



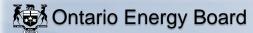
Version 7.02

<b>Utility Name</b>	Innpower Corporation
Service Territory	
Assigned EB Number	EB=2016-0085
Name and Title	Brenda L Pinke
Phone Number	705-431-6870 Ext 262
Email Address	brendap@innpower.ca

The RRWF has been enhanced commencing with 2017 rate applications to provide estimated base distribution rates. The enhanced RRWF is not intended to replace a utility's formal rate generator model which should continue to be the source of the proposed rates as well as the final ones at the conclusion of the proceeding. The load forecasting addition made to this model is intended to be demonstrative only and does not replace the information filed in the utility's application. In an effort to minimize the incremental work required from utilities, the cost allocation and rate design additions to this model do in fact replace former appendices that were required to be filed as part of the cost of service (Chapter 2) filing requirements.

This Workbook Model is protected by copyright and is being made available to you solely for the purpose of filing your application. You may use and copy this model for that purpose, and provide a copy of this model to any person that is advising or assisting you in that regard. Except as indicated above, any copying, reproduction, publication, sale, adaptation, translation, modification, reverse engineering or other use or dissemination of this model without the express written consent of the Ontario Energy Board is prohibited. If you provide a copy of this model to a person that is advising or assisting you in preparing the application or reviewing your draft rate order, you must ensure that the person understands and agrees to the restrictions noted above.

While this model has been provided in Excel format and is required to be filed with the applications, the onus remains on the applicant to ensure the accuracy of the data and the results.



1. Info 8. Rev\_Def\_Suff

2. Table of Contents 9. Rev\_Reqt

3. Data\_Input\_Sheet 10. Load Forecast

4. Rate\_Base 11. Cost Allocation

5. Utility Income 12. Residential Rate Design

6. Taxes PILs 13. Rate Design and Revenue Reconciliation

7. Cost\_of\_Capital 14. Tracking Sheet

### Notes:

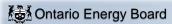
(1) Pale green cells represent inputs

(2) Pale green boxes at the bottom of each page are for additional notes

(3) Pale yellow cells represent drop-down lists

(4) Please note that this model uses MACROS. Before starting, please ensure that macros have been enabled.

(5) Completed versions of the Revenue Requirement Work Form are required to be filed in working Microsoft Excel format.



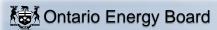
### Data Input (1)

		Initial Application	(2)			(6)	Per Board Decision	_
1	Rate Base							
•	Gross Fixed Assets (average) Accumulated Depreciation (average)	\$57,907,639 (\$6,507,375)	(5)	\$	57,907,639 (\$6,507,375)		\$57,907,639 (\$6,507,375)	
	Allowance for Working Capital: Controllable Expenses Cost of Power	\$6,101,306 \$32,227,960		\$ \$	6,101,306 32,227,960		\$6,101,306 \$32,227,960	
	Working Capital Rate (%)	7.50%	(9)			(9)		(9)
2	Utility Income Operating Revenues: Distribution Revenue at Current Rates	\$8,471,470						
	Distribution Revenue at Proposed Rates Other Revenue:	\$10,907,936						
	Specific Service Charges Late Payment Charges Other Distribution Revenue Other Income and Deductions	\$170,000 \$78,000 \$829,121 \$30,000						
	Total Revenue Offsets	\$1,107,121	(7)					
	Operating Expenses: OM+A Expenses Depreciation/Amortization Property taxes Other expenses	\$5,990,356 \$2,699,369 \$110,950		\$ \$ \$	5,990,356 2,699,369 110,950		\$5,990,356 \$2,699,369 \$110,950	
3	Taxes/PILs							
	Taxable Income: Adjustments required to arrive at taxable income Utility Income Taxes and Rates:	(\$1,519,555)	(3)					
	Income taxes (not grossed up)	\$102,444						
	Income taxes (grossed up)	\$139,380						
	Federal tax (%) Provincial tax (%) Income Tax Credits	15.00% 11.50%						
4	Capitalization/Cost of Capital							
	Capital Structure: Long-term debt Capitalization Ratio (%) Short-term debt Capitalization Ratio (%) Common Equity Capitalization Ratio (%) Prefered Shares Capitalization Ratio (%)	56.0% 4.0% 40.0%	(8)			(8)		(8)
	Cost of Capital Long-term debt Cost Rate (%) Short-term debt Cost Rate (%) Common Equity Cost Rate (%) Prefered Shares Cost Rate (%)	3.72% 1.76% 8.78%						

### Notes:

General Data inputs are required on Sheets 3. Data from Sheet 3 will automatically complete calculations on sheets 4 through 9 (Rate Base through Revenue Requirement). Sheets 4 through 9 do not require any inputs except for notes that the Applicant may wish to enter to support the results. Pale green cells are available on sheets 4 through 9 to enter both footnotes beside key cells and the related text for the notes at the bottom of each sheet.

- All inputs are in dollars (\$) except where inputs are individually identified as percentages (%)
- Data in column E is for Application as originally filed. For updated revenue requirement as a result of interrogatory responses, technical or settlement conferences, etc., use column M and Adjustments in column I
- (3) Net of addbacks and deductions to arrive at taxable income.
- (4) Average of Gross Fixed Assets at beginning and end of the Test Year
- Average of Accumulated Depreciation at the beginning and end of the Test Year. Enter as a negative amount.
- Select option from drop-down list by clicking on cell M10. This column allows for the application update reflecting the end of discovery or Argument-in-Chief. Also, the outcome of any Settlement Process can be reflected.
- Input total revenue offsets for deriving the base revenue requirement from the service revenue requirement
- (8) 4.0% unless an Applicant has proposed or been approved for another amount.
  - The default Working Capital Allowance factor is 7.5% (of Cost of Power plus controllable expenses), per the letter issued by the Board on June 3, 2015. Alternatively, a WCA factor based on lead-lag study, with supporting rationale could be provided.



### **Rate Base and Working Capital**

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	itate bace					
Line No.	Particulars	Initial Application				Per Board Decision
1	Gross Fixed Assets (average)	\$57,907,639	\$ -	\$57,907,639	\$ -	\$57,907,639
2	Accumulated Depreciation (average)	(\$6,507,375)	\$ -	(\$6,507,375)	\$ -	(\$6,507,375)
3	Net Fixed Assets (average)	\$51,400,264	\$ -	\$51,400,264	\$ -	\$51,400,264
4	Allowance for Working Capital	\$2,874,695	(\$2,874,695)	\$-	\$ -	\$ -
5	Total Rate Base	\$54,274,959	(\$2,874,695)	\$51,400,264	<u> </u>	\$51,400,264

### (1) Allowance for Working Capital - Derivation

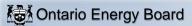
Controllable Expenses		\$6,101,306	\$ -	\$6,101,306	\$ -		\$6,101,306
Cost of Power		\$32,227,960	\$ -	\$32,227,960	\$ -		\$32,227,960
Working Capital Base		\$38,329,266	\$ -	\$38,329,266	\$ -		\$38,329,266
Working Capital Rate %	(1)	7.50%	-7.50%	0.00%	0.00%		0.00%
Working Capital Allowance	=	\$2,874,695	(\$2,874,695)	\$ -	\$ -	:	\$ -

### <u>Notes</u>

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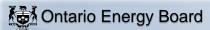
Some Applicants may have a unique rate as a result of a lead-lag study. The default rate for 2017 cost of service applications is 7.5%, per the letter issued by the Board on June 3, 2015.

Average of opening and closing balances for the year.



### **Utility Income**

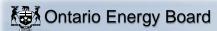
Line No.	Particulars	Initial Application				Per Board Decision
1	Operating Revenues: Distribution Revenue (at Proposed Rates)	\$10,907,936	(\$10,907,936)	\$-	\$ -	\$ -
2	Other Revenue (1	\$1,107,121	(\$1,107,121)	\$ -	\$ -	\$ -
3	Total Operating Revenues	\$12,015,057	(\$12,015,057)	\$ -	\$ -	\$ -
4 5 6 7 8	Operating Expenses: OM+A Expenses Depreciation/Amortization Property taxes Capital taxes Other expense	\$5,990,356 \$2,699,369 \$110,950 \$ - \$ -	\$ - \$ - \$ - \$ - \$ -	\$5,990,356 \$2,699,369 \$110,950 \$-	\$ - \$ - \$ - \$ - \$ -	\$5,990,356 \$2,699,369 \$110,950 \$ -
9	Subtotal (lines 4 to 8)	\$8,800,675	\$ -	\$8,800,675	\$ -	\$8,800,675
10	Deemed Interest Expense	\$1,168,866	(\$1,168,866)	<u>    \$ - </u>	<u> </u>	\$-
11	Total Expenses (lines 9 to 10)	\$9,969,540	(\$1,168,866)	\$8,800,675	\$ -	\$8,800,675
12	Utility income before income taxes	\$2,045,516	(\$10,846,191)	(\$8,800,675)	<u> </u>	(\$8,800,675)
13	Income taxes (grossed-up)	\$139,380	\$ -	\$139,380	<u> </u>	\$139,380
14	Utility net income	\$1,906,137	(\$10,846,191)	(\$8,940,055)	<u>\$-</u>	(\$8,940,055)
<u>Notes</u>	Other Revenues / Revenues	ue Offsets				
(1)	Specific Service Charges Late Payment Charges Other Distribution Revenue Other Income and Deductions Total Revenue Offsets	\$170,000 \$78,000 \$829,121 \$30,000	<u> </u>	\$ - \$ - \$ - \$ - \$ -	<u> </u>	\$ - \$ - \$ - \$ -



### Taxes/PILs

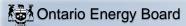
Line No.	Particulars	Application		Per Board Decision
	<b>Determination of Taxable Income</b>			
1	Utility net income before taxes	\$1,906,137	\$ -	\$ -
2	Adjustments required to arrive at taxable utility income	(\$1,519,555)	\$ -	\$ -
3	Taxable income	\$386,582	<u> </u>	<u> </u>
	Calculation of Utility income Taxes			
4	Income taxes	\$102,444	\$102,444	\$102,444
6	Total taxes	\$102,444	\$102,444	\$102,444
7	Gross-up of Income Taxes	\$36,936	\$36,936	\$36,936
8	Grossed-up Income Taxes	\$139,380	\$139,380	\$139,380
9	PILs / tax Allowance (Grossed-up Income taxes + Capital taxes)	\$139,380	\$139,380	\$139,380
10	Other tax Credits	\$ -	\$ -	\$ -
	<u>Tax Rates</u>			
11 12 13	Federal tax (%) Provincial tax (%) Total tax rate (%)	15.00% 11.50% 26.50%	15.00% 11.50% 26.50%	15.00% 11.50% 26.50%

### Notes



### Capitalization/Cost of Capital

Line No.	Particulars	Capitali	zation Ratio	Cost Rate	Return
		Initial A	Application		
	Debt	(%)	(\$)	(%)	(\$)
1 2 3	Long-term Debt Short-term Debt Total Debt	56.00% 4.00% 60.00%	\$30,393,977 \$2,170,998 \$32,564,975	3.72% 1.76% 3.59%	\$1,130,656 \$38,210 \$1,168,866
	Equity				
4 5 6	Common Equity Preferred Shares Total Equity	40.00% 0.00% 40.00%	\$21,709,984 \$ - \$21,709,984	8.78% 0.00% 8.78%	\$1,906,137 \$- \$1,906,137
7	Total	100.00%	\$54,274,959	5.67%	\$3,075,002
	Polit	(%)	(\$)	(%)	(\$)
1 2 3	Long-term Debt Short-term Debt Total Debt	0.00% 0.00% 0.00%	\$ - \$ - \$ -	0.00% 0.00% 0.00%	\$ - \$ - \$ -
4 5	Equity Common Equity Preferred Shares	0.00%	\$ - \$ -	0.00%	\$ - \$ -
6 7	Total Equity  Total	0.00%	\$ - \$51,400,264	0.00%	<u> </u>
		Per Boa	ard Decision		
		(%)	(\$)	(%)	(\$)
8 9 10	Long-term Debt Short-term Debt Total Debt	0.00% 0.00% 0.00%	\$ - \$ - \$ -	3.72% 1.76% 0.00%	\$ - \$ - \$ -
11 12 13	Equity Common Equity Preferred Shares Total Equity	0.00% 0.00% 0.00%	\$ - \$ - \$ -	8.78% 0.00% 0.00%	\$ - \$ - \$ -
14	Total	0.00%	\$51,400,264	0.00%	<u> </u>
<u>Notes</u>					



### Revenue Deficiency/Sufficiency

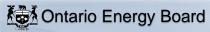
Initial	Application	ı

Per Board Decision

		пппа тррп						
Line No.	Particulars	At Current Approved Rates	At Proposed Rates	At Current Approved Rates	At Proposed Rates	At Current Approved Rates	At Proposed Rates	
1 2 3	Revenue Deficiency from Below Distribution Revenue Other Operating Revenue Offsets - net	\$8,471,470 \$1,107,121	\$3,125,287 \$7,782,649 \$1,107,121	\$8,471,470 \$ -	\$447,897 \$10,460,039 \$ -	\$ - \$ -	\$11,973,707 (\$11,973,707) \$ -	
4	Total Revenue	\$9,578,591	\$12,015,057	\$8,471,470	\$10,907,936	\$ -	\$ -	
5 6 8	Operating Expenses Deemed Interest Expense Total Cost and Expenses	\$8,800,675 \$1,168,866 \$9,969,540	\$8,800,675 \$1,168,866 \$9,969,540	\$8,800,675 \$ - \$8,800,675	\$8,800,675 \$ - \$8,800,675	\$8,800,675 \$- \$8,800,675	\$8,800,675 \$ - \$8,800,675	
9	Utility Income Before Income Taxes	(\$390,949)	\$2,045,516	(\$329,204)	\$2,107,261	(\$8,800,675)	(\$8,800,675)	
10	Tax Adjustments to Accounting Income per 2013 PILs model	(\$1,519,555)	(\$1,519,555)	(\$1,519,555)	(\$1,519,555)	\$ -	\$ -	
11	Taxable Income	(\$1,910,504)	\$525,962	(\$1,848,759)	\$587,707	(\$8,800,675)	(\$8,800,675)	
12 13	Income Tax Rate Income Tax on Taxable Income	26.50% \$ -	26.50% \$139,380	26.50% \$ -	26.50% \$155,742	26.50% \$ -	26.50% \$ -	
14 15	Income Tax Credits Utility Net Income	\$ - (\$390,949)	\$ - \$1,906,137	\$ - (\$329,204)	\$ - (\$8,940,055)	\$ - (\$8,800,675)	\$ - (\$8,940,055)	
16	Utility Rate Base	\$54,274,959	\$54,274,959	\$51,400,264	\$51,400,264	\$51,400,264	\$51,400,264	
17	Deemed Equity Portion of Rate Base	\$21,709,984	\$21,709,984	\$ -	\$ -	\$ -	\$ -	
18	Income/(Equity Portion of Rate Base)	-1.80%	8.78%	0.00%	0.00%	0.00%	0.00%	
19	Target Return - Equity on Rate Base	8.78%	8.78%	0.00%	0.00%	0.00%	0.00%	
20	Deficiency/Sufficiency in Return on Equity	-10.58%	0.00%	0.00%	0.00%	0.00%	0.00%	
21 22	Indicated Rate of Return Requested Rate of Return on Rate Base	1.43% 5.67%	5.67% 5.67%	-0.64% 0.00%	0.00% 0.00%	-17.12% 0.00%	0.00% 0.00%	
23	Deficiency/Sufficiency in Rate of Return	-4.23%	0.00%	-0.64%	0.00%	-17.12%	0.00%	
24 25 26	Target Return on Equity Revenue Deficiency/(Sufficiency) Gross Revenue Deficiency/(Sufficiency)	\$1,906,137 \$2,297,086 \$3,125,287 <sup>(1)</sup>	\$1,906,137 \$ -	\$ - \$329,204 \$447,897 (1)	\$ - \$ -	\$ - \$8,800,675 \$11,973,707 (1)	\$ - \$ -	

Notes:

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



### **Revenue Requirement**

Line No.	Particulars	Application		Per Board Decision
1	OM&A Expenses	\$5,990,356	\$5,990,356	\$5,990,356
2	Amortization/Depreciation	\$2,699,369	\$2,699,369	\$2,699,369
3	Property Taxes	\$110,950	\$110,950	\$110,950
5	Income Taxes (Grossed up)	\$139,380	\$139,380	\$139,380
6	Other Expenses	\$ -		
7	Return			
	Deemed Interest Expense	\$1,168,866	\$ -	\$ -
	Return on Deemed Equity	\$1,906,137	<u> </u>	<u> </u>
8	Service Revenue Requirement			
Ū	(before Revenues)	\$12,015,057	\$8,940,055	\$8,940,055
9	Revenue Offsets	\$1,107,121	\$ -	\$ -
10	Base Revenue Requirement	\$10,907,936	\$8,940,055	\$8,940,055
	(excluding Tranformer Owership Allowance credit adjustment)			
11	Distribution revenue	\$10,907,936	\$ -	\$ -
12	Other revenue	\$1,107,121	\$-	<u> </u>
13	Total revenue	\$12,015,057	\$-	\$-
14	Difference (Total Revenue Less Distribution Revenue Requirement		(1) (60.040.055)	(1) (20.040.055) (1)
	before Revenues)	<u> </u>	(\$8,940,055)	(\$8,940,055)

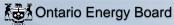
### Summary Table of Revenue Requirement and Revenue Deficiency/Sufficiency

	Application		Δ% <sup>(2)</sup>	Per Board Decision	Δ% (2)
Service Revenue Requirement Grossed-Up Revenue	\$12,015,057	\$8,940,055	(\$0)	\$8,940,055	(\$1)
Deficiency/(Sufficiency)	\$3,125,287	\$447,897	(\$1)	\$11,973,707	(\$1)
Base Revenue Requirement (to be					
recovered from Distribution Rates) Revenue Deficiency/(Sufficiency)	\$10,907,936	\$8,940,055	(\$0)	\$8,940,055	(\$1)
Associated with Base Revenue					
Requirement	\$2,436,466	\$ -	(\$1)	\$ -	(\$1)

Notes

(1) Line 11 - Line 8

Percentage Change Relative to Initial Application



### **Load Forecast Summary**

This spreadsheet provides a summary of the customer and load forecast on which the test year revenue requirement is derived. The amounts serve as the denominators for deriving the rates to recover the test year revenue requirement for purposes of this RRWF.

The information to be input is inclusive of any adjustments to kWh and kW to reflect the impacts of CDM programs up to and including CDM programs planned to be executed in the test year. i.e., the load forecast adjustments determined in **Appendix 2-I** should be incorporated into the entries. The inputs should correspond with the summary of the Load Forecast for the Test Year in **Appendix 2-IB** and in Exhibit 3 of the application.

Appendix 2-IB is still required to be filled out, as it also provides a year-over-year variance analysis of demand growth andf trends from historical actuals to the Bridge and Test Year forecasts.

### Stage in Process:

- · · · · · · · · · · · · · · · · · · ·
Customer Class
Input the name of each customer class.
Residential
GS-50 GS-50 Sentinel Lights Streetlights USL

	Initial Application	

I	nitial Application	
Customer / Connections Test Year average	<b>kWh</b> Annual	kW/kVA <sup>(1)</sup> Annual
or mid-year	/ till dell	7 tillidai
15,930 1,052 72 161 3,030 74	149,932,101 32,368,433 55,988,319 98,320 669,627 530,367	157,261 273 1,889

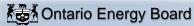
Customer / Connections Test Year average or mid-year	<b>kWh</b> Annual	<b>kW/kVA</b> <sup>(1)</sup> Annual

Per Board Decision								
Customer / Connections	kWh	kW/kVA (1)						
Test Year average or mid-year	Annual	Annual						

Total 239,587,667

### Notes:

(1) Input kW or kVA for those customer classes for which billing is based on demand (kW or kVA) versus energy consumption (kWh)



### **Cost Allocation and Rate Design**

This spreadsheet replaces **Appendix 2-P** and provides a summary of the results from the Cost Allocation spreadsheet, and is used in the determination of the class revenue requirement and, hence, ultimately, the determination of rates from customers in all classes to recover the revenue requirement.

Stage in Application Process: Initial Application

### A) Allocated Costs

Name of Customer Class <sup>(3)</sup> From Sheet 10. Load Forecast		Allocated from rious Studv <sup>(1)</sup>	%		llocated Class enue Requirement (1) (7A)	%
1 Residential 2 GS<50 3 GS>50 4 Sentinel Lights 5 Streetlights 6 USL 7 8 9 10 11 12 13 14 15 16 17 18 19 20	***	6,624,935 579,592 461,496 48,922 396,838 15,862	81.51% 7.13% 5.68% 0.60% 4.88% 0.20%	***	9,825,284 948,009 980,273 50,657 184,255 26,577	81.77% 7.89% 8.16% 0.42% 1.53% 0.22%
Total	\$	8,127,645	100.00%	\$	12,015,057	100.00%
			Service Revenue Requirement (from Sheet 9)	\$	12,015,056.59	

- (1) Class Allocated Revenue Requirement, from Sheet O-1, Revenue to Cost || RR, row 40, from the Cost Allocation Study in this application. This excludes costs in deferral and variance accounts. For Embedded Distributors, Account 4750 Low Voltage (LV) Costs are also excluded.
- (2) Host Distributors Provide information on any embedded distributor(s) as a separate class, if applicable. If embedded distributors are billed in a General Service class, include the allocated costs and revenues of the embedded distributor(s) in the applicable class, and also complete Appendix 2-Q.
- (3) Customer Classes If these differ from those in place in the previous cost allocation study, modify the customer classes to match the proposal in the current application as closely as possible.

### B) Calculated Class Revenues

Name of Customer Class	Forecast (LF) X ent approved rates	LF X current proved rates X (1+d)	LF X	Proposed Rates	N	liscellaneous Revenues
	(7B)	(7C)		(7D)		(7E)
1 Residential	\$ 6,834,382	\$ 8,843,396	\$	8,843,396	\$	926,845
2 GS<50	\$ 702,040	\$ 913,439	\$ \$	913,439	\$	85,193
3 GS>50	\$ 597,101	\$ 799,890	\$	799,890	\$	72,672
Sentinel Lights	\$ 35,576	\$ 46,150	\$	46,150	\$	5,055
Streetlights	\$ 282,679	\$ 280,114	\$ \$	280,114	\$	14,771
6 USL 7 8 9 9 1 1 2 8 8 7 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8	\$ 18,774	\$ 24,407	A A	24,407	\$	2,584
Total	\$ 8,470,552	\$ 10,907,395	\$	10,907,395	\$	1,107,121

<sup>(4)</sup> In columns 7B to 7D, LF means Load Forecast of Annual Billing Quantities (i.e., customers or connections, as applicable X 12 months, and kWh, kW or kVA as applicable. Revenue quantities should be net of the Transformer Ownership Allowance for applicable customer classes. Exclude revenues from rate adders and rate riders.

<sup>(5)</sup> Columns 7C and 7D - Column Total should equal the Base Revenue Requirement for each.

<sup>(6)</sup> Column 7C - The OEB-issued cost allocation model calculates "1+d" on worksheet O-1, cell C22. "d" is defined as Revenue Deficiency/Revenue at Current Rates.
(7) Column 7E - If using the OEB-issued cost allocation model, enter Miscellaneous Revenues as it appears on worksheet O-1, row 19,

### C) Rebalancing Revenue-to-Cost Ratios

Name of Customer Class	Previously Approved Ratios	Status Quo Ratios	Proposed Ratios	Policy Range
	Most Recent Year: 2013	(7C + 7E) / (7A)	(7D + 7E) / (7A)	
	%	%	%	%
Residential	97.60%	99.44%	99.44%	85 - 115
2 GS<50	120.00%	105.34%	105.34%	85 - 115
3 GS>50	120.00%	89.01%	89.01%	85 - 115
Sentinel Lights	97.60%	101.08%	101.08%	85 - 115
Streetlights	97.60%	160.04%	160.04%	80 - 120
USL	120.00%	101.56%	101.56%	85 - 115
3 9 9 9 9 8 8 8 8 8 8 8 8 8				

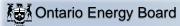
<sup>(8)</sup> Previously Approved Revenue-to-Cost (R/C) Ratios - For most applicants, the most recent year would be the third year (at the latest) of the Price Cap IR period. For example, if the applicant, rebased in 2012 with further adjustments to move within the range over two years, the Most Recent Year would be 2015. However, the ratios in 2015 would be equal to those after the adjustment in 2014.

 <sup>(9)</sup> Status Quo Ratios - The OEB-issued cost allocation model provides the Status Quo Ratios on Worksheet O-1. The Status Quo means "Before Rebalancing".
 (10) Ratios shown in red are outside of the allowed range. Applies to both Tables C and D.

### (D) Proposed Revenue-to-Cost Ratios (11)

Name of Customer Class	Propos	ed Revenue-to-Cost Ratio		Policy Range
	Test Year	Price Cap IR F	Period	
	2017	2018	2019	
Residential	99.44%	99.44%	99.44%	85 - 115
GS<50	105.34%	105.34%	105.34%	85 - 115
GS>50	89.01%	89.01%	89.01%	85 - 115
Sentinel Lights	101.08%	101.08%	101.08%	85 - 115
Streetlights	160.04%	140.00%	120.00%	80 - 120
USL	101.56%	101.56%	101.56%	85 - 115

<sup>(11)</sup> The applicant should complete Table D if it is applying for approval of a revenue-to-cost ratio in 2017 that is outside of the OEB's policy range for any customer class. Table D will show that the distributor is likely to enter into the 2018 and 2019 Price Cap IR models, as necessary. For 2018 and 2019, enter the planned revenue-to-cost ratios that will be "Change" or "No Change" in 2017 (in the current Revenue/Cost Ratio Adjustment Workform, Worksheet C1.1 'Decision - Cost Revenue Adjustment, column d), and enter TBD for class(es) that will be entered as 'Rebalance'.



### **New Rate Design Policy For Residential Customers**

Please complete the following tables.

### A Data Inputs (from Sheet 10. Load Forecast)

Test Year Billing Determinants for Residential Class							
Customers		15,930					
kWh		149,932,101					
Proposed Residential Class Specific	\$	8,843,395.95					
Revenue Requirement <sup>1</sup>							

Residential Base Rates on Current Tariff					
Monthly Fixed Charge (\$) \$ 24.85					
Distribution Volumetric Rate (\$/kWh) \$ 0.013					

### **B** Current Fixed/Variable Split

	Base Rates	Billing Determinants	Revenue	% of Total Revenue
Fixed	24.85	15,930	\$ 4,750,326.00	69.51%
Variable	0.0139	149,932,101	\$ 2,084,056.20	30.49%
TOTAL	-	•	\$ 6,834,382.20	-

### C Calculating Test Year Base Rates

Number of Remaining Rate Design Policy	
Transition Years <sup>2</sup>	4

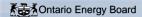
	Test Year Revenue @ Current F/V Split	Test Year Base Rates @ Current F/V Split	Reconciliation - Test Year Base Rates @ Current F/V Split
Fixed	\$ 6,146,717.06	32.15	\$ 6,145,794.00
Variable	\$ 2,696,678.89	0.018	\$ 2,698,777.82
TOTAL	\$ 8,843,395.95	-	\$ 8,844,571.82

	New F/V Split	Rev	venue @ new F/V Split	Final Adjusted Base Rates	Revenue Reconciliation @ Adjusted Rates
Fixed	77.13%	\$	6,820,886.79	\$ 35.68	\$ 6,820,588.80
Variable	22.87%	\$	2,022,509.17	\$ 0.0135	\$ 2,024,083.36
TOTAL	-	\$	8,843,395.95	-	\$ 8,844,672.16

Checks <sup>3</sup>												
Change in Fixed Rate	\$	3.53										
Difference Between Revenues @		\$1,276.21										
Proposed Rates and Class Specific		0.01%										

### Notes:

- 1 The final residential class specific revenue requirement, excluding allocated Miscellaneous Revenues, as shown on Sheet 11. Cost Allocation, should be used (i.e. the revenue requirement after any proposed adjustments to R/C ratios).
- The distributor should enter the number of years remaining before the transition to fully fixed rates is completed. A distributor transitioning to fully fixed rates over a four year period and began the transition in 2016 would input the number "3" into cell D40. A distributor transitioning over a five-year period would input the number "4". Where the change in the residential rate design will result in the fixed charge increasing by more than \$44/year, a distributor may propose an additional transition year.
- 3 Change in fixed rate due to rate design policy should be less than \$4. The difference between the proposed class revenue requirement and the revenue at calculated base rates should be minimal (i.e. should be reasonably considered as a rounding error)

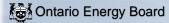


### Rate Design and Revenue Reconciliation

This sheet replaces Appendix 2-V, and provides a simplified model for calculating the standard monthly and voluentric rates based on the allocated class revenues and fixed/variable split resulting from the cost allocation study and rate design and as proposed by the applicant. However, the RRWF does not replace the rate generator model that an applicant distributor may use in support of its application. The RRWF provides a demonstrative check on the derivation of the revenue requirement and on the proposed base distribution rates to recover the revenue requirement, based on summary information from a more detailed rate generator model and other models that applicants use for cost allocation, load forecasting, taxes/PILs, etc.

	Stage in Process:		I.	nitial Application			Clas	ss Allocated	Revenu	es	T							Dist	ribution Rates				tevenue Reconciliat	ion	
		Customer and Lo	ad Forecast			Fro		Residential Rate Design  Percer					iable Splits <sup>2</sup> be entered as a ween 0 and 1												
	Customer Class	Volumetric Charge	Customers / Connections	kWh	kW or kVA	Rev	l Class venue	Monthly Service Ch		Volumetric		Fixed	Variable		Fransformer Ownership	Мо	onthly Service	Charge No. of	Vol	umetric Ra	te No. of		Volumetric	Distrib Revenu Transf	ues less
	From sheet 10. Load Forecast	Determinant	Connections			Requi	irement	Service Ch	irge					А	lowance 1 (\$)			decimals	Rate		decimals	MSC Revenues	revenues	Owne	
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20	Residential GS-50 GS-50 Sertinel Lights Streetlights USL	ROWE ROW ROW ROW ROW ROW ROWE	15.930 1,052 72 161 3,030 74 - - - - - - - - - - -	149,932,101 32,368,433 55,988,819 98,320 669,627 530,367	157,261 273 1,889 - - - - - - - - - - - -	\$ 5 \$ \$ \$	843,396 913,439 799,890 46,150 280,114 24,407	\$ 6,820, \$ 563, \$ 199, \$ 28, \$ 206, \$ 12,	383 972 977 978	\$ 2,022,48 \$ 349,55 \$ 599,91 \$ 18,07 \$ 74,03 \$ 12,20	57 17 72 35	77.13% 61.73% 25.00% 60.84% 73.57% 50.00%	22.87% 38.27% 75.00% 39.16% 26.43% 50.00%				\$35.68 \$44.67 \$231.45 \$14.53 \$5.67 \$13.74	2	\$0.0135 \$0.0108 \$3.9582 \$66.1985 \$39.1929 \$0.0230		4	\$ 68.20,588.80 \$ 5683,914.08 \$ 199,972.80 \$ 220,071.96 \$ 220,161.20 \$ 12,201.12 \$ 5 \$ . \$ . \$ . \$ . \$ . \$ . \$ . \$ . \$ . \$ .	\$ 2,024,083,3635 \$ 349,579,0784 \$ 622,470,4902 \$ 18,072,1902 \$ 74,003,5881 \$ 12,198,4410 \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ -	\$ 799 \$ 46 \$ 280	4,672.16 3,493.16 9,6,144.15 0,196.59 4,399.56
											То	otal Transformer Ow	nership Allowance	\$	22,556							Total Distribution Re	venues	\$10,908	8,792.91
No	otes:																		Rates recover	revenue requ	uirement	Base Revenue Requ	rement	\$10,907	7,935.99
	Transformer Ownership Allowance is e	entered as a positive a	mount, and only for	those classes to wh	nich it applies.																	Difference % Difference			856.92 0.008%

- Transformer Ownership Allowance is entered as a positive amount, and only for those classes to which it applies.
- The Fixed/Variable split, for each customer class, drives the "rate generator" portion of this sheet of the RRWF. Only the "fixed" fraction is entered, as the sum of the "fixed" and "variable" portions must sum to 100%. For a distributor that may set the Monthly Service Charge, the "fixed" ratio is calcutated as: [MSC x (average number of customers or connections) x 12 months] / (Class Allocated Revenue Requirement)



### **Tracking Form**

The first row shown, labelled "Original Application", summarizes key statistics based on the data inputs into the RRWF. After the original application filing, the applicant provides key changes in capital and operating expenses, load forecasts, cost of capital, etc., as revised through the processing of the application. This could be due to revisions or responses to interrogatories. The last row shown is the most current estimate of the cost of service data reflecting the original application and any updates provided by the applicant distributor (for updated evidence, responses to interrogatories, undertakings, etc.)

Please ensure a Reference (Column B) and/or Item Description (Column C) is entered. Please note that unused rows will automatically be hidden and the PRINT AREA set when the PRINT BUTTON on Sheet 1 is activated.

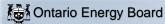
(1) Short reference to evidence material (interrogatory response, undertaking, exhibit number, Board Decision, Code, Guideline, Report of the Board, etc.)

### **Summary of Proposed Changes**

ſ			Cost of	Capital	Rate Bas	e and Capital Exp	enditures	Op	erating Expens	es		Revenue R	equirement	
	Reference <sup>(1)</sup>	Item / Description <sup>(2)</sup>	Regulated Return on Capital	Regulated Rate of Return	Rate Base	Working Capital	Working Capital Allowance (\$)	Amortization / Depreciation	Taxes/PILs	OM&A	Service Revenue Requirement	Other Revenues	Requirement	Grossed up Revenue Deficiency / Sufficiency
		Original Application	\$ 3,075,002	5.67%	\$ 54,274,959	\$ 38,329,266	\$ 2,874,695	\$ 2,699,369	\$ 139,380	\$ 5,990,356	\$ 12,015,057	\$ 1,107,121	\$ 10,907,936	\$ 3,125,287
1		Change												
2		Change												
3		Change												
4		Change												
5		Change												
6		Change												
7		Change												
8		Change												
9		Change												
10		Change												
11		Change												
12		Change												
13		Change												
14		Change												
15		Change												
16		Change												
17		Change												

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<sup>(2)</sup> Short description of change, issue, etc.



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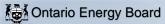
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### **Summary of Proposed Changes**

			Cost of			e and Capital Exp		Ope	erating Expense	es	Revenue Requirement				
	Reference <sup>(1)</sup>	Item / Description <sup>(2)</sup>	Regulated Return on Capital	Regulated Rate of Return	Rate Base	Working Capital	Working Capital Allowance (\$)	Amortization / Depreciation		OM&A	Service Revenue Requirement	Other Revenues	Base Revenue Requirement	Grossed up Revenue Deficiency / Sufficiency	
18															
.0		Change													
19		Change													
20		Change													
21															
22		Change													
		Change													
23		Change													
24		Change													
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32		Change													
33		Change													
34		Change													
		, <u>g</u> .													

<sup>(1)</sup> Short reference to evidence material (interrogatory response, undertaking, exhibit number, Board Decision, Code, Guideline, Report of the Board, etc.)

<sup>(2)</sup> Short description of change, issue, etc.



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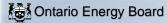
### Summary of Proposed Changes

П		1	Cost of			e and Capital Exp			erating Expens		Revenue Requirement				
	<b>-</b> (1)				Rate Bas	e and Capital Exp	enaltures	Americanian (		es OM&A	Comica			0	
	Reference <sup>(1)</sup>	Item / Description <sup>(2)</sup>	Regulated Return on Capital	Regulated Rate of Return	Rate Base	working Capital	Working Capital Allowance (\$)	Amortization / Depreciation	Taxes/PILs	OM&A	Service Revenue Requirement	Other Revenues	Base Revenue Requirement	Revenue Deficiency / Sufficiency	
35															
33		Change													
36		Change													
		Change													
37		Change													
		Change													
38															
		Change												1	
39															
		Change												1	
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52															

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<sup>(1)</sup> Short reference to evidence material (interrogatory response, undertaking, exhibit number, Board Decision, Code, Guideline, Report of the Board, etc.)

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### Summary of Proposed Changes

			Cost of	Capital		e and Capital Exp		Оре	erating Expense	es	Revenue Requirement					
	Reference <sup>(1)</sup>	Item / Description <sup>(2)</sup>	Regulated Return on Capital	Regulated Rate of Return	Rate Base	Working Capital	Working Capital Allowance (\$)	Amortization / Depreciation	Taxes/PILs	OM&A	Service Revenue Requirement	Other Revenues	Base Revenue Requirement			
		Change														
53		Change														
54		Change														
55		Change														
56		Change														
57		Change														
58		Change														
59		Change														
60		Change														

<sup>(2)</sup> Short description of change, issue, etc.