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**APPENDIX 6-1 REVENUE REQUIREMENT WORK FORM**

## 6.0 REVENUE DEFICIENCY

### 6.1 OVERVIEW

Energy+ has included the following information in this Exhibit, excluding energy costs and energy sales (i.e. cost of power and other associated costs:

- Determination of Net Utility Income
- Statement of Rate Base
- Actual Utility Return on Rate Base
- Indicated Rate of Return
- Requested Rate of Return
- Gross Deficiency in Revenue

These items are presented in Table 6-1 Revenue Deficiency Calculation. The information supports Energy+'s request in this Application for an increase in its Revenue Requirement to support the proposed operating and capital expenditures for 2019, and to service debt, pay PILs, and provide the allowed Return on Equity.

Energy+'s revenue deficiency for the 2019 Test Year is \$1,543,390. This deficiency is calculated as the difference between the 2019 Test Year Revenue Requirement of \$36,825,314 and the Forecast 2019 Test Year Revenue, based on the 2018 approved rates, at \$35,281,924. The 2019 Test Year Revenue Deficiency reflects an increase of \$1,933,619 or 5.5% increase relative to the 2014 Board Approved Proxy Service Revenue Requirement of \$34,891,695.

Energy+ has completed the Revenue Requirement Work Form ("RRWF") as provided by the Board. The RRWF has been filed in live Excel format, and is also included as a pdf version in Appendix 6-1 to this Exhibit.

The Revenue Deficiency Computation does not include: (i) Recovery of Deferral and Variance Accounts; or (ii) Other electricity charges which include Energy Commodity, Transmission Charges, and Wholesale Market Service Charges. These items are considered elsewhere in this Application and are treated either as recoveries/dispositions of regulatory assets/liabilities or as energy related costs recorded in the OEB's prescribed Retail Settlement Variance Accounts.

## **6.2 REVENUE REQUIREMENT**

Energy+'s Revenue Requirement consists of the following:

- Administrative & General, Billing & Collecting Expense
- Operation & Maintenance Expense
- Depreciation Expense
- Property Taxes
- PILs
- Deemed Interest & Return on Equity

Energy+'s revenue requirement is primarily received through electricity distribution rates with supplemental revenue from Board-approved specific service charges, late payment charges, and other operating income.

1

**Table 6-1: Revenue Deficiency Calculation**

Particulars	2019 Test Existing Rates	2019 Test - Required
Revenue Deficiency from Below		\$ 1,543,390
Distribution Revenue	\$ 33,626,933	\$ 33,626,933
Other Operating Revenue (Net)	\$ 1,654,991	\$ 1,654,991
<b>Total Revenue</b>	<b>\$ 35,281,924</b>	<b>\$ 36,825,314</b>
Administrative & General, Billing & Collecting	\$ 12,645,007	\$ 12,645,007
Operation & Maintenance	\$ 5,930,641	\$ 5,930,641
Donations - LEAP	\$ 42,000	\$ 42,000
Depreciation & Amortization	\$ 6,703,335	\$ 6,703,335
Property Taxes	\$ 200,710	\$ 200,710
Deemed Interest Expense	\$ 4,344,498	\$ 4,344,498
<b>Total Costs and Expenses</b>	<b>\$ 29,866,191</b>	<b>\$ 29,866,191</b>
<b>Utility Income Before Income Taxes</b>	<b>\$ 5,415,733</b>	<b>\$ 6,959,123</b>
<b>Income Taxes:</b>		
Corporate Income Taxes	\$ 387,235	\$ 796,233
<b>Total Income Taxes</b>	<b>\$ 387,235</b>	<b>\$ 796,233</b>
<b>Utility Net Income</b>	<b>\$ 5,028,498</b>	<b>\$ 6,162,890</b>
<b>Income Tax Expense Calculation:</b>		
Accounting Income	\$ 5,415,733	\$ 6,959,123
Tax Adjustments to Accounting Income	\$ (3,954,470)	\$ (3,954,470)
<b>Taxable Income</b>	<b>\$ 1,461,263</b>	<b>\$ 3,004,653</b>
<b>Income tax expense before credits</b>	<b>\$ 387,235</b>	<b>\$ 796,233</b>
<b>Credits</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Income Tax Expense</b>	<b>\$ 387,235</b>	<b>\$ 796,233</b>
<b>Tax Rate Reflecting Tax Credits</b>	<b>26.50%</b>	<b>26.50%</b>
<b>Actual Return on Rate Base:</b>		
Rate Base	\$ 171,191,397	\$ 171,191,397
Interest Expense	\$ 4,344,498	\$ 4,344,498
Net Income	\$ 5,028,498	\$ 6,162,890
<b>Total Actual Return on Rate Base</b>	<b>\$ 9,372,996</b>	<b>\$ 10,507,388</b>
<b>Actual Return on Rate Base</b>	<b>5.48%</b>	<b>6.14%</b>
<b>Required Return on Rate Base:</b>		
Rate Base	\$ 171,191,397	\$ 171,191,397
<b>Return Rates:</b>		
Return on Debt (Weighted)	4.23%	4.23%
Return on Equity	9.00%	9.00%
Deemed Interest Expense	\$ 4,344,498	\$ 4,344,498
Return On Equity	\$ 6,162,890	\$ 6,162,890
<b>Total Return</b>	<b>\$ 10,507,388</b>	<b>\$ 10,507,388</b>
<b>Expected Return on Rate Base</b>	<b>6.14%</b>	<b>6.14%</b>
<b>Revenue Deficiency After Tax</b>	<b>\$ 1,134,392</b>	<b>\$ -</b>
<b>Revenue Deficiency Before Tax (Note 1)</b>	<b>\$ 1,543,390</b>	<b>\$ -</b>

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

2

### 6.3 COST DRIVERS OF REVENUE DEFICIENCY

Table 6-2 below summarizes the contributors to the revenue deficiency by revenue requirement component. Column A lists the 2014 Board Approved Proxy amounts (Refer to Exhibit 5 for the computation of the 2014 Board Approved Proxy). Column B lists the 2019 revenue at existing rates shown in Table 6-2 allocated to revenue requirement component based on the proportions in Column A. It is Energy+'s view that Column B estimates the revenue requirement components for revenue at existing rates based on the components assumed in existing rates. Column C lists Energy+'s proposed components. Finally, Column D represents the difference between Column C and Column B which provides an estimate of the revenue requirement components for the revenue deficiency of \$1,543,390.

**Table 6-2: Revenue Deficiency by Revenue Requirement Component**

Service Revenue Requirement	2014 Board Approved Proxy	2019 Revenue at Existing Rates Allocated in Proportion to 2014 Board Approved Proxy	2019 Proposed	Revenue Deficiency
	(A)	(B)	(C)	(D) = (C) - (B)
OM&A, including LEAP	18,405,276	18,611,120	18,617,648	6,529
Depreciation	6,090,642	6,158,759	6,703,335	544,575
Property Tax	161,819	163,628	200,710	37,082
Return on Rate Base	5,756,371	5,820,750	6,162,890	342,140
PILs	48,753	49,298	796,233	746,935
Deemed Interest	4,428,836	4,478,368	4,344,498	(133,870)
<b>Total</b>	<b>34,891,697</b>	<b>35,281,924</b>	<b>36,825,314</b>	<b>1,543,390</b>
				<b>Difference</b>
				<b>(D) = (C) - (A)</b>
Rate Base	152,815,074		171,191,397	18,376,324

The revenue deficiency of \$1,543,390 for the 2019 Test Year is principally as a result of increases in the following components: (i) increased depreciation; (ii) return on rate base due to increased rate base; and (iii) and increase in PILs; partially offset by lower deemed interest expense. These factors are further explained below:

- Depreciation has increased as a result of the increase in net fixed assets in service. The 2014 Board Approved average net fixed assets was \$126,085,511 compared to

Filed: April 30, 2018

1 \$157,990,651 in the 2019 Test Year (Exhibit 2, Table 2-4). Details with respect to the  
2 increases in the net fixed assets is provided in evidence in Exhibit 2.

- 3
- 4 • PILs has increased as a result of higher utility income before taxes (Exhibit 4).
- 5
- 6 • The return on rate base has increased as a result of an increase in total Rate Base of  
7 \$18,376,324 (Exhibit 2, Table 2-4). The increase in net fixed assets was \$31,905,140,  
8 and was partially offset by a reduction in the working capital allowance of \$13,528,817.  
9 The Working Capital Allowance has decreased as result of a reduction in the working  
10 capital allowance percentage from 13% for the former CND to 7.5% based on the Board  
11 Approved working capital allowance. Included in the working capital is the Cost of  
12 Power, which was also lower due to the implementation of the Fair Hydro Plan, which  
13 has reduced commodity prices (Exhibit 2, Table 2-5).
- 14
- 15 • 2019 Test Year OM&A expenses, including LEAP donation, were flat relative to the 2014  
16 Board Approved Proxy, which demonstrates the savings realized from the successful  
17 integration of the former CND and BCP, and effective control of operating costs (Exhibit  
18 4).
- 19

1  
2

**APPENDIX 6-1: REVENUE REQUIREMENT WORK FORM**



Ontario Energy Board

# Revenue Requirement Workform (RRWF) for 2019 Filers



Version 7.02

Utility Name	Energy + Inc.
Service Territory	Cambridge, North Dumfries and Brant County
Assigned EB Number	EB-2018-0028
Name and Title	Sarah Hughes, Chief Financial Officer
Phone Number	519-621-8405, Ext. 2638
Email Address	<a href="mailto:shughes@energyplus.ca">shughes@energyplus.ca</a>

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.

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





Ontario Energy Board

# Revenue Requirement Workform (RRWF) for 2019 Filers

[1. Info](#)

[2. Table of Contents](#)

[3. Data Input Sheet](#)

[4. Rate Base](#)

[5. Utility Income](#)

[6. Taxes PILs](#)

[7. Cost of Capital](#)

[8. Rev Def Suff](#)

[9. Rev Regt](#)

[10. Load Forecast](#)

[11. Cost Allocation](#)

[12. Residential Rate Design](#)

[13. Rate Design and Revenue Reconciliation](#)

[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.**



# Revenue Requirement Workform (RRWF) for 2019 Filers

Data Input <sup>(1)</sup>

	Initial Application	(2)		(6)	Per Board Decision
<b>1 Rate Base</b>					
Gross Fixed Assets (average)	\$184,201,142		\$ 184,201,142		\$184,201,142
Accumulated Depreciation (average)	(\$26,210,491)	(5)	(\$26,210,491)		(\$26,210,491)
<b>Allowance for Working Capital:</b>					
Controllable Expenses	\$18,355,589		\$ 18,355,589		\$18,355,589
Cost of Power	\$157,654,356		\$ 157,654,356		\$157,654,356
Working Capital Rate (%)	7.50%	(9)	7.50%	(9)	7.50% (9)
<b>2 Utility Income</b>					
Operating Revenues:					
Distribution Revenue at Current Rates	\$33,626,933		\$33,626,933		\$33,626,933
Distribution Revenue at Proposed Rates	\$35,170,323		\$35,170,323		\$35,170,323
<b>Other Revenue:</b>					
Specific Service Charges	\$1,765,991		\$1,765,991		\$1,765,991
Late Payment Charges	\$189,000		\$189,000		\$189,000
Other Distribution Revenue	\$ -		\$ -		\$ -
Other Income and Deductions	(\$300,000)		(\$300,000)		(\$300,000)
Total Revenue Offsets	\$1,654,991	(7)	\$1,654,991		\$1,654,991
<b>Operating Expenses:</b>					
OM+A Expenses	\$18,575,648		\$ 18,575,648		\$18,575,648
Depreciation/Amortization	\$6,703,335		\$ 6,703,335		\$6,703,335
Property taxes	\$200,710		\$ 200,710		\$200,710
Other expenses	\$42,000		\$42,000		\$42,000
<b>3 Taxes/PILs</b>					
Taxable Income:					
Adjustments required to arrive at taxable income	(\$3,954,470)	(3)	(\$3,954,470)		(\$3,954,470)
<b>Utility Income Taxes and Rates:</b>					
Income taxes (not grossed up)	\$585,231		\$585,231		\$585,231
Income taxes (grossed up)	\$796,233		\$796,233		\$796,233
Federal tax (%)	15.00%		15.00%		15.00%
Provincial tax (%)	11.50%		11.50%		11.50%
Income Tax Credits	\$ -		\$ -		\$ -
<b>4 Capitalization/Cost of Capital</b>					
<b>Capital Structure:</b>					
Long-term debt Capitalization Ratio (%)	56.0%		56.0%		56.0%
Short-term debt Capitalization Ratio (%)	4.0%	(8)	4.0%	(8)	4.0% (8)
Common Equity Capitalization Ratio (%)	40.0%		40.0%		40.0%
Preferred Shares Capitalization Ratio (%)	0.0%		0.0%		0.0%
	100.0%		100.0%		100.0%
<b>Cost of Capital</b>					
Long-term debt Cost Rate (%)	4.37%		4.37%		4.37%
Short-term debt Cost Rate (%)	2.29%		2.29%		2.29%
Common Equity Cost Rate (%)	9.00%		9.00%		9.00%
Preferred Shares Cost Rate (%)	0.00%		0.00%		0.00%

## Notes:

- General** Data inputs are required on Sheets 3. Data from Sheet 3 will automatically complete calculations on sheets 4 through 9 (Rate Base through Revenue Requirement). Sheets 4 through 9 do not require any inputs except for notes that the Applicant may wish to enter to support the results. Pale green cells are available on sheets 4 through 9 to enter both footnotes beside key cells and the related text for the notes at the bottom of each sheet.
- (1) All inputs are in dollars (\$) except where inputs are individually identified as percentages (%)
- (2) 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
- (5) Average of Accumulated Depreciation at the beginning and end of the Test Year. Enter as a negative amount.
- (6) Select option from drop-down list by clicking on cell M10. This column allows for the application update reflecting the end of discovery or Argument-in-Chief. Also, the outcome of any Settlement Process can be reflected.
- (7) 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.
- (9) The default Working Capital Allowance factor is 7.5% (of Cost of Power plus controllable expenses), per the letter issued by the Board on June 3, 2015. Alternatively, a WCA factor based on lead-lag study, with supporting rationale could be provided.



# Revenue Requirement Workform (RRWF) for 2019 Filers

## Rate Base and Working Capital

Line No.	Rate Base Particulars	Initial Application						Per Board Decision
1	Gross Fixed Assets (average) <sup>(2)</sup>	\$184,201,142	\$ -	\$184,201,142	\$ -	\$184,201,142		\$184,201,142
2	Accumulated Depreciation (average) <sup>(2)</sup>	(\$26,210,491)	\$ -	(\$26,210,491)	\$ -	(\$26,210,491)		(\$26,210,491)
3	Net Fixed Assets (average) <sup>(2)</sup>	\$157,990,651	\$ -	\$157,990,651	\$ -	\$157,990,651		\$157,990,651
4	Allowance for Working Capital <sup>(1)</sup>	\$13,200,746	\$ -	\$13,200,746	\$ -	\$13,200,746		\$13,200,746
5	<b>Total Rate Base</b>	<b>\$171,191,397</b>	<b>\$ -</b>	<b>\$171,191,397</b>	<b>\$ -</b>	<b>\$171,191,397</b>		<b>\$171,191,397</b>

### <sup>(1)</sup> Allowance for Working Capital - Derivation

6	Controllable Expenses	\$18,355,589	\$ -	\$18,355,589	\$ -	\$18,355,589
7	Cost of Power	\$157,654,356	\$ -	\$157,654,356	\$ -	\$157,654,356
8	Working Capital Base	\$176,009,945	\$ -	\$176,009,945	\$ -	\$176,009,945
9	Working Capital Rate % <sup>(1)</sup>	7.50%	0.00%	7.50%	0.00%	7.50%
10	Working Capital Allowance	\$13,200,746	\$ -	\$13,200,746	\$ -	\$13,200,746

### Notes

- (1) Some Applicants may have a unique rate as a result of a lead-lag study. The default rate for 2018 cost of service applications is 7.5%, per the letter issued by the Board on June 3, 2015.
- (2) Average of opening and closing balances for the year.



# Revenue Requirement Workform (RRWF) for 2019 Filers

## Utility Income

Line No.	Particulars	Initial Application						Per Board Decision	
<b>Operating Revenues:</b>									
1	Distribution Revenue (at Proposed Rates)	\$35,170,323		\$ -		\$35,170,323		\$ -	\$35,170,323
2	Other Revenue	(1) \$1,654,991		\$ -		\$1,654,991		\$ -	\$1,654,991
3	Total Operating Revenues	\$36,825,314		\$ -		\$36,825,314		\$ -	\$36,825,314
<b>Operating Expenses:</b>									
4	OM+A Expenses	\$18,575,648		\$ -		\$18,575,648		\$ -	\$18,575,648
5	Depreciation/Amortization	\$6,703,335		\$ -		\$6,703,335		\$ -	\$6,703,335
6	Property taxes	\$200,710		\$ -		\$200,710		\$ -	\$200,710
7	Capital taxes	\$ -		\$ -		\$ -		\$ -	\$ -
8	Other expense	\$42,000		\$ -		\$42,000		\$ -	\$42,000
9	Subtotal (lines 4 to 8)	\$25,521,693		\$ -		\$25,521,693		\$ -	\$25,521,693
10	Deemed Interest Expense	\$4,344,498		\$ -		\$4,344,498		\$ -	\$4,344,498
11	Total Expenses (lines 9 to 10)	\$29,866,191		\$ -		\$29,866,191		\$ -	\$29,866,191
12	Utility income before income taxes	\$6,959,123		\$ -		\$6,959,123		\$ -	\$6,959,123
13	Income taxes (grossed-up)	\$796,233		\$ -		\$796,233		\$ -	\$796,233
14	Utility net income	\$6,162,890		\$ -		\$6,162,890		\$ -	\$6,162,890

## Notes

### Other Revenues / Revenue Offsets

<sup>(1)</sup>	Specific Service Charges	\$1,765,991		\$ -		\$1,765,991		\$ -	\$1,765,991
	Late Payment Charges	\$189,000		\$ -		\$189,000		\$ -	\$189,000
	Other Distribution Revenue	\$ -		\$ -		\$ -		\$ -	\$ -
	Other Income and Deductions	(\$300,000)		\$ -		(\$300,000)		\$ -	(\$300,000)
	Total Revenue Offsets	\$1,654,991		\$ -		\$1,654,991		\$ -	\$1,654,991



# Revenue Requirement Workform (RRWF) for 2019 Filers

## Taxes/PILs

Line No.	Particulars	Application		Per Board Decision	
<u>Determination of Taxable Income</u>					
1	Utility net income before taxes	\$6,162,890		\$6,162,890	
2	Adjustments required to arrive at taxable utility income	(\$3,954,470)		(\$3,954,470)	
3	Taxable income	<u>\$2,208,420</u>		<u>\$2,208,420</u>	
<u>Calculation of Utility income Taxes</u>					
4	Income taxes	\$585,231		\$585,231	
6	Total taxes	<u>\$585,231</u>		<u>\$585,231</u>	
7	Gross-up of Income Taxes	<u>\$211,002</u>		<u>\$211,002</u>	
8	Grossed-up Income Taxes	<u>\$796,233</u>		<u>\$796,233</u>	
9	PILs / tax Allowance (Grossed-up Income taxes + Capital taxes)	<u>\$796,233</u>		<u>\$796,233</u>	
10	Other tax Credits	\$ -		\$ -	
<u>Tax Rates</u>					
11	Federal tax (%)	15.00%		15.00%	
12	Provincial tax (%)	<u>11.50%</u>		<u>11.50%</u>	
13	Total tax rate (%)	<u>26.50%</u>		<u>26.50%</u>	

## Notes



# Revenue Requirement Workform (RRWF) for 2019 Filers

## Capitalization/Cost of Capital

Line No.	Particulars	Capitalization Ratio		Cost Rate		Return
		Initial Application				
		(%)		(\$)	(%)	(\$)
	Debt					
1	Long-term Debt	56.00%		\$95,867,182	4.37%	\$4,187,687
2	Short-term Debt	4.00%		\$6,847,656	2.29%	\$156,811
3	Total Debt	60.00%		\$102,714,838	4.23%	\$4,344,498
	Equity					
4	Common Equity	40.00%		\$68,476,559	9.00%	\$6,162,890
5	Preferred Shares	0.00%		\$ -	0.00%	\$ -
6	Total Equity	40.00%		\$68,476,559	9.00%	\$6,162,890
7	Total	100.00%		\$171,191,397	6.14%	\$10,507,388
		Per Board Decision				
		(%)		(\$)	(%)	(\$)
	Debt					
8	Long-term Debt	56.00%		\$95,867,182	4.37%	\$4,187,687
9	Short-term Debt	4.00%		\$6,847,656	2.29%	\$156,811
10	Total Debt	60.00%		\$102,714,838	4.23%	\$4,344,498
	Equity					
11	Common Equity	40.00%		\$68,476,559	9.00%	\$6,162,890
12	Preferred Shares	0.00%		\$ -	0.00%	\$ -
13	Total Equity	40.00%		\$68,476,559	9.00%	\$6,162,890
14	Total	100.00%		\$171,191,397	6.14%	\$10,507,388

### Notes



Ontario Energy Board

# Revenue Requirement Workform (RRWF) for 2019 Filers

## Revenue Deficiency/Sufficiency

Line No.	Particulars	Initial Application		Per Board Decision	
		At Current Approved Rates	At Proposed Rates	At Current Approved Rates	At Proposed Rates
1	Revenue Deficiency from Below		\$1,543,390		\$1,543,390
2	Distribution Revenue	\$33,626,933	\$33,626,933	\$33,626,933	\$33,626,933
3	Other Operating Revenue	\$1,654,991	\$1,654,991	\$1,654,991	\$1,654,991
	Offsets - net				
4	<b>Total Revenue</b>	<b>\$35,281,924</b>	<b>\$36,825,314</b>	<b>\$35,281,924</b>	<b>\$36,825,314</b>
5	Operating Expenses	\$25,521,693	\$25,521,693	\$25,521,693	\$25,521,693
6	Deemed Interest Expense	\$4,344,498	\$4,344,498	\$4,344,498	\$4,344,498
8	<b>Total Cost and Expenses</b>	<b>\$29,866,191</b>	<b>\$29,866,191</b>	<b>\$29,866,191</b>	<b>\$29,866,191</b>
9	<b>Utility Income Before Income Taxes</b>	<b>\$5,415,733</b>	<b>\$6,959,123</b>	<b>\$5,415,733</b>	<b>\$6,959,123</b>
10	Tax Adjustments to Accounting Income per 2013 PILs model	(\$3,954,470)	(\$3,954,470)	(\$3,954,470)	(\$3,954,470)
11	<b>Taxable Income</b>	<b>\$1,461,263</b>	<b>\$3,004,653</b>	<b>\$1,461,263</b>	<b>\$3,004,653</b>
12	Income Tax Rate	26.50%	26.50%	26.50%	26.50%
13	<b>Income Tax on Taxable Income</b>	<b>\$387,235</b>	<b>\$796,233</b>	<b>\$387,235</b>	<b>\$796,233</b>
14	<b>Income Tax Credits</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
15	<b>Utility Net Income</b>	<b>\$5,028,498</b>	<b>\$6,162,890</b>	<b>\$5,028,498</b>	<b>\$6,162,890</b>
16	<b>Utility Rate Base</b>	<b>\$171,191,397</b>	<b>\$171,191,397</b>	<b>\$171,191,397</b>	<b>\$171,191,397</b>
17	Deemed Equity Portion of Rate Base	\$68,476,559	\$68,476,559	\$68,476,559	\$68,476,559
18	Income/(Equity Portion of Rate Base)	7.34%	9.00%	7.34%	9.00%
19	Target Return - Equity on Rate Base	9.00%	9.00%	9.00%	9.00%
20	Deficiency/Sufficiency in Return on Equity	-1.66%	0.00%	-1.66%	0.00%
21	Indicated Rate of Return	5.48%	6.14%	5.48%	6.14%
22	Requested Rate of Return on Rate Base	6.14%	6.14%	6.14%	6.14%
23	Deficiency/Sufficiency in Rate of Return	-0.66%	0.00%	-0.66%	0.00%
24	Target Return on Equity	\$6,162,890	\$6,162,890	\$6,162,890	\$6,162,890
25	Revenue Deficiency/(Sufficiency)	\$1,134,392	\$ -	\$1,134,392	\$ -
26	<b>Gross Revenue Deficiency/(Sufficiency)</b>	<b>\$1,543,390 <sup>(1)</sup></b>	<b>\$1,543,390 <sup>(1)</sup></b>	<b>\$1,543,390 <sup>(1)</sup></b>	<b>\$1,543,390 <sup>(1)</sup></b>

## Notes:

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





Ontario Energy Board

# Revenue Requirement Workform (RRWF) for 2019 Filers

## Revenue Requirement

Line No.	Particulars	Application		Per Board Decision	
1	OM&A Expenses	\$18,575,648		\$18,575,648	
2	Amortization/Depreciation	\$6,703,335		\$6,703,335	
3	Property Taxes	\$200,710		\$200,710	
5	Income Taxes (Grossed up)	\$796,233		\$796,233	
6	Other Expenses	\$42,000		\$42,000	
7	Return				
	Deemed Interest Expense	\$4,344,498		\$4,344,498	
	Return on Deemed Equity	\$6,162,890		\$6,162,890	
8	<b>Service Revenue Requirement (before Revenues)</b>	<u>\$36,825,314</u>		<u>\$36,825,314</u>	
9	Revenue Offsets	\$1,654,991		\$1,654,991	
10	<b>Base Revenue Requirement (excluding Transformer Ownership Allowance credit adjustment)</b>	<u>\$35,170,323</u>		<u>\$35,170,323</u>	
11	Distribution revenue	\$35,170,323		\$35,170,323	
12	Other revenue	\$1,654,991		\$1,654,991	
13	<b>Total revenue</b>	<u>\$36,825,314</u>		<u>\$36,825,314</u>	
14	<b>Difference (Total Revenue Less Distribution Revenue Requirement before Revenues)</b>	<u>\$ -</u>	<sup>(1)</sup>	<u>\$ -</u>	<sup>(1)</sup>

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

	Application		Δ% <sup>(2)</sup>	Per Board Decision	Δ% (2)
<b>Service Revenue Requirement</b>	\$36,825,314	\$36,825,314	<b>\$0</b>	\$36,825,314	<b>(\$1)</b>
<b>Grossed-Up Revenue</b>					
<b>Deficiency/(Sufficiency)</b>	\$1,543,390	\$1,543,390	<b>\$0</b>	\$1,543,390	<b>(\$1)</b>
<b>Base Revenue Requirement (to be recovered from Distribution Rates)</b>	\$35,170,323	\$35,170,323	<b>\$0</b>	\$35,170,323	<b>(\$1)</b>
<b>Revenue Deficiency/(Sufficiency) Associated with Base Revenue Requirement</b>	\$1,543,390	\$1,543,390	<b>\$0</b>	\$1,543,390	<b>(\$1)</b>

### Notes

(1) Line 11 - Line 8

(2) Percentage Change Relative to Initial Application



Ontario Energy Board

# Revenue Requirement Workform (RRWF) for 2019 Filers

## 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 and trends from historical actuals to the Bridge and Test Year forecasts.

Stage in Process:

Initial Application

Customer Class				Initial Application			Per Board Decision		
Input the name of each customer class.				Customer / Connections	kWh	kW/kVA <sup>(1)</sup>	Customer / Connections	kWh	kW/kVA <sup>(1)</sup>
				Test Year average or mid-year	Annual	Annual	Test Year average or mid-year	Annual	Annual
1	Residential			58,677	466,068,279		58,677	466,068,279	
2	GS <50			6,451	195,276,256		6,451	195,276,256	
3	GS> 50- 999 kW			801	493,112,062	1,574,312	801	493,112,062	1,574,312
4	GS> 1,000 - 4,999 kW			30	231,017,192	592,051	30	231,017,192	592,051
5	Large Use			2	145,503,126	382,038	2	145,503,126	382,038
6	Street Light			16,260	5,367,464	15,467	16,260	5,367,464	15,467
7	Sentinel			168	126,989	343	168	126,989	343
8	Unmetered Scattered Load			499	2,273,988		499	2,273,988	
9	Embedded Distributor Hydro One - CND			2	12,605,162	24,387	2	12,605,162	24,387
11	Embedded Distributor Waterloo North Hydro - C			1	58,104,381	114,657	1	58,104,381	114,657
12	Embedded Distributor Hydro One 1 - BCP			1	12,191,720	29,995	1	12,191,720	29,995
13	Embedded Distributor Brantford Power - BCP			1	347,757	1,075	1	347,757	1,075
14	Embedded Distributor Hydro One 2 - BCP			4	43,274,122	-	4	43,274,122	-
15									
16									
17									
18									
19									
20									
Total				82,897	1,665,268,498	2,734,324		1,665,268,498	2,734,324

Notes:

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

# Revenue Requirement Workform (RRWF) for 2019 Filers

## 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>(2)</sup>	Costs Allocated from Previous Study <sup>(1)</sup>	%	Allocated Class Revenue Requirement <sup>(3)</sup>	%
From Sheet 10, Load Forecast				
			(7A)	
1 Residential	\$ 17,230,358	50.27%	\$ 21,933,017	59.56%
2 GS <50	\$ 4,015,045	11.71%	\$ 4,222,564	11.47%
3 GS> 50- 999 kW	\$ 7,645,185	22.30%	\$ 6,302,846	17.12%
4 GS> 1,000 - 4,999 kW	\$ 2,339,610	6.83%	\$ 2,374,721	6.45%
5 Large Use	\$ 1,540,113	4.49%	\$ 1,145,487	3.11%
6 Street Light	\$ 1,085,945	3.17%	\$ 482,595	1.31%
7 Sentinel	\$ 22,385	0.07%	\$ 23,045	0.06%
8 Unmetered Scattered Load	\$ 68,563	0.20%	\$ 76,131	0.21%
9 Embedded Distributor Hydro One - CNC	\$ 61,534	0.18%	\$ 47,291	0.13%
11 Embedded Distributor Waterloo North H	\$ 133,822	0.38%	\$ 164,664	0.45%
12 Embedded Distributor Hydro One 1 - BC	\$ 121,990	0.36%	\$ 34,721	0.09%
13 Embedded Distributor Brantford Power -	\$ 13,554	0.04%	\$ 15,196	0.04%
14 Embedded Distributor Hydro One 2 - BCP			\$ 3,038	0.01%
15				
16				
17				
18				
19				
20				
<b>Total</b>	<b>\$ 34,278,105</b>	<b>100.00%</b>	<b>\$ 36,825,314</b>	<b>100.00%</b>
			<b>\$ 36,825,314.46</b>	
			Service Revenue Requirement (from Sheet 9)	

- (1) Class Allocated Revenue Requirement, from Sheet O-1, Revenue to Cost II RR, row 40, from the Cost Allocation Study in this application. This excludes costs in deferral 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	Load Forecast (LF) X current approved rates <sup>(7B)</sup>	LF X current approved rates X <sup>(1+d)</sup> <sup>(7C)</sup>	LF X Proposed Rates <sup>(7D)</sup>	Miscellaneous Revenues <sup>(7E)</sup>
1 Residential	\$ 17,550,323	\$ 18,355,838	\$ 19,242,393	\$ 1,105,643
2 GS <50	\$ 4,151,920	\$ 4,342,482	\$ 4,342,482	\$ 194,494
3 GS> 50- 999 kW	\$ 7,490,633	\$ 7,834,434	\$ 7,364,315	\$ 199,100
4 GS> 1,000 - 4,999 kW	\$ 2,154,254	\$ 2,253,129	\$ 2,253,129	\$ 73,153
5 Large Use	\$ 1,042,118	\$ 1,089,949	\$ 1,089,949	\$ 34,624
6 Street Light	\$ 758,190	\$ 792,978	\$ 528,827	\$ 50,287
7 Sentinel	\$ 14,573	\$ 15,242	\$ 20,346	\$ 1,033
8 Unmetered Scattered Load	\$ 64,042	\$ 66,981	\$ 67,090	\$ 3,539
9 Embedded Distributor Hydro One - CNC	\$ 50,527	\$ 52,846	\$ 46,684	\$ 607
11 Embedded Distributor Waterloo North H	\$ 221,287	\$ 231,444	\$ 163,046	\$ 1,618
12 Embedded Distributor Hydro One 1 - BC	\$ 119,034	\$ 124,497	\$ 34,234	\$ 487
13 Embedded Distributor Brantford Power -	\$ 6,388	\$ 6,635	\$ 14,991	\$ 205
14 Embedded Distributor Hydro One 2 - BC	\$ 4,655	\$ 4,869	\$ 2,837	\$ 201
15				
16				
17				
18				
19				
20				
<b>Total</b>	<b>\$ 33,626,933</b>	<b>\$ 35,170,323</b>	<b>\$ 35,170,323</b>	<b>\$ 1,654,991</b>

- (4) 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.
- (5) Columns 7C and 7D - Column Total should equal the Base Revenue Requirement for each.
- (6) 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 Most Recent Year: 2014	Status Quo Ratios (7C + 7E) / (7A)	Proposed Ratios (7D + 7E) / (7A)	Policy Range
	%	%	%	%

### TABLE 101 COST ALLOCATION

Cost Allocation							
Class	Per Filing				Per Board Decision		
	Status Quo		Proposed		Status Quo	Proposed	
	Revenue-to Cost Ratio	Revenue Allocation	Revenue-to Cost Ratio	Revenue Allocation	Revenue-to Cost Ratio	Revenue Allocation	Revenue Allocation
Residential	98.6%	\$15,081,199	97.9%	\$14,980,721	95.7%	\$14,414,600	\$14,414,600
GS<50 kW	107.7%	\$3,163,848	107.7%	\$3,163,919	102.7%	\$3,028,292	\$3,028,292
GS 50-999 kW	114.4%	\$6,382,442	114.4%	\$6,384,396	119.8%	\$6,731,021	\$6,599,948
GS 1000 - 4999 kW	106.1%	\$2,005,095	106.1%	\$2,004,630	102.3%	\$1,897,101	\$1,897,101
Large User	96.2%	\$1,635,620	96.2%	\$1,635,469	93.9%	\$1,540,113	\$1,540,113
Street Lighting	60.7%	\$808,463	70.0%	\$932,969	64.5%	\$763,465	\$828,247
USL	152.1%	\$80,612	120.0%	\$63,591	160.2%	\$76,049	\$55,750
Embedded Distributor- Waterloo	23.4%	\$77,062	21.6%	\$71,052	57.9%	\$77,549	\$133,822
Embedded Distributor- Hydro One	22.0%	\$31,083	20.3%	\$28,677	50.7%	\$31,217	\$61,534
<b>Total</b>		<b>\$29,265,424</b>		<b>\$29,265,424</b>		<b>\$28,559,407</b>	<b>\$28,559,407</b>

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### Col 1 Start Position

- 1 Residential 92.38%
- 2 GS < 50 kW 102.77%
- 3 GS 50 - 4,999 kW 142.14%
- 4 USL 117.57%

5,718,698 BCP  
28,559,407 CND  
34,278,105

Rate Class	Unit	Billed kWh for Non-BRP Customers	Estimated kWh for Non-BRP Customers	Distribution Revenue <sup>1</sup>
Residential	\$/kWh	80,764,132	-	\$16,798
General Service Less Than 50 kW	\$/kWh	40,391,139	-	\$8,755
General Service 50 to 4,999 kW	\$/kWh	388,493	-	\$103,291
Unmetered Scattered Load	\$/kWh	920,821	-	\$2,615
Scattered Lighting	\$/kWh	674	-	\$97,888
Street Lighting	\$/kWh	4,793	-	\$2,348
<b>Total</b>		<b>186,753,877</b>	<b>385,599</b>	<b>\$178,694</b>

from 2012 IRM

1	Residential	95.70%	88.73%	92.77%	85 - 115
2	GS <50	102.70%	107.21%	107.21%	80 - 120
3	GS> 50- 999 kW	117.40%	127.46%	120.00%	80 - 120
4	GS> 1,000 - 4,999 kW	102.30%	97.96%	97.96%	80 - 120
5	Large Use	93.90%	98.17%	98.17%	85 - 115
6	Street Light	70.00%	174.74%	120.00%	80 - 120
7	Sentinel	70.00%	70.62%	92.77%	80 - 120
8	Unmetered Scattered Load	117.40%	92.63%	92.77%	80 - 120
9	Embedded Distributor Hydro One - CNC	100.00%	113.03%	100.00%	85 - 115
11	Embedded Distributor Waterloo North H	100.00%	141.54%	100.00%	85 - 115
12	Embedded Distributor Hydro One 1 - BC	Not Available	359.97%	100.00%	85 - 115
13	Embedded Distributor Brantford Power -	Not Available	38.43%	100.00%	85 - 115
14	Embedded Distributor Hydro One 2 - BC	Not Available	166.89%	100.00%	85 - 115
15					
16					
17					
18					
19					
20					

(8) 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, released 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.

(9) 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 <sup>(11)</sup>

	Name of Customer Class	Proposed Revenue-to-Cost Ratio			Policy Range
		Test Year	Price Cap IR Period		
		2019	2020	2021	
1	Residential	92.77%	92.77%	92.77%	85 - 115
2	GS <50	107.21%	107.21%	107.21%	80 - 120
3	GS> 50- 999 kW	120.00%	120.00%	120.00%	80 - 120
4	GS> 1,000 - 4,999 kW	97.96%	97.96%	97.96%	80 - 120
5	Large Use	98.17%	98.17%	98.17%	85 - 115
6	Street Light	120.00%	120.00%	120.00%	80 - 120
7	Sentinel	92.77%	92.77%	92.77%	80 - 120
8	Unmetered Scattered Load	92.77%	92.77%	92.77%	80 - 120
9	Embedded Distributor Hydro One - CNC	100.00%	100.00%	100.00%	85 - 115
11	Embedded Distributor Waterloo North H	100.00%	100.00%	100.00%	85 - 115
12	Embedded Distributor Hydro One 1 - BC	100.00%	100.00%	100.00%	85 - 115
13	Embedded Distributor Brantford Power -	100.00%	100.00%	100.00%	85 - 115
14	Embedded Distributor Hydro One 2 - BC	100.00%	100.00%	100.00%	85 - 115
15					
16					
17					
18					
19					
20					

(11) The applicant should complete Table D if it is applying for approval of a revenue-to-cost ratio in 2018 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 2019 and 2020 Price Cap IR models, as necessary. For 2019 and 2020, 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".



Ontario Energy Board

# Revenue Requirement Workform (RRWF) for 2019 Filers

## 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	58,677
kWh	466,068,279

Proposed Residential Class Specific Revenue Requirement <sup>1</sup>	\$ 19,242,393.22
--	------------------

Residential Base Rates on Current Tariff	
Monthly Fixed Charge (\$)	\$ 21.81
Distribution Volumetric Rate (\$/kWh)	\$ 0.0047

### B Current Fixed/Variable Split

	Base Rates	Billing Determinants	Revenue	% of Total Revenue
Fixed	21.80819867	58,677	\$ 15,355,735.85	87.50%
Variable	0.004708725	466,068,279	\$ 2,194,587.41	12.50%
<b>TOTAL</b>	-	-	\$ 17,550,323.25	-

### C Calculating Test Year Base Rates

Number of Remaining Rate Design Policy Transition Years <sup>2</sup>	1
--	---

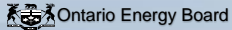
	Test Year Revenue @ Current F/V Split	Test Year Base Rates @ Current F/V Split	Reconciliation - Test Year Base Rates @ Current F/V Split
Fixed	\$ 16,836,220.23	23.91	\$ 16,835,670.37
Variable	\$ 2,406,172.99	0.0052	\$ 2,423,555.05
<b>TOTAL</b>	\$ 19,242,393.22	-	\$ 19,259,225.42

	New F/V Split	Revenue @ new F/V Split	Final Adjusted Base Rates	Revenue Reconciliation @ Adjusted Rates
Fixed	100.00%	\$ 19,242,393.22	\$ 27.33	\$ 19,243,783.82
Variable	0.00%	\$ -	\$ -	\$ -
<b>TOTAL</b>	-	\$ 19,242,393.22	-	\$ 19,243,783.82

Checks <sup>3</sup>	
Change in Fixed Rate	\$ 3.42
Difference Between Revenues @ Proposed Rates and Class Specific Revenue Requirement	\$1,390.60
	0.01%

#### Notes:

- <sup>1</sup> 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).
- <sup>2</sup> 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 \$4/year, a distributor may propose an additional transition year.
- <sup>3</sup> 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)



# Revenue Requirement Workform (RRWF) for 2019 Filers

## Rate Design and Revenue Reconciliation

This sheet replaces Appendix 2-V, and provides a simplified model for calculating the standard monthly and volumetric 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:		Initial Application			Class Allocated Revenues					Fixed / Variable Splits <sup>2</sup>					Distribution Rates				Revenue Reconciliation		
Customer and Load Forecast					From Sheet 11. Cost Allocation and Sheet 12. Residential Rate Design					Percentage to be entered as a fraction between 0 and 1											
Customer Class	Volumetric Charge Determinant	Customers / Connections	kWh	kW or kVA	Total Class Revenue Requirement	Monthly Service Charge	Volumetric	Fixed	Variable	Transformer Ownership Allowance <sup>1</sup> (\$)	Monthly Service Charge Rate	No. of decimals	Volumetric Rate	No. of decimals	MSC Revenues	Volumetric revenues	Distribution Revenues less Transformer Ownership				
From sheet 10. Load Forecast																					
1 Residential	kWh	58,677	466,068,279	-	\$ 19,242,393	\$ 19,242,393	\$ -	100.00%	0.00%		\$27.33	2	\$0.0000 /kWh	4	\$19,243,783.82	\$ -	\$ 19,243,783.82				
2 GS <50	kWh	6,451	195,276,256	-	\$ 4,342,482	\$ 1,175,379	\$ 3,167,103	27.07%	72.93%		\$15.18		\$0.0162 /kWh		\$ 1,175,077.81	\$ 3,163,475.3511	\$ 4,338,553.16				
3 GS- 50- 999 kW	kW	801	493,112,062	1,574,312	\$ 7,364,315	\$ 1,069,209	\$ 6,295,106	14.52%	85.48%	\$ 162,582	\$111.18		\$4.1019 /kW		\$ 1,069,195.03	\$ 6,457,668.6028	\$ 7,364,281.45				
4 GS- 1,000 - 4,999 kW	kW	30	231,017,192	592,051	\$ 2,253,129	\$ 325,427	\$ 1,927,702	14.44%	85.56%	\$ 348,993	\$904.08		\$3.8454 /kW		\$ 325,426.58	\$ 2,276,671.9914	\$ 2,253,105.76				
5 Large Use	kW	2	145,503,126	382,038	\$ 1,089,949	\$ 225,313	\$ 864,635	20.67%	79.33%		\$9,388.05		\$2.2652 /kW		\$ 225,313.20	\$ 864,628.3392	\$ 1,089,941.54				
6 Street Light	kW	16,260	5,367,464	15,467	\$ 528,827	\$ 322,768	\$ 206,059	61.03%	38.97%		\$1.65		\$13.3222 /kW		\$ 321,939.31	\$ 206,059.2877	\$ 527,998.60				
7 Sentinel	kW	168	126,989	343	\$ 20,346	\$ 5,742	\$ 14,604	28.22%	71.78%		\$2.85		\$42.5882 /kW		\$ 5,745.60	\$ 14,604.3455	\$ 20,349.95				
8 Unmetered Scattered Load	kWh	499	2,273,988	-	\$ 67,090	\$ 34,673	\$ 32,417	51.68%	48.32%		\$5.79		\$0.0143 /kWh		\$ 34,670.52	\$ 32,518.0284	\$ 67,188.55				
9 Embedded Distributor Hydro One - CND	kW	2	12,605,162	24,387	\$ 46,684	\$ -	\$ 46,684	0.00%	100.00%		\$0.00		\$1.9143 /kW		\$ -	\$ 46,684.8680	\$ 46,684.87				
# Embedded Distributor Waterloo North Hyd: kW		1	58,104,381	114,657	\$ 163,046	\$ -	\$ 163,046	0.00%	100.00%		\$0.00		\$1.4220 /kW		\$ -	\$ 163,042.0896	\$ 163,042.09				
# Embedded Distributor Hydro One 1 - BCP	kW	1	12,191,720	29,995	\$ 34,234	\$ 709	\$ 33,525	2.07%	97.93%		\$59.10		\$1.1177 /kW		\$ 709.20	\$ 33,524.9703	\$ 34,234.17				
# Embedded Distributor Brantford Power - B: kW		1	347,757	1,075	\$ 14,991	\$ -	\$ 14,991	0.00%	100.00%		\$0.00		\$13.9455 /kW		\$ -	\$ 14,990.8547	\$ 14,990.85				
# Embedded Distributor Hydro One 2 - BCP	kW	4	43,274,122	-	\$ 2,837	\$ 2,837	\$ -	100.00%	0.00%		\$59.10		\$0.0000 /kW		\$ 2,836.80	\$ -	\$ 2,836.80				
#		-	-	-											\$ -	\$ -	\$ -				
#		-	-	-											\$ -	\$ -	\$ -				
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#		-	-	-											\$ -	\$ -	\$ -				
#		-	-	-											\$ -	\$ -	\$ -				
Total Transformer Ownership Allowance											\$ 511,575										
Rates recover revenue requirement															Total Distribution Revenues			\$ 35,166,991.61			
															Base Revenue Requirement			\$ 35,170,323.46			
															Difference			-\$ 3,331.85			
															% Difference			-0.009%			

Notes:

<sup>1</sup> Transformer Ownership Allowance is entered as a positive amount, and only for those classes to which it applies.

Notes:

<sup>1</sup> Transformer Ownership Allowance is entered as a positive amount, and only for those classes to which it applies.

<sup>2</sup> 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 calculated as: [MSC x (average number of customers or connections) x 12 months] / (Class Allocated Revenue Requirement).



Ontario Energy Board

## Revenue Requirement Workform (RRWF) for 2018 Filers

### 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.

<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.

### Summary of Proposed Changes

Reference <sup>(1)</sup>	Item / Description <sup>(2)</sup>	Cost of Capital		Rate Base and Capital Expenditures			Operating Expenses			Revenue Requirement			
		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	Grossed up Revenue Deficiency / Sufficiency
	Original Application	\$ 10,507,388	6.14%	\$ 171,191,397	\$ 176,009,945	\$ 13,200,746	\$ 6,703,335	\$ 796,233	\$ 18,575,648	\$ 36,825,314	\$ 1,654,991	\$ 35,170,323	\$ 1,543,390