protection under O.Reg.330/09 in the amount of \$5,172 annually by payment of \$431 monthly for Renewable Generation Connection-Provincial Amount appropriate?

**Complete Settlement:** The Parties agree that the Applicant's proposal to obtain payment from the IESO for Ratepayer Protection under O.Reg.330/09 in the amount of \$5,172 annually by payment of \$431 monthly for Renewable Generation Connection-Provincial Amount is appropriate.

Welland Hydro connected a Renewable Generation facility by way of a Pole Line Extension at a capital cost of \$88,852 in 2014 which was charged to Account 1531 Renewable Generation Connection Capital Deferred Account. The recovery of the annual amount of \$5,172 for the 2017 Test Year can be seen in OEB Chapter 2 Appendices Appendix 2-FC and represents the Provincial Portion (83%) related to this capital expenditure.

**Evidence:**

*Application:* Appendix 1-D, Exhibit 2 Section 2.2.2.5

- Welland\_2017\_Filing Requirements\_Chapter 2\_Appendices\_20161027 (Tab App.2FC)

*IRRs:* None

*Appendices to this Settlement Proposal:* None

*Settlement Models:*

- Welland\_2017 Chapter 2 Appendices\_Settlement\_20170419 (Tab App.2FC)

**Supporting Parties:** All

- 5.4** Is the proposal to obtain a one-time payment from the IESO for Ratepayer Protection under O.Reg.330/09 in the amount of \$8,136 for Renewable Generation Connection Provincial Amounts appropriate?

**Complete Settlement:** As noted in section 5.3 above, Welland Hydro constructed a pole line extension in 2014 to connect a Renewable Generator which was charged to Account 1531 Renewable Generation Connection Capital Deferral Account. The agreement in 5.3 above is to recover the annual amount related to the Provincial Portion (83%) of this expenditure for the 2017 Test Year. The purpose for the one-time payment is to recover annual amounts from 2014 to 2016 from the IESO for the Provincial Portion (83%) under O.Reg.330/09.

Welland Hydro has also corrected two errors in formulas in Chapter 2 Appendices Tab App.2FC Calc of REG Expansion. The cells containing errors are J38 and M38 for amortization in 2015 and 2016. Welland Hydro has corrected the formula in file Welland\_2017 Chapter 2 Appendices\_Settlement\_20170419. As a result, Welland Hydro has revised its request for a one-time payment from the IESO from \$8,136 to \$12,710. Details can be found below in Table 5.4A and Table 5.4B.

**Table 5-4A**  
**Renewable Generation Provincial Portion (83%)**  
**2014-2016**

<u>Year</u>	<u>Amount</u>
2014	\$2,517
2015	5,067
2016	5,126
Total	\$12,710

## Table 5-B Appendix 2-FC Calculation of Renewable Generation Direct Benefits/Provincial Portion: Renewable Expansion

### Appendix 2-FC

#### Calculation of Renewable Generation Connection Direct Benefits/Provincial Amount: Renewable Expansion Investments

This table will calculate the distributor/provincial shares of the investments entered in Part B of Appendix 2-FA.  
Enter values in green shaded cells: WCA percentage, debt percentages, interest rates, kWh, tax rates, amortization period, CCA Class and percentage.  
For historical investments, enter these variables for your last cost of service test year. For 2016 and beyond, enter variables as in the application.  
Rate Riders are not calculated for the Test Year as these assets and costs are already in the distributor's rate base.

	2013			2014			2015			2016			2017 Test Year		
	Total	Direct Benefit 17%	Provincial 83%	Total	Direct Benefit 17%	Provincial 83%	Total	Direct Benefit 17%	Provincial 83%	Total	Direct Benefit 17%	Provincial 83%	Total	Direct Benefit 17%	Provincial 83%
<b>Net Fixed Assets (average)</b>	\$ -	\$ -	\$ -	\$ 43,982	\$ 7,477	\$ 36,505	\$ 87,075	\$ 14,803	\$ 72,272	\$ 85,298	\$ 14,501	\$ 70,797	\$ 83,521	\$ 14,199	\$ 69,322
Incremental OM&A (on-going, N/A for Provincial Recovery)	\$0	\$ -	\$ -	\$0	\$ -	\$ -	\$0	\$ -	\$ -	\$0	\$ -	\$ -	\$0	\$ -	\$ -
Incremental OM&A (start-up, applicable for Provincial Recovery)	\$0	\$ -	\$ -	\$0	\$ -	\$ -	\$0	\$ -	\$ -	\$0	\$ -	\$ -	\$0	\$ -	\$ -
WCA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Rate Base</b>	\$ -	\$ -	\$ -	\$ 7,477	\$ 7,477	\$ 36,505	\$ 14,803	\$ 14,803	\$ 72,272	\$ 14,501	\$ 14,501	\$ 70,797	\$ 14,199	\$ 14,199	\$ 69,322
Deemed ST Debt	4%	\$ -	\$ -	\$ 299	\$ 299	\$ 1,460	\$ 592	\$ 592	\$ 2,891	\$ 580	\$ 580	\$ 2,832	\$ 568	\$ 568	\$ 2,773
Deemed LT Debt	56%	\$ -	\$ -	\$ 4,187	\$ 4,187	\$ 20,443	\$ 8,290	\$ 8,290	\$ 40,472	\$ 8,120	\$ 8,120	\$ 39,646	\$ 7,951	\$ 7,951	\$ 38,821
Deemed Equity	40%	\$ -	\$ -	\$ 2,991	\$ 2,991	\$ 14,602	\$ 5,921	\$ 5,921	\$ 28,909	\$ 5,800	\$ 5,800	\$ 28,319	\$ 5,679	\$ 5,679	\$ 27,729
ST Interest	2.08%	\$ -	\$ -	\$ 6	\$ 6	\$ 30	\$ 12	\$ 12	\$ 60	\$ 12	\$ 12	\$ 59	\$ 12	\$ 12	\$ 58
LT Interest	3.78%	\$ -	\$ -	\$ 158	\$ 158	\$ 773	\$ 313	\$ 313	\$ 1,530	\$ 307	\$ 307	\$ 1,499	\$ 301	\$ 301	\$ 1,467
ROE	8.93%	\$ -	\$ -	\$ 267	\$ 267	\$ 1,304	\$ 529	\$ 529	\$ 2,582	\$ 518	\$ 518	\$ 2,529	\$ 507	\$ 507	\$ 2,476
<b>Cost of Capital Total</b>	\$ -	\$ -	\$ -	\$ 432	\$ 432	\$ 2,107	\$ 854	\$ 854	\$ 4,172	\$ 837	\$ 837	\$ 4,086	\$ 820	\$ 820	\$ 4,001
OM&A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amortization	\$ -	\$ -	\$ -	\$ 889	\$ 151	\$ 737	\$ 1,777	\$ 302	\$ 1,475	\$ 1,777	\$ 302	\$ 1,475	\$ 1,777	\$ 302	\$ 1,475
Grossed-up PILs	\$ -	\$ -	\$ -	\$ -	\$ 67	\$ 328	\$ -	\$ 119	\$ 579	\$ -	\$ 89	\$ 435	\$ -	\$ 62	\$ 304
<b>Revenue Requirement</b>	\$ -	\$ -	\$ -	\$ 516	\$ 516	\$ 2,517	\$ 1,038	\$ 1,038	\$ 5,067	\$ 1,050	\$ 1,050	\$ 5,126	\$ 1,059	\$ 1,059	\$ 5,172
Provincial Rate Protection		\$ -			\$ 2,517			\$ 5,067			\$ 5,126			\$ 5,172	
Monthly Amount Paid by IESO		\$ -			\$ 210			\$ 422			\$ 427			\$ 431	



Subject to the above, the Parties agree that the Applicant's proposal to obtain a one-time payment from the IESO for Ratepayer Protection under O.Reg.330/09 in the revised amount of \$12,710 for Renewable Generation Connection- Provincial Amounts 2014-2016 is appropriate.

**Evidence:**

*Application:* Appendix 1-D, Exhibit 2 Section 2.2.2.5

- Welland\_2017\_Filing Requirements\_Chapter 2\_Appendices\_20161027 (Tab App.2FC)

*IRRs:* None

*Appendices to this Settlement Proposal:* None

*Models:*

- Welland\_2017 Chapter 2 Appendices\_Settlement\_20170419 (Tab App.2FC)

**Supporting Parties:** All

**Appendix A**  
**Welland Hydro-Electric System Corp.**  
**Proposed Tariff of Rates and Charges**  
**Effective and Implementation Date May 1, 2017**

# Welland Hydro-Electric System Corp.

## TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2017

This schedule supersedes and replaces all previously  
approved schedules of Rates, Charges and Loss Factors

EB-2016-0110

## RESIDENTIAL SERVICE CLASSIFICATION

This classification refers to the supply of electrical energy to residential customers residing in detached or semi-detached units, as defined in the local zoning by-law. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

### APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any charges, assessments, or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Debt Retirement Charge, the Global Adjustment and the HST.

### MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	22.26
Rate Rider for Smart Metering Entity Charge - effective until October 31, 2018	\$	0.79
Rate Rider for Disposition of Group 2 Deferral/Variance Accounts (2017) - effective until April 30, 2018	\$	0.09
Rate Rider for Disposition of Account 1575 (2017) - effective until April 30, 2018	\$	0.15
Distribution Volumetric Rate	\$/kWh	0.0074
Rate Rider for Disposition of Deferral/Variance Accounts (2017) - effective until April 30, 2018	\$/kWh	(0.0007)
Rate Rider for Disposition of Deferral/Variance Accounts (2017) - effective until April 30, 2018 Applicable only for Non-Wholesale Market Participants	\$/kWh	(0.0011)
Rate Rider for Disposition of Global Adjustment Account (2017) - effective until April 30, 2018 Applicable only for Non-RPP	\$/kWh	0.0022
Rate Rider for Disposition of Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) (2017) - effective until April 30, 2018	\$/kWh	(0.0001)
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0077
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0060

### MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate - Not including CBR	\$/kWh	0.0032
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0021

Standard Supply Service - Administrative Charge (if applicable)

\$

0.25

## GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION

This classification refers to the supply of electrical energy to commercial buildings taking electricity at 750 volts or less whose monthly average peak demand is less than, or is forecast to be less than, 50 kW. Commercial buildings are defined as buildings, which are used for purposes other than resident dwellings. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

### APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any charges, assessments, or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Debt Retirement Charge, the Global Adjustment and the HST.

### MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	30.91
Rate Rider for Smart Metering Entity Charge - effective until October 31, 2018	\$	0.79
Distribution Volumetric Rate	\$/kWh	0.0091
Rate Rider for Disposition of Deferral/Variance Accounts (2017) - effective until April 30, 2018	\$/kWh	(0.0007)
Rate Rider for Disposition of Deferral/Variance Accounts (2017) - effective until April 30, 2018 Applicable only for Non-Wholesale Market Participants	\$/kWh	(0.0011)
Rate Rider for Disposition of Global Adjustment Account (2017) - effective until April 30, 2018 Applicable only for Non-RPP	\$/kWh	0.0022
Rate Rider for Disposition of Group 2 Deferral/Variance Accounts (2017) - effective until April 30, 2018	\$/kWh	0.0001
Rate Rider for Disposition of Account 1575 (2017) - effective until April 30, 2018	\$/kWh	0.0002
Rate Rider for Disposition of Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) (2017) - effective until April 30, 2018	\$/kWh	0.0001
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0068
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0051

### MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate - Not including CBR	\$/kWh	0.0032
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0021
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

## GENERAL SERVICE 50 TO 4,999 KW SERVICE CLASSIFICATION

This classification refers to the supply of electrical energy to commercial buildings whose monthly average peak demand is equal to or greater than, or is forecast to be equal to or greater than, 50 kW but less than 5,000 kW. Commercial buildings are defined as buildings, which are used for purposes other than resident dwellings. Class A and Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

### APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

The rate rider for the disposition of Global Adjustment is only applicable to non-RPP Class B customers. It is not applicable to WMP, customers that transitioned between Class A and Class B during the variance account accumulation period, or to customers that were in Class A for the entire period. Customers who transitioned are to be charged or refunded their share of the variance disposed through customer specific billing adjustments. This rate rider is to be consistently applied for the entire period to the sunset date of the rate rider. In addition, this rate rider is applicable to all new non-RPP Class B customers.

It should be noted that this schedule does not list any charges, assessments, or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Debt Retirement Charge, the Global Adjustment and the HST.

### MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	281.42
Distribution Volumetric Rate	\$/kW	3.0345
Rate Rider for Disposition of Deferral/Variance Accounts (2017) - effective until April 30, 2018	\$/kW	(0.2333)
Rate Rider for Disposition of Deferral/Variance Accounts (2017) - effective until April 30, 2018 Applicable only for Non-Wholesale Market Participants	\$/kW	(0.3864)
Rate Rider for Disposition of Global Adjustment Account (2017) - effective until April 30, 2018 Applicable only for Non-RPP	\$/kWh	0.0022
Rate Rider for Disposition of Group 2 Deferral/Variance Accounts (2017) - effective until April 30, 2018	\$/kW	0.0484
Rate Rider for Disposition of Account 1575 (2017) - effective until April 30, 2018	\$/kW	0.0805
Rate Rider for Disposition of Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) (2017) - effective until April 30, 2018	\$/kW	0.0749
Retail Transmission Rate - Network Service Rate	\$/kW	2.3145
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.9948

### MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate - Not including CBR	\$/kWh	0.0032
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0021
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

## UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

This classification refers to an account taking electricity at 750 volts or less whose monthly average peak demand is less than, or is forecast to be less than, 50 kW and the consumption is unmetered. Unmetered or flat connections are permitted with the approval of Welland Hydro-Electric System Corp. Engineering Department. Flat rate connects may include, but are not limited to, Traffic Lights, Street Lights, Bus Shelters, and Signs. Energy consumption is determined by information provided by the customer and/or load measurement taken by Welland Hydro-Electric System Corp. following connection of the flat service. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

### APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any charges, assessments, or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Debt Retirement Charge, the Global Adjustment and the HST.

### MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per connection)	\$	10.31
Distribution Volumetric Rate	\$/kWh	0.0068
Rate Rider for Disposition of Deferral/Variance Accounts (2017) - effective until April 30, 2018	\$/kWh	(0.0008)
Rate Rider for Disposition of Deferral/Variance Accounts (2017) - effective until April 30, 2018 Applicable only for Non-Wholesale Market Participants	\$/kWh	(0.0011)
Rate Rider for Disposition of Global Adjustment Account (2017) - effective until April 30, 2018 Applicable only for Non-RPP	\$/kWh	0.0022
Rate Rider for Disposition of Group 2 Deferral/Variance Accounts (2017) - effective until April 30, 2018	\$/kWh	0.0001
Rate Rider for Disposition of Account 1575 (2017) - effective until April 30, 2018	\$/kWh	0.0002
Rate Rider for Disposition of Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) (2017) - effective until April 30, 2018	\$/kWh	(0.0003)
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0068
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0051

### MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate - Not including CBR	\$/kWh	0.0032
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0021
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

## SENTINEL LIGHTING SERVICE CLASSIFICATION

This classification refers to an account for roadway lighting not classified as unmetered or street lighting. The consumption for the customer will be based on the calculated connected load times a twelve hour day times the applicable billing period. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

### APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any charges, assessments, or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Debt Retirement Charge, the Global Adjustment and the HST.

### MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per connection)	\$	3.80
Distribution Volumetric Rate	\$/kW	8.5041
Rate Rider for Disposition of Deferral/Variance Accounts (2017) - effective until April 30, 2018	\$/kW	(0.2843)
Rate Rider for Disposition of Deferral/Variance Accounts (2017) - effective until April 30, 2018 Applicable only for Non-Wholesale Market Participants	\$/kW	(0.3991)
Rate Rider for Disposition of Global Adjustment Account (2017) - effective until April 30, 2018 Applicable only for Non-RPP	\$/kWh	0.0022
Rate Rider for Disposition of Group 2 Deferral/Variance Accounts (2017) - effective until April 30, 2018	\$/kW	0.0495
Rate Rider for Disposition of Account 1575 (2017) - effective until April 30, 2018	\$/kW	0.0825
Rate Rider for Disposition of Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) (2017) - effective until April 30, 2018	\$/kW	(0.2295)
Retail Transmission Rate - Network Service Rate	\$/kW	2.1670
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.6448

### MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate - Not including CBR	\$/kWh	0.0032
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0021
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25



## STREET LIGHTING SERVICE CLASSIFICATION

This classification refers to the Street Lighting system owned by the City of Welland. Welland Hydro-Electric System Corp. provides new installations and maintenance of the street lighting system, as required by the City of Welland. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

### APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any charges, assessments, or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Debt Retirement Charge, the Global Adjustment and the HST.

### MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per device)	\$	0.60
Distribution Volumetric Rate	\$/kW	2.5190
Rate Rider for Disposition of Deferral/Variance Accounts (2017) - effective until April 30, 2018	\$/kW	(0.2239)
Rate Rider for Disposition of Deferral/Variance Accounts (2017) - effective until April 30, 2018 Applicable only for Non-Wholesale Market Participants	\$/kW	(0.3942)
Rate Rider for Disposition of Global Adjustment Account (2017) - effective until April 30, 2018 Applicable only for Non-RPP	\$/kWh	0.0022
Rate Rider for Disposition of Group 2 Deferral/Variance Accounts (2017) - effective until April 30, 2018	\$/kW	0.0489
Rate Rider for Disposition of Account 1575 (2017) - effective until April 30, 2018	\$/kW	0.0815
Rate Rider for Disposition of Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) (2017) - effective until April 30, 2018	\$/kW	(0.2610)
Retail Transmission Rate - Network Service Rate	\$/kW	2.1623
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.6411

### MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate - Not including CBR	\$/kWh	0.0032
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0021
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

**microFIT SERVICE CLASSIFICATION**

This classification applies to an electricity generation facility contracted under the Independent Electricity System Operator's microFIT program and connected to the distributor's distribution system. Further servicing details are available in the distributor's Conditions of Service.

**APPLICATION**

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges, assessments, or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Debt Retirement Charge, the Global Adjustment and the HST.

**MONTHLY RATES AND CHARGES - Delivery Component**

Service Charge	\$	11.00
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## ALLOWANCES

Transformer Allowance for Ownership - per kW of billing demand/month	\$/kW	(0.70)
Primary Metering Allowance for transformer losses - applied to measured demand and energy	%	(1.00)

## SPECIFIC SERVICE CHARGES

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

It should be noted that this schedule does not list any charges, assessments, or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Debt Retirement Charge, the Global Adjustment and the HST.

### Customer Administration

Arrears certificate	\$	15.00
Statement of account	\$	15.00
Request for other billing information	\$	15.00
Easement letter	\$	15.00
Account history	\$	15.00
Returned cheque (plus bank charges)	\$	15.00
Charge to certify cheque	\$	15.00
Legal letter charge	\$	15.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	\$	30.00
Special meter reads	\$	30.00
Meter dispute charge plus Measurement Canada fees (if meter found correct)	\$	30.00

### Non-Payment of Account

Late payment - per month	%	1.50
Late payment - per annum	%	19.56
Collection of account charge – no disconnection – during regular hours	\$	30.00
Disconnect/reconnect at meter - during regular hours	\$	65.00
Disconnect/reconnect at meter - after regular hours	\$	185.00
Install/remove load control device - during regular hours	\$	65.00

### Other

Specific charge for access to the power poles - \$/pole/year (with the exception of wireless attachments)	\$	22.35
Meter upgrade requested by customer plus installation-per month plus installation on a time and material basis	\$	10.00

## RETAIL SERVICE CHARGES (if applicable)

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges, assessments, or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Debt Retirement Charge, the Global Adjustment and the HST.

Retail Service Charges refer to services provided by a distributor to retailers or customers related to the supply of competitive electricity.

One-time charge, per retailer, to establish the service agreement between the distributor and the retailer	\$	100.00
Monthly Fixed Charge, per retailer	\$	20.00
Monthly Variable Charge, per customer, per retailer	\$/cust	0.50
Distributor-consolidated billing monthly charge, per customer, per retailer	\$/cust	0.30
Retailer-consolidated billing monthly credit, per customer, per retailer	\$/cust	(0.30)
Service Transaction Requests (STR)		
Request fee, per request, applied to the requesting party	\$	0.25
Processing fee, per request, applied to the requesting party	\$	0.50
Request for customer information as outlined in Section 10.6.3 and Chapter 11 of the Retail Settlement Code directly to retailers and customers, if not delivered electronically through the Electronic Business Transaction (EBT) system, applied to the requesting party		
Up to twice a year	\$	no charge
More than twice a year, per request (plus incremental delivery costs)	\$	2.00

## LOSS FACTORS

If the distributor is not capable of prorating changed loss factors jointly with distribution rates, the revised loss factors will be implemented upon the first subsequent billing for each billing cycle.

Total Loss Factor - Secondary Metered Customer < 5,000 kW	1.0476
Total Loss Factor - Primary Metered Customer < 5,000 kW	1.0371

## Appendix B – OEB Appendix 2-AB Capital Expenditure Summary

Please see below for an updated Appendix 2-AB revised to reflect this Settlement Proposal.

**Appendix 2-AB**  
**Table 2 - Capital Expenditure Summary from Chapter 5 Consolidated**  
**Distribution System Plan Filing Requirements**

First year of Forecast Period: 2017 Settlement

CATEGORY	Historical Period (previous plan <sup>1</sup> & actual)															Forecast Period (planned)					
	2012			2013			2014			2015			2016			2017 Settlement	2018	2019	2020	2021	
	Plan	Actual	Var	Plan	Actual	Var	Plan	Actual	Var	Plan	Actual	Var	Plan	Actual	Var						
	\$ '000		%	\$ '000		%	\$ '000		%	\$ '000		%	\$ '000		%	\$ '000		%			
System Access		225,766	--	135,000	85,482	-36.7%		111,353	--		94,079	--	147,000	-	9,711	-106.6%	139,501	250,000	250,000	190,000	150,000
System Renewal		1,233,301	--	1,334,200	1,504,700	12.8%		1,710,305	--		1,773,585	--	1,683,000	2,092,804	24.3%	1,734,485	1,495,000	1,775,000	1,920,000	1,770,000	
System Service		8,300	--	35,000	4,047	-88.4%		55,500	--		33,237	--	-	3,231	--	80,000	260,000	35,000	35,000	35,000	
General Plant		417,631	--	472,165	517,076	9.5%		322,389	--		281,463	--	801,800	750,852	-6.4%	155,000	305,000	400,000	295,000	525,000	
TOTAL EXPENDITURE	1,887,015	1,884,998	-0.1%	1,976,365	2,111,305	6.8%	2,002,500	2,199,547	9.8%	2,027,500	2,182,364	7.6%	2,631,800	2,837,176	7.8%	2,108,986	2,310,000	2,460,000	2,440,000	2,480,000	
System O&M		\$2,978,610	--	\$3,013,809	\$2,886,152	-4.2%		\$2,926,724	--		\$3,154,558	--	\$3,255,419	\$3,276,681	0.7%	\$3,314,316					

## Appendix C –OEB Appendix 2-BA 2017 Fixed Asset Continuity Schedule

### Appendix 2-BA Fixed Asset Continuity Schedule <sup>1</sup>

Accounting Standard  
Year MIFRS  
2017  
Settlement

Cost								Accumulated Depreciation							
CCA Class <sup>2</sup>	OEB Account <sup>3</sup>	Description <sup>3</sup>	Opening Balance			Additions <sup>4</sup>	Disposals <sup>6</sup>	Closing Balance	Opening Balance			Additions	Disposals <sup>6</sup>	Closing Balance	Net Book Value
12	1611	Computer Software (Formally known as Account 1925)	\$ 966,996					\$ 966,996	-\$ 677,844			-\$ 87,159		-\$ 765,003	\$ 201,993
CEC	1612	Land Rights (Formally known as Account 1806)	\$ 70,296					\$ 70,296	-\$ 62,191			-\$ 640		-\$ 62,831	\$ 7,465
N/A	1805	Land	\$ 158,686					\$ 158,686	-\$ 1,236					-\$ 1,236	\$ 157,450
47	1808	Buildings	\$ 96,568					\$ 96,568	-\$ 63,701			-\$ 1,236		-\$ 64,937	\$ 31,631
13	1810	Leasehold Improvements	\$ -					\$ -	\$ -					\$ -	\$ -
47	1815	Transformer Station Equipment >50 kV	\$ 467,359					\$ 467,359	-\$ 97,275			-\$ 14,857		-\$ 112,132	\$ 355,227
47	1820	Distribution Station Equipment <50 kV	\$ 4,491,261		\$ 170,000			\$ 4,661,261	-\$ 2,681,729			-\$ 92,319		-\$ 2,774,048	\$ 1,887,213
47	1825	Storage Battery Equipment	\$ -					\$ -	\$ -					\$ -	\$ -
47	1830	Poles, Towers & Fixtures	\$ 9,976,464		\$ 663,218			\$ 10,639,682	-\$ 1,774,714			-\$ 194,654		-\$ 1,969,368	\$ 8,670,314
47	1835	Overhead Conductors & Devices	\$ 13,762,667		\$ 115,000			\$ 13,877,667	-\$ 8,824,326			-\$ 142,427		-\$ 8,966,753	\$ 4,910,914
47	1840	Underground Conduit	\$ 1,542,830		\$ 225,000			\$ 1,767,830	-\$ 220,036			-\$ 31,838		-\$ 251,874	\$ 1,515,956
47	1845	Underground Conductors & Devices	\$ 11,436,604		\$ 280,000			\$ 11,716,604	-\$ 7,793,353			-\$ 189,184		-\$ 7,982,537	\$ 3,734,067
47	1850	Line Transformers	\$ 7,198,277		\$ 415,000			\$ 7,613,277	-\$ 3,622,015			-\$ 130,133		-\$ 3,752,148	\$ 3,861,129
47	1855	Services (Overhead & Underground)	\$ 855,562		\$ 40,000			\$ 895,562	-\$ 196,154			-\$ 20,705		-\$ 216,859	\$ 678,703
47	1860	Meters	\$ 38,777					\$ 38,777	-\$ 38,777					-\$ 38,777	\$ -
47	1860	Meters (Smart Meters)	\$ 3,033,100		\$ 60,000	-\$ 60,000		\$ 3,033,100	-\$ 1,318,990			-\$ 203,872	\$ 34,680	-\$ 1,488,182	\$ 1,544,918
N/A	1865	Other Installations on Customer Premises	\$ -					\$ -	\$ -					\$ -	\$ -
N/A	1905	Land	\$ -					\$ -	\$ -					\$ -	\$ -
47	1908	Buildings & Fixtures	\$ 2,635,551		\$ 100,000			\$ 2,735,551	-\$ 1,309,433			-\$ 68,503		-\$ 1,377,936	\$ 1,357,615
13	1910	Leasehold Improvements	\$ -					\$ -	\$ -					\$ -	\$ -
8	1915	Office Furniture & Equipment (10 years)	\$ 90,446					\$ 90,446	-\$ 78,382			-\$ 3,896		-\$ 82,278	\$ 8,168
8	1915	Office Furniture & Equipment (5 years)	\$ -					\$ -	\$ -					\$ -	\$ -
10	1920	Computer Equipment - Hardware	\$ 234,823		\$ 15,000			\$ 249,823	-\$ 123,002			-\$ 53,238		-\$ 176,240	\$ 73,583
45	1920	Computer Equip.-Hardware(Post Mar. 22/04)	\$ -					\$ -	\$ -					\$ -	\$ -
45.1	1920	Computer Equip.-Hardware(Post Mar. 19/07)	\$ -					\$ -	\$ -					\$ -	\$ -
10	1930	Transportation Equipment	\$ 2,178,575		\$ 35,000	-\$ 35,423		\$ 2,178,152	-\$ 1,030,123			-\$ 109,268	\$ 35,423	-\$ 1,103,968	\$ 1,074,184
8	1935	Stores Equipment	\$ 30,023					\$ 30,023	-\$ 30,023					-\$ 30,023	\$ -
8	1940	Tools, Shop & Garage Equipment	\$ 100,814		\$ 5,000			\$ 105,814	-\$ 76,558			-\$ 5,828		-\$ 82,386	\$ 23,428
8	1945	Measurement & Testing Equipment	\$ 20,451					\$ 20,451	-\$ 16,819			-\$ 771		-\$ 17,590	\$ 2,861
8	1950	Power Operated Equipment	\$ -					\$ -	\$ -					\$ -	\$ -
8	1955	Communications Equipment	\$ 298,231					\$ 298,231	-\$ 188,991			-\$ 28,678		-\$ 217,669	\$ 80,562
8	1955	Communication Equipment (Smart Meters)	\$ -					\$ -	\$ -					\$ -	\$ -
8	1960	Miscellaneous Equipment	\$ 315,235					\$ 315,235	-\$ 126,063			-\$ 11,128		-\$ 137,191	\$ 178,044
47	1970	Load Management Controls Customer Premises	\$ -					\$ -	\$ -					\$ -	\$ -
47	1975	Load Management Controls Utility Premises	\$ -					\$ -	\$ -					\$ -	\$ -
47	1980	System Supervisor Equipment	\$ 779,964		\$ 80,000	-\$ 50,000		\$ 809,964	-\$ 606,348			-\$ 48,096	\$ 50,000	-\$ 604,444	\$ 205,520
47	1985	Miscellaneous Fixed Assets	\$ -					\$ -	\$ -					\$ -	\$ -
47	1990	Other Tangible Property	\$ -					\$ -	\$ -					\$ -	\$ -
47	1995/2440	Contributions & Grants/Deferred Revenue	\$ -					\$ -	\$ -					\$ -	\$ -
47	2440	Deferred Revenue <sup>5</sup>	-\$ 718,436			-\$ 25,000		-\$ 743,436	\$ 30,346			\$ 22,701		\$ 53,047	-\$ 690,389
		Sub-Total	\$ 60,061,123	\$ -	\$ -	\$ 2,178,218	-\$ 145,423	\$ 62,093,918	-\$ 30,927,740	\$ -	\$ -	-\$ 1,415,729	\$ 120,103	-\$ 32,223,366	\$ 29,870,553
		Less Socialized Renewable Energy Generation Investments (input as negative)						\$ -						\$ -	\$ -
		Less Other Non Rate-Regulated Utility Assets (input as negative)						\$ -						\$ -	\$ -
		Total PP&E	\$ 60,061,123	\$ -	\$ -	\$ 2,178,218	-\$ 145,423	\$ 62,093,918	-\$ 30,927,740	\$ -	\$ -	-\$ 1,415,729	\$ 120,103	-\$ 32,223,366	\$ 29,870,553
		Depreciation Expense adj. from gain or loss on the retirement of assets (pool of like assets), if applicable <sup>6</sup>													
		Total										-\$ 1,415,729			

10	Transportation
8	Stores Equipment

Less: Fully Allocated Depreciation  
Transportation  
Stores Equipment  
Net Depreciation

-\$ 1,415,729

## Appendix D – Bill Impacts

Please see below for updated Bill Impacts to reflect this Settlement Proposal.

Customer Class:	RESIDENTIAL SERVICE CLASSIFICATION	
RPP / Non-RPP:	RPP	
Consumption	750	kWh
Demand	-	kW
Current Loss Factor	1.0532	
Proposed/Approved Loss Factor	1.0476	

	Current OEB-Approved			Proposed			Impact	
	Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	\$ 18.76	1	\$ 18.76	\$ 22.26	1	\$ 22.26	\$ 3.50	18.66%
Distribution Volumetric Rate	\$ 0.0105	750	\$ 7.88	\$ 0.0074	750	\$ 5.55	\$ (2.33)	-29.52%
Fixed Rate Riders	\$ 0.50	1	\$ 0.50	\$ 0.24	1	\$ 0.24	\$ (0.26)	-52.32%
Volumetric Rate Riders	\$ -	750	\$ -	\$ 0.0001	750	\$ (0.08)	\$ (0.08)	
<b>Sub-Total A (excluding pass through)</b>			\$ 27.14			\$ 27.97	\$ 0.84	3.09%
Line Losses on Cost of Power	\$ 0.1114	40	\$ 4.44	\$ 0.1114	36	\$ 3.98	\$ (0.47)	-10.53%
Total Deferral/Variance Account Rate Riders	-\$ 0.0019	750	\$ (1.43)	-\$ 0.0018	750	\$ (1.35)	\$ 0.08	-5.26%
GA Rate Riders				\$ -	750	\$ -	\$ -	
Low Voltage Service Charge	\$ -	750	\$ -		750	\$ -	\$ -	
Smart Meter Entity Charge (if applicable)	\$ 0.7900	1	\$ 0.79	\$ 0.7900	1	\$ 0.79	\$ -	0.00%
<b>Sub-Total B - Distribution (includes Sub-Total A)</b>			\$ 30.94			\$ 31.39	\$ 0.45	1.44%
RTSR - Network	\$ 0.0078	790	\$ 6.16	\$ 0.0077	786	\$ 6.05	\$ (0.11)	-1.81%
RTSR - Connection and/or Line and Transformation Connection	\$ 0.0061	790	\$ 4.82	\$ 0.0060	786	\$ 4.71	\$ (0.10)	-2.16%
<b>Sub-Total C - Delivery (including Sub-Total B)</b>			\$ 41.92			\$ 42.15	\$ 0.23	0.55%
Wholesale Market Service Charge (WMS)	\$ 0.0036	790	\$ 2.84	\$ 0.0036	786	\$ 2.83	\$ (0.02)	-0.53%
Rural and Remote Rate Protection (RRRP)	\$ 0.0021	790	\$ 1.66	\$ 0.0021	786	\$ 1.65	\$ (0.01)	-0.53%
Standard Supply Service Charge	\$ 0.2500	1	\$ 0.25	\$ 0.2500	1	\$ 0.25	\$ -	0.00%
Debt Retirement Charge (DRC)								
Ontario Electricity Support Program (OESP)	\$ 0.0011	790	\$ 0.87	\$ 0.0011	786	\$ 0.86	\$ (0.00)	-0.54%
TOU - Off Peak	\$ 0.0870	488	\$ 42.41	\$ 0.0870	488	\$ 42.41	\$ -	0.00%
TOU - Mid Peak	\$ 0.1320	128	\$ 16.83	\$ 0.1320	128	\$ 16.83	\$ -	0.00%
TOU - On Peak	\$ 0.1800	135	\$ 24.30	\$ 0.1800	135	\$ 24.30	\$ -	0.00%
<b>Total Bill on TOU (before Taxes)</b>			\$ 131.09			\$ 131.29	\$ 0.20	0.15%
HST	13%		\$ 17.04	13%		\$ 17.07	\$ 0.03	0.15%
<b>Total Bill on TOU</b>			\$ 148.13			\$ 148.36	\$ 0.23	0.15%

Customer Class:	RESIDENTIAL SERVICE CLASSIFICATION		
RPP / Non-RPP:	RPP		
Consumption	308	kWh	
Demand	-	kW	
Current Loss Factor	1.0532		
Proposed/Approved Loss Factor	1.0476		

	Current OEB-Approved			Proposed			Impact	
	Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	\$ 18.76	1	\$ 18.76	\$ 22.26	1	\$ 22.26	\$ 3.50	18.66%
Distribution Volumetric Rate	\$ 0.0105	308	\$ 3.23	\$ 0.0074	308	\$ 2.28	\$ (0.95)	-29.52%
Fixed Rate Riders	\$ 0.50	1	\$ 0.50	\$ 0.24	1	\$ 0.24	\$ (0.26)	-52.32%
Volumetric Rate Riders	\$ -	308	\$ -	\$ 0.0001	308	\$ (0.03)	\$ (0.03)	
<b>Sub-Total A (excluding pass through)</b>			\$ 22.49			\$ 24.75	\$ 2.25	10.02%
Line Losses on Cost of Power	\$ 0.1114	16	\$ 1.83	\$ 0.1114	15	\$ 1.63	\$ (0.19)	-10.53%
Total Deferral/Variance Account Rate Riders	-\$ 0.0019	308	\$ (0.59)	-\$ 0.0018	308	\$ (0.55)	\$ 0.03	-5.26%
GA Rate Riders				\$ -	308	\$ -	\$ -	
Low Voltage Service Charge	\$ -	308	\$ -		308	\$ -	\$ -	
Smart Meter Entity Charge (if applicable)	\$ 0.7900	1	\$ 0.79	\$ 0.7900	1	\$ 0.79	\$ -	0.00%
<b>Sub-Total B - Distribution (includes Sub-Total A)</b>			\$ 24.52			\$ 26.62	\$ 2.09	8.53%
RTSR - Network	\$ 0.0078	324	\$ 2.53	\$ 0.0077	323	\$ 2.48	\$ (0.05)	-1.81%
RTSR - Connection and/or Line and Transformation Connection	\$ 0.0061	324	\$ 1.98	\$ 0.0060	323	\$ 1.94	\$ (0.04)	-2.16%
<b>Sub-Total C - Delivery (including Sub-Total B)</b>			\$ 29.03			\$ 31.04	\$ 2.00	6.90%
Wholesale Market Service Charge (WMSC)	\$ 0.0036	324	\$ 1.17	\$ 0.0036	323	\$ 1.16	\$ (0.01)	-0.53%
Rural and Remote Rate Protection (RRRP)	\$ 0.0021	324	\$ 0.68	\$ 0.0021	323	\$ 0.68	\$ (0.00)	-0.53%
Standard Supply Service Charge	\$ 0.2500	1	\$ 0.25	\$ 0.2500	1	\$ 0.25	\$ -	0.00%
Debt Retirement Charge (DRC)								
Ontario Electricity Support Program (OESP)	\$ 0.0011	324	\$ 0.36	\$ 0.0011	323	\$ 0.35	\$ (0.00)	-0.41%
TOU - Off Peak	\$ 0.0870	200	\$ 17.42	\$ 0.0870	200	\$ 17.42	\$ -	0.00%
TOU - Mid Peak	\$ 0.1320	52	\$ 6.91	\$ 0.1320	52	\$ 6.91	\$ -	0.00%
TOU - On Peak	\$ 0.1800	55	\$ 9.98	\$ 0.1800	55	\$ 9.98	\$ -	0.00%
<b>Total Bill on TOU (before Taxes)</b>			\$ 65.80			\$ 67.79	\$ 1.99	3.03%
HST	13%		\$ 8.55	13%		\$ 8.81	\$ 0.26	3.03%
<b>Total Bill on TOU</b>			\$ 74.35			\$ 76.60	\$ 2.25	3.03%



Customer Class:	GENERAL SERVICE LESS THAN 50 kW SERVICE CLASSIFICATION	
RPP / Non-RPP:	RPP	
Consumption	2,000	kWh
Demand	-	kW
Current Loss Factor	1.0532	
Proposed/Approved Loss Factor	1.0476	

	Current OEB-Approved			Proposed			Impact	
	Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	\$ 29.23	1	\$ 29.23	\$ 30.91	1	\$ 30.91	\$ 1.68	5.75%
Distribution Volumetric Rate	\$ 0.0086	2000	\$ 17.20	\$ 0.0091	2000	\$ 18.20	\$ 1.00	5.81%
Fixed Rate Riders	\$ 0.48	1	\$ 0.48	\$ -	1	\$ -	\$ (0.48)	-100.00%
Volumetric Rate Riders	\$ -	2000	\$ -	\$ -	2000	\$ -	\$ -	
<b>Sub-Total A (excluding pass through)</b>			\$ 46.91			\$ 49.11	\$ 2.20	4.69%
Line Losses on Cost of Power	\$ 0.1114	106	\$ 11.85	\$ 0.1114	95	\$ 10.60	\$ (1.25)	-10.53%
Total Deferral/Variance Account Rate Riders	-\$ 0.0019	2,000	\$ (3.80)	-\$ 0.0014	2,000	\$ (2.80)	\$ 1.00	-26.32%
GA Rate Riders				\$ -	2,000	\$ -	\$ -	
Low Voltage Service Charge	\$ -	2,000	\$ -		2,000	\$ -	\$ -	
Smart Meter Entity Charge (if applicable)	\$ 0.7900	1	\$ 0.79	\$ 0.7900	1	\$ 0.79	\$ -	0.00%
<b>Sub-Total B - Distribution (includes Sub-Total A)</b>			\$ 55.75			\$ 57.70	\$ 1.95	3.50%
RTSR - Network	\$ 0.0069	2,106	\$ 14.53	\$ 0.0068	2,095	\$ 14.25	\$ (0.29)	-1.97%
RTSR - Connection and/or Line and Transformation Connection	\$ 0.0052	2,106	\$ 10.95	\$ 0.0051	2,095	\$ 10.69	\$ (0.27)	-2.44%
<b>Sub-Total C - Delivery (including Sub-Total B)</b>			\$ 81.24			\$ 82.64	\$ 1.40	1.72%
Wholesale Market Service Charge (WMSC)	\$ 0.0036	2,106	\$ 7.58	\$ 0.0036	2,095	\$ 7.54	\$ (0.04)	-0.53%
Rural and Remote Rate Protection (RRRP)	\$ 0.0021	2,106	\$ 4.42	\$ 0.0021	2,095	\$ 4.40	\$ (0.02)	-0.53%
Standard Supply Service Charge	\$ 0.2500	1	\$ 0.25	\$ 0.2500	1	\$ 0.25	\$ -	0.00%
Debt Retirement Charge (DRC)	\$ 0.0070	2,000	\$ 14.00	\$ 0.0070	2,000	\$ 14.00	\$ -	0.00%
Ontario Electricity Support Program (OESP)	\$ 0.0011	2,016	\$ 2.22	\$ 0.0011	2,095	\$ 2.30	\$ 0.09	3.93%
TOU - Off Peak	\$ 0.0870	1,300	\$ 113.10	\$ 0.0870	1,300	\$ 113.10	\$ -	0.00%
TOU - Mid Peak	\$ 0.1320	340	\$ 44.88	\$ 0.1320	340	\$ 44.88	\$ -	0.00%
TOU - On Peak	\$ 0.1800	360	\$ 64.80	\$ 0.1800	360	\$ 64.80	\$ -	0.00%
<b>Total Bill on TOU (before Taxes)</b>			\$ 332.49			\$ 333.91	\$ 1.42	0.43%
HST		13%	\$ 43.22		13%	\$ 43.41	\$ 0.18	0.43%
<b>Total Bill on TOU</b>			\$ 375.72			\$ 377.32	\$ 1.61	0.43%

Customer Class:	GENERAL SERVICE 50 TO 4,999 KW SERVICE CLASSIFICATION
RPP / Non-RPP:	Non-RPP (Other)
Consumption	32,400 kWh
Demand	60 kW
Current Loss Factor	1.0532
Proposed/Approved Loss Factor	1.0476

	Current OEB-Approved			Proposed			Impact	
	Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	\$ 281.42	1	\$ 281.42	\$ 281.42	1	\$ 281.42	\$ -	0.00%
Distribution Volumetric Rate	\$ 2.4614	60	\$ 147.68	\$ 3.0345	60	\$ 182.07	\$ 34.39	23.28%
Fixed Rate Riders	\$ -	1	\$ -	\$ -	1	\$ -	\$ -	-
Volumetric Rate Riders	\$ 0.0066	60	\$ 0.40	\$ -	60	\$ -	\$ (0.40)	-100.00%
<b>Sub-Total A (excluding pass through)</b>			\$ 429.50			\$ 463.49	\$ 33.99	7.91%
Line Losses on Cost of Power	\$ -	-	\$ -	\$ -	-	\$ -	\$ -	-
Total Deferral/Variance Account Rate Riders	-\$ 0.3118	60	\$ (18.71)	-\$ 0.4159	60	\$ (24.95)	\$ (6.25)	33.39%
GA Rate Riders				\$ 0.0022	32,400	\$ 71.28	\$ 71.28	-
Low Voltage Service Charge	\$ -	60	\$ -	\$ -	60	\$ -	\$ -	-
Smart Meter Entity Charge (if applicable)	\$ -	1	\$ -	\$ -	1	\$ -	\$ -	-
<b>Sub-Total B - Distribution (includes Sub-Total A)</b>			\$ 410.79			\$ 509.82	\$ 99.02	24.11%
RTSR - Network	\$ 2.3625	60	\$ 141.75	\$ 2.3145	60	\$ 138.87	\$ (2.88)	-2.03%
RTSR - Connection and/or Line and Transformation Connection	\$ 1.8027	60	\$ 108.16	\$ 1.9948	60	\$ 119.69	\$ 11.53	10.66%
<b>Sub-Total C - Delivery (including Sub-Total B)</b>			\$ 660.70			\$ 768.37	\$ 107.67	16.30%
Wholesale Market Service Charge (WMSVC)	\$ 0.0036	34,124	\$ 122.85	\$ 0.0036	33,942	\$ 122.19	\$ (0.65)	-0.53%
Rural and Remote Rate Protection (RRRP)	\$ 0.0021	34,124	\$ 71.66	\$ 0.0021	33,942	\$ 71.28	\$ (0.38)	-0.53%
Standard Supply Service Charge	\$ 0.2500	1	\$ 0.25	\$ 0.2500	1	\$ 0.25	\$ -	0.00%
Debt Retirement Charge (DRC)	\$ 0.0070	32,400	\$ 226.80	\$ 0.0070	32,400	\$ 226.80	\$ -	0.00%
Ontario Electricity Support Program (OESP)	\$ 0.0011	34,124	\$ 37.54	\$ 0.0011	33,942	\$ 37.34	\$ (0.20)	-0.53%
Average IESO Wholesale Market Price	\$ 0.1071	34,124	\$ 3,654.65	\$ 0.1071	33,942	\$ 3,635.21	\$ (19.43)	-0.53%
<b>Total Bill on Average IESO Wholesale Market Price</b>			\$ 4,774.44			\$ 4,861.45	\$ 87.00	1.82%
HST	13%		\$ 620.68	13%		\$ 631.99	\$ 11.31	1.82%
<b>Total Bill on Average IESO Wholesale Market Price</b>			\$ 5,395.12			\$ 5,493.43	\$ 98.31	1.82%

Customer Class:	GENERAL SERVICE 50 TO 4,999 KW SERVICE CLASSIFICATION	
RPP / Non-RPP:	Non-RPP (Other)	
Consumption	1,091,088	kWh
Demand	3,648	kW
Current Loss Factor	1.0427	
Proposed/Approved Loss Factor	1.0371	

	Current OEB-Approved			Proposed			Impact	
	Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	\$ 281.42	1	\$ 281.42	\$ 281.42	1	\$ 281.42	\$ -	0.00%
Distribution Volumetric Rate	\$ 2.4614	3612	\$ 8,890.58	\$ 3.0345	3612	\$ 10,960.61	\$ 2,070.04	23.28%
Transformer Allowance	\$ (0.70)	3612	\$ (2,528.40)	\$ (0.70)	3612	\$ (2,528.40)	\$ -	0.00%
Volumetric Rate Riders	\$ 0.0066	3612	\$ 23.84	\$ -	3612	\$ -	\$ (23.84)	-100.00%
<b>Sub-Total A (excluding pass through)</b>			\$ 6,667.44			\$ 8,713.63	\$ 2,046.20	30.69%
Line Losses on Cost of Power	\$ -	-	\$ -	\$ -	-	\$ -	\$ -	
Total Deferral/Variance Account Rate Riders	-\$ 0.3118	3,612	\$ (1,126.22)	-\$ 0.4159	3,612	\$ (1,502.23)	\$ (376.01)	33.39%
GA Rate Riders				\$ 0.0022	1,091,088	\$ 2,400.39	\$ 2,400.39	
Low Voltage Service Charge	\$ -	3,612	\$ -		3,612	\$ -	\$ -	
Smart Meter Entity Charge (if applicable)	\$ -	1	\$ -	\$ -	1	\$ -	\$ -	
<b>Sub-Total B - Distribution (includes Sub-Total A)</b>			\$ 5,541.21			\$ 9,611.80	\$ 4,070.58	73.46%
RTSR - Network	\$ 2.3414	3,612	\$ 8,457.14	\$ 2.3145	3,612	\$ 8,359.97	\$ (97.16)	-1.15%
RTSR - Connection and/or Line and Transformation Connection	\$ 2.1595	3,612	\$ 7,800.11	\$ 1.9948	3,612	\$ 7,205.22	\$ (594.90)	-7.63%
<b>Sub-Total C - Delivery (including Sub-Total B)</b>			\$ 21,798.47			\$ 25,176.99	\$ 3,378.52	15.50%
Wholesale Market Service Charge (WMSVC)	\$ 0.0036	1,137,677	\$ 4,095.64	\$ 0.0036	1,131,567	\$ 4,073.64	\$ (22.00)	-0.54%
Rural and Remote Rate Protection (RRRP)	\$ 0.0021	1,137,677	\$ 2,389.12	\$ 0.0021	1,131,567	\$ 2,376.29	\$ (12.83)	-0.54%
Standard Supply Service Charge	\$ 0.2500	1	\$ 0.25	\$ 0.2500	1	\$ 0.25	\$ -	0.00%
Debt Retirement Charge (DRC)	\$ 0.0070	1,080,177	\$ 7,561.24	\$ 0.0070	1,091,088	\$ 7,637.62	\$ 76.38	1.01%
Ontario Electricity Support Program (OESP)	\$ 0.0011	1,137,677	\$ 1,251.44	\$ 0.0011	1,131,567	\$ 1,244.72	\$ (6.72)	-0.54%
Average IESO Wholesale Market Price	\$ 0.1077	1,137,677	\$ 122,527.86	\$ 0.1077	1,131,567	\$ 121,869.81	\$ (658.06)	-0.54%
<b>Total Bill on Average IESO Wholesale Market Price</b>			\$ 159,624.02			\$ 162,379.32	\$ 2,755.30	1.73%
HST	13%		\$ 20,751.12	13%		\$ 21,109.31	\$ 358.19	1.73%
<b>Total Bill on Average IESO Wholesale Market Price</b>			\$ 180,375.15			\$ 183,488.63	\$ 3,113.48	1.73%

Customer Class:	UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION		
RPP / Non-RPP:	RPP		
Consumption	150	kWh	
Demand	-	kW	
Current Loss Factor	1.0532		
Proposed/Approved Loss Factor	1.0476		

	Current OEB-Approved			Proposed			Impact	
	Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	\$ 11.93	1	\$ 11.93	\$ 10.31	1	\$ 10.31	\$ (1.62)	-13.58%
Distribution Volumetric Rate	\$ 0.0079	150	\$ 1.19	\$ 0.0068	150	\$ 1.02	\$ (0.17)	-13.92%
Fixed Rate Riders	\$ -	1	\$ -	\$ -	1	\$ -	\$ -	
Volumetric Rate Riders	\$ 0.0001	150	\$ 0.02	\$ -	150	\$ -	\$ (0.02)	-100.00%
<b>Sub-Total A (excluding pass through)</b>			\$ 13.13			\$ 11.33	\$ (1.80)	-13.71%
Line Losses on Cost of Power	\$ 0.1114	8	\$ 0.89	\$ 0.1114	7	\$ 0.80	\$ (0.09)	-10.53%
Total Deferral/Variance Account Rate Riders	-\$ 0.0019	150	\$ (0.29)	-\$ 0.0019	150	\$ (0.29)	\$ -	0.00%
GA Rate Riders				\$ -	150	\$ -	\$ -	
Low Voltage Service Charge	\$ -	150	\$ -	\$ -	150	\$ -	\$ -	
Smart Meter Entity Charge (if applicable)	\$ -	1	\$ -	\$ -	1	\$ -	\$ -	
<b>Sub-Total B - Distribution (includes Sub-Total A)</b>			\$ 13.73			\$ 11.84	\$ (1.89)	-13.79%
RTSR - Network	\$ 0.0069	158	\$ 1.09	\$ 0.0068	157	\$ 1.07	\$ (0.02)	-1.97%
RTSR - Connection and/or Line and Transformation Connection	\$ 0.0052	158	\$ 0.82	\$ 0.0051	157	\$ 0.80	\$ (0.02)	-2.44%
<b>Sub-Total C - Delivery (including Sub-Total B)</b>			\$ 15.65			\$ 13.71	\$ (1.94)	-12.37%
Wholesale Market Service Charge (WMSC)	\$ 0.0036	158	\$ 0.57	\$ 0.0036	157	\$ 0.57	\$ (0.00)	-0.53%
Rural and Remote Rate Protection (RRRP)	\$ 0.0021	158	\$ 0.33	\$ 0.0021	157	\$ 0.33	\$ (0.00)	-0.53%
Standard Supply Service Charge	\$ 0.2500	1	\$ 0.25	\$ 0.2500	1	\$ 0.25	\$ -	0.00%
Debt Retirement Charge (DRC)	\$ 0.0070	150	\$ 1.05	\$ 0.0070	150	\$ 1.05	\$ -	0.00%
Ontario Electricity Support Program (OESP)	\$ 0.0011	158	\$ 0.17	\$ 0.0011	157	\$ 0.17	\$ (0.00)	-0.54%
TOU - Off Peak	\$ 0.0870	98	\$ 8.48	\$ 0.0870	98	\$ 8.48	\$ -	0.00%
TOU - Mid Peak	\$ 0.1320	26	\$ 3.37	\$ 0.1320	26	\$ 3.37	\$ -	0.00%
TOU - On Peak	\$ 0.1800	27	\$ 4.86	\$ 0.1800	27	\$ 4.86	\$ -	0.00%
<b>Total Bill on TOU (before Taxes)</b>			\$ 34.73			\$ 32.79	\$ (1.94)	-5.59%
HST	13%		\$ 4.51	13%		\$ 4.26	\$ (0.25)	-5.59%
<b>Total Bill on TOU</b>			\$ 39.24			\$ 37.05	\$ (2.19)	-5.59%

Customer Class:	SENTINEL LIGHTING SERVICE CLASSIFICATION		
RPP / Non-RPP:	RPP		
Consumption	120	kWh	
Demand	0.3	kW	
Current Loss Factor	1.0532		
Proposed/Approved Loss Factor	1.0476		

	Current OEB-Approved			Proposed			Impact	
	Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	\$ 2.69	1	\$ 2.69	\$ 3.80	1	\$ 3.80	\$ 1.11	41.26%
Distribution Volumetric Rate	\$ 6.0251	0.3	\$ 1.81	\$ 8.5041	0.3	\$ 2.55	\$ 0.74	41.14%
Fixed Rate Riders	\$ -	1	\$ -	\$ -	1	\$ -	\$ -	
Volumetric Rate Riders	\$ 0.0297	0.3	\$ 0.01	\$ -	0.3	\$ -	\$ (0.01)	-100.00%
<b>Sub-Total A (excluding pass through)</b>			\$ 4.51			\$ 6.35	\$ 1.84	40.94%
Line Losses on Cost of Power	\$ 0.1114	6	\$ 0.71	\$ 0.1114	6	\$ 0.64	\$ (0.07)	-10.53%
Total Deferral/Variance Account Rate Riders	-\$ 0.7090	0.3	\$ (0.21)	-\$ 0.7809	0.3	\$ (0.23)	\$ (0.02)	10.14%
GA Rate Riders				\$ -	120	\$ -	\$ -	
Low Voltage Service Charge	\$ -	0	\$ -	\$ -	0	\$ -	\$ -	
Smart Meter Entity Charge (if applicable)	\$ -	1	\$ -	\$ -	1	\$ -	\$ -	
<b>Sub-Total B - Distribution (includes Sub-Total A)</b>			\$ 5.00			\$ 6.75	\$ 1.75	34.93%
RTSR - Network	\$ 2.2003	0.3	\$ 0.66	\$ 2.1670	0.3	\$ 0.65	\$ (0.01)	-1.51%
RTSR - Connection and/or Line and Transformation Connection	\$ 1.6792	0.3	\$ 0.50	\$ 1.6448	0.3	\$ 0.49	\$ (0.01)	-2.05%
<b>Sub-Total C - Delivery (including Sub-Total B)</b>			\$ 6.17			\$ 7.90	\$ 1.73	28.01%
Wholesale Market Service Charge (WMSVC)	\$ 0.0036	126	\$ 0.45	\$ 0.0036	126	\$ 0.45	\$ (0.00)	-0.53%
Rural and Remote Rate Protection (RRRP)	\$ 0.0021	126	\$ 0.27	\$ 0.0021	126	\$ 0.26	\$ (0.00)	-0.53%
Standard Supply Service Charge	\$ 0.2500	1	\$ 0.25	\$ 0.2500	1	\$ 0.25	\$ -	0.00%
Debt Retirement Charge (DRC)	\$ 0.0070	120	\$ 0.84	\$ 0.0070	120	\$ 0.84	\$ -	0.00%
Ontario Electricity Support Program (OESP)	\$ 0.0011	126	\$ 0.14	\$ 0.0011	126	\$ 0.14	\$ -	0.00%
TOU - Off Peak	\$ 0.0870	78	\$ 6.79	\$ 0.0870	78	\$ 6.79	\$ -	0.00%
TOU - Mid Peak	\$ 0.1320	20	\$ 2.69	\$ 0.1320	20	\$ 2.69	\$ -	0.00%
TOU - On Peak	\$ 0.1800	22	\$ 3.89	\$ 0.1800	22	\$ 3.89	\$ -	0.00%
<b>Total Bill on TOU (before Taxes)</b>			\$ 21.48			\$ 23.21	\$ 1.72	8.03%
HST	13%		\$ 2.79	13%		\$ 3.02	\$ 0.22	8.03%
<b>Total Bill on TOU</b>			\$ 24.28			\$ 26.23	\$ 1.95	8.03%

Customer Class: **STREET LIGHTING SERVICE CLASSIFICATION**  
RPP / Non-RPP: **Non-RPP (Other)**  
Consumption: **16** kWh  
Demand: **0.044** kW  
Current Loss Factor: **1.0532**  
Proposed/Approved Loss Factor: **1.0476**

	Current OEB-Approved			Proposed			Impact	
	Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	\$ 1.99	1	\$ 1.99	\$ 0.60	1	\$ 0.60	\$ (1.39)	-69.85%
Distribution Volumetric Rate	\$ 8.3543	0.044	\$ 0.37	\$ 2.5190	0.044	\$ 0.11	\$ (0.26)	-69.85%
Fixed Rate Riders	\$ -	1	\$ -	\$ -	1	\$ -	\$ -	-
Volumetric Rate Riders	\$ 0.0533	0.044	\$ 0.00	\$ -	0.044	\$ -	\$ (0.00)	-100.00%
<b>Sub-Total A (excluding pass through)</b>			\$ 2.36			\$ 0.71	\$ (1.65)	-69.88%
Line Losses on Cost of Power	\$ 0.1077	1	\$ 0.09	\$ 0.1077	1	\$ 0.08	\$ (0.01)	-10.53%
Total Deferral/Variance Account Rate Riders	-\$ 0.4104	0.044	\$ (0.02)	-\$ 0.7487	0.044	\$ (0.03)	\$ (0.01)	82.43%
GA Rate Riders				\$ 0.0022	16	\$ 0.04	\$ 0.04	
Low Voltage Service Charge	\$ -	0	\$ -		0	\$ -	\$ -	
Smart Meter Entity Charge (if applicable)	\$ -	1	\$ -	\$ -	1	\$ -	\$ -	
<b>Sub-Total B - Distribution (includes Sub-Total A)</b>			\$ 2.43			\$ 0.80	\$ (1.64)	-67.33%
RTSR - Network	\$ 2.1955	0.044	\$ 0.10	\$ 2.1623	0.044	\$ 0.10	\$ (0.00)	-1.51%
RTSR - Connection and/or Line and Transformation Connection	\$ 1.6755	0.044	\$ 0.07	\$ 1.6411	0.044	\$ 0.07	\$ (0.00)	-2.05%
<b>Sub-Total C - Delivery (including Sub-Total B)</b>			\$ 2.60			\$ 0.96	\$ (1.64)	-63.04%
Wholesale Market Service Charge (WMSC)	\$ 0.0036	17	\$ 0.06	\$ 0.0036	17	\$ 0.06	\$ (0.00)	-0.53%
Rural and Remote Rate Protection (RRRP)	\$ 0.0021	17	\$ 0.04	\$ 0.0021	17	\$ 0.04	\$ (0.00)	-0.53%
Standard Supply Service Charge	\$ 0.2500	1	\$ 0.25	\$ 0.2500	1	\$ 0.25	\$ -	0.00%
Debt Retirement Charge (DRC)	\$ 0.0070	16	\$ 0.11	\$ 0.0070	16	\$ 0.11	\$ -	0.00%
Ontario Electricity Support Program (OESP)	\$ 0.0011	17	\$ 0.02	\$ 0.0011	17	\$ 0.02	\$ -	0.00%
Average IESO Wholesale Market Price	\$ 0.1077	16	\$ 1.72	\$ 0.1077	16	\$ 1.72	\$ -	0.00%
<b>Total Bill on Average IESO Wholesale Market Price</b>			\$ 4.80			\$ 3.16	\$ (1.64)	-34.18%
HST 13%			\$ 0.62	13%		\$ 0.41	\$ (0.21)	-34.18%
<b>Total Bill on Average IESO Wholesale Market Price</b>			\$ 5.43			\$ 3.57	\$ (1.86)	-34.18%

**Appendix E**  
**Welland Hydro-Electric System Corp.**  
**Draft Accounting Order**

**Account 1508-Other Regulatory Assets, Sub-account OPEB Actuarial Gains or Losses Deferral Account**

Welland Hydro-Electric System Corp. shall establish Account 1508 Other Regulatory Assets, Sub Account OPEB Actuarial Gains or Losses Deferral Account.

The sub-account is to record the cumulative actuarial gains and losses in Other Post-Employment Benefits (OPEBs) liabilities as supported by actuarial re-valuations until its next Cost of Service Rate Application.

Carrying charges will not apply to this deferred account as it pertains to non-cash items.

The deferral account is established in the absence of OEB policy on the OPEB issue and will continue until the earlier of:

- A decision by the OEB to implement a policy in respect to the OPEB issue which differs from the approach approved here, and
- Welland Hydro's next rebasing application.

The balance in this account, supported by appropriate documentation, will be reviewed by the OEB for prudence and future disposition, subject to materiality at Welland Hydro's next cost of service application.

Sample journal entries are as follows:

Debit/Credit    Account 2306 OPEB Liability

Debit/Credit    Account 7010 Pension Actuarial Gains or Losses or Re-measurement Adjustment-  
Other Comprehensive Income

To record the actuarial gains and losses in Other Comprehensive Income.

Debit/Credit    Account 1508, Other Regulatory Assets, Sub-Account OPEB Actuarial Gains or  
Losses

Debit/Credit    Account 7010 Pension Actuarial Gains or Losses or Re-measurement Adjustment-  
Other Comprehensive Income

To reclassify the actuarial gains and losses to the deferral account.

## Appendix F Chapter 2 Appendices Revenue Requirements



Ontario Energy Board

# Revenue Requirement Workform (RRWF) for 2017 Filers

### Revenue Deficiency/Sufficiency

Line No.	Particulars	Initial Application		Application Update		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		\$1,056,407		\$844,140		\$526,253
2	Distribution Revenue	\$9,049,877	\$9,049,877	\$9,034,736	\$9,034,736	\$9,157,772	\$9,157,772
3	Other Operating Revenue	\$530,050	\$530,050	\$530,134	\$530,134	\$530,134	\$530,134
	Offsets - net						
4	<b>Total Revenue</b>	<b>\$9,579,927</b>	<b>\$10,636,334</b>	<b>\$9,564,870</b>	<b>\$10,409,010</b>	<b>\$9,687,906</b>	<b>\$10,214,159</b>
5	Operating Expenses	\$8,429,507	\$8,429,507	\$8,416,686	\$8,416,686	\$8,215,729	\$8,215,729
6	Deemed Interest Expense	\$874,137	\$874,137	\$723,446	\$723,446	\$725,013	\$725,013
8	<b>Total Cost and Expenses</b>	<b>\$9,303,644</b>	<b>\$9,303,644</b>	<b>\$9,140,132</b>	<b>\$9,140,132</b>	<b>\$8,940,742</b>	<b>\$8,940,742</b>
9	<b>Utility Income Before Income Taxes</b>	<b>\$276,283</b>	<b>\$1,332,690</b>	<b>\$424,738</b>	<b>\$1,268,878</b>	<b>\$747,164</b>	<b>\$1,273,417</b>
10	Tax Adjustments to Accounting Income per 2013 PILs model	(\$876,937)	(\$876,937)	(\$857,136)	(\$857,136)	(\$854,186)	(\$854,186)
11	<b>Taxable Income</b>	<b>(\$600,654)</b>	<b>\$455,753</b>	<b>(\$432,398)</b>	<b>\$411,742</b>	<b>(\$107,022)</b>	<b>\$419,231</b>
12	Income Tax Rate	26.50%	26.50%	26.50%	26.50%	26.50%	26.50%
13	<b>Income Tax on Taxable Income</b>	<b>(\$159,173)</b>	<b>\$120,775</b>	<b>(\$114,586)</b>	<b>\$109,112</b>	<b>(\$28,361)</b>	<b>\$111,096</b>
14	<b>Income Tax Credits</b>	<b>(\$20,000)</b>	<b>(\$20,000)</b>	<b>(\$20,000)</b>	<b>(\$20,000)</b>	<b>(\$20,000)</b>	<b>(\$20,000)</b>
15	<b>Utility Net Income</b>	<b>\$455,456</b>	<b>\$1,231,916</b>	<b>\$559,323</b>	<b>\$1,179,766</b>	<b>\$795,525</b>	<b>\$1,182,320</b>
16	<b>Utility Rate Base</b>	<b>\$33,512,389</b>	<b>\$33,512,389</b>	<b>\$33,592,421</b>	<b>\$33,592,421</b>	<b>\$33,665,167</b>	<b>\$33,665,167</b>
17	Deemed Equity Portion of Rate Base	\$13,404,956	\$13,404,956	\$13,436,969	\$13,436,969	\$13,466,067	\$13,466,067
18	Income/(Equity Portion of Rate Base)	3.40%	9.19%	4.16%	8.78%	5.91%	8.78%
19	Target Return - Equity on Rate Base	9.19%	9.19%	8.78%	8.78%	8.78%	8.78%
20	Deficiency/Sufficiency in Return on Equity	-5.79%	0.00%	-4.62%	0.00%	-2.87%	0.00%
21	Indicated Rate of Return	3.97%	6.28%	3.82%	5.67%	4.52%	5.67%
22	Requested Rate of Return on Rate Base	6.28%	6.28%	5.67%	5.67%	5.67%	5.67%
23	Deficiency/Sufficiency in Rate of Return	-2.32%	0.00%	-1.85%	0.00%	-1.15%	0.00%
24	Target Return on Equity	\$1,231,915	\$1,231,915	\$1,179,766	\$1,179,766	\$1,182,321	\$1,182,321
25	Revenue Deficiency/(Sufficiency)	\$776,459	\$0	\$620,443	\$0	\$386,796	(\$0)
26	<b>Gross Revenue</b>	<b>\$1,056,407 <sup>(1)</sup></b>		<b>\$844,140 <sup>(1)</sup></b>		<b>\$526,253 <sup>(1)</sup></b>	
	<b>Deficiency/(Sufficiency)</b>						



**Appendix F**  
**Chapter 2 Appendices**  
**Revenue Requirements**



Ontario Energy Board

# Revenue Requirement Workform (RRWF) for 2017 Filers

**Revenue Requirement**

Line No.	Particulars	Application	Application Update	Per Board Decision
1	OM&A Expenses	\$6,999,907	\$6,999,907	\$6,800,000
2	Amortization/Depreciation	\$1,429,600	\$1,416,779	\$1,415,729
3	Property Taxes	\$ -		
5	Income Taxes (Grossed up)	\$100,774	\$89,112	\$91,097
6	Other Expenses	\$ -		
7	Return			
	Deemed Interest Expense	\$874,137	\$723,446	\$725,013
	Return on Deemed Equity	\$1,231,915	\$1,179,766	\$1,182,321
8	<b>Service Revenue Requirement (before Revenues)</b>	<b>\$10,636,334</b>	<b>\$10,409,010</b>	<b>\$10,214,159</b>
9	Revenue Offsets	\$530,050	\$530,134	\$530,134
10	<b>Base Revenue Requirement (excluding Transformer Owership Allowance credit adjustment)</b>	<b>\$10,106,284</b>	<b>\$9,878,876</b>	<b>\$9,684,025</b>
11	Distribution revenue	\$10,106,284	\$9,878,876	\$9,684,025
12	Other revenue	\$530,050	\$530,134	\$530,134
13	<b>Total revenue</b>	<b>\$10,636,334</b>	<b>\$10,409,010</b>	<b>\$10,214,159</b>
14	<b>Difference (Total Revenue Less Distribution Revenue Requirement before Revenues)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$0)</b>

**Summary Table of Revenue Requirement and Revenue Deficiency/Sufficiency**

	Application	Application Update	Δ% <sup>(2)</sup>	Per Board Decision	Δ% <sup>(2)</sup>
<b>Service Revenue Requirement</b>	\$10,636,334	\$10,409,010	<b>(\$0)</b>	\$10,214,159	<b>(\$1)</b>
<b>Grossed-Up Revenue Deficiency/(Sufficiency)</b>	\$1,056,407	\$844,140	<b>(\$0)</b>	\$526,253	<b>(\$1)</b>
<b>Base Revenue Requirement (to be recovered from Distribution Rates)</b>	\$10,106,284	\$9,878,876	<b>(\$0)</b>	\$9,684,025	<b>(\$1)</b>
<b>Revenue Deficiency/(Sufficiency) Associated with Base Revenue Requirement</b>	\$1,056,407	\$844,140	<b>(\$0)</b>	\$526,253	<b>(\$1)</b>