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<i>Class</i>	<b>Proposed Revenue-to-Cost Ratios</b>			<b>Policy Range</b>
	<b>2017</b>	<b>2018</b>	<b>2019</b>	
	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
<i>Residential</i>	100.46			85 - 115
<i>General Service &lt; 50 kW</i>	106.33			80 - 120
<i>General Service &gt; 50 to 4999 kW</i>	89.86			80 - 120
<i>Unmetered Scattered Load</i>	103.10			80 - 120
<i>Sentinel Lighting</i>	95.00			85 - 115
<i>Street Lighting</i>	120.00			

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1 Table 16 below shows the utility’s proposed Revenue to Cost reallocation based on an analysis  
2 of the proposed results from the Cost Allocation Study vs. the Board imposed floor and ceiling  
3 ranges.

4 **Table 15 – 2018 Allocation**

<i>Customer Class Name</i>	<b>Calculated R/C Ratio</b>	<b>Proposed R/C Ratio</b>	<b>Variance</b>	<b>Target Range</b>	
				<b>Floor</b>	<b>Ceiling</b>
<i>Residential</i>	1.00	1.00	0.0000	0.85	1.15
<i>General Service &lt; 50 kW</i>	1.06	1.06	0.0000	0.80	1.20
<i>General Service &gt; 50 to 4999 kW</i>	0.83	0.90	-0.0700	0.80	1.20
<i>Unmetered Scattered Load</i>	1.03	1.03	-0.0007	0.80	1.20
<i>Sentinel Lighting</i>	0.89	0.95	-0.0569	0.80	1.20
<i>Street Lighting</i>	1.63	1.20	0.4282	0.80	1.20

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6 \* Ratios highlighted in pink fell outside of the floor to ceiling range.

7 The proposed Revenue to Cost ratio is adjusted by changing the allocation percentage for each  
8 class. The utility reviews and assesses the bill impacts for each class before adjusting the  
9 Revenue to Cost ratios.<sup>10</sup>

10 WPI proposes to maintain the Residential class, the Residential General Service <50kW, USL  
11 classes at their existing ratios 100%, 106% and 103% respectively. WPI proposes to increase the  
12 ratio for the GS>50 class from 83% to 90%. At 163%, the Street Lighting ratio fell higher than  
13 the ceiling therefore WPI proposes to bring it down to at 120%.<sup>11</sup> The proposed cost re-  
14 allocation results in the shortfall allocation shown in the table below.

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<sup>10</sup> To support a proposal to rebalance rates, the distributor must provide information on the revenue by class that would apply if all rates were changed by a uniform percentage. Ratios must be compared with the ratios that will result from the rates being proposed by the distributor.

<sup>11</sup> Confirmation of communication with unmetered load customers when proposing changes to the level of the rates and charges or the introduction of new rates and charges

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**Table 16 Table of Shortfall reallocation**

<b>Customer Class Name</b>	<b>Shortfall Reconciliation</b>
<i>Residential</i>	\$304.24
<i>General Service &lt; 50 kW</i>	-\$5.06
<i>General Service &gt; 50 to 4999 kW</i>	-\$139,752.30
<i>Unmetered Scattered Load</i>	-\$7.91
<i>Sentinel Lighting</i>	-\$74.72
<i>Street Lighting</i>	\$139,535.75
<i>Total</i>	0

2 For further details about the class specific bill impacts, please refer to Exhibit 8. WPI confirms  
3 that it has communicated its proposed rates and bill impacts to its Street Lighting and USL  
4 customers and that it did not receive any comments and feedback on the issue.<sup>1213</sup>

5 WPI is not a Host Distributor therefore evidence of consultation with embedded distributors is  
6 not applicable. The utility does not have unique circumstances which justify specific MicroFit  
7 rates and the utility is not seeking Standby Rates in this application.<sup>14 15 16</sup>

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<sup>12</sup> If R:C ratios outside deadband based on model - distributors must include cost allocation proposal to bring them within the OEB-approved ranges. In making any such adjustments, distributors should address potential mitigation measures if the impact of the adjustments on the rates of any particular class or classes is significant.

<sup>13</sup> Unmetered Loads (including Street Lighting) - Confirmation of communication with unmetered load customers when proposing changes to the level of the rates and charges or the introduction of new rates and charges

<sup>14</sup> Host Distributor - evidence of consultation with embedded Dx

<sup>15</sup> microFIT - if the applicant believes that it has unique circumstances which would justify a certain rate, appropriate documentation must be provided

<sup>16</sup> Standby Rates - if seeking approval on final basis, provide evidence that affected customers have been advised. If seeking changes to standby charges, provide rationale and evidence that affected customer have been advised.