## **ONTARIO ENERGY BOARD**

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

AND IN THE MATTER OF an application to the Ontario Energy Board by Energy+ Inc. pursuant to Section 78 of the *Ontario Energy Board Act* for approval of its proposed distribution rates and other charges effective January 1, 2019.

## **CONTAINS CONFIDENTIAL INFORMATION**

Toyota Motor Manufacturing Canada Inc. ("TMMC")

Response to Interrogatory 1(b)

of

**OEB Staff** 

October 29, 2018

### Staff-TMMC-1

### Reference: TMMC Written Evidence of Jeffry Pollock, Large User Class Cost Allocation

**Preamble:** Mr. Pollock stated that no load displacement generation (LDG) related adjustments to the demand allocators should be made to the Large Use class.

Mr. Pollock also stated that the two dedicated feeders serving TMMC should be directly assigned to TMMC.

#### **Questions:**

- (a) Please explain in what situations a distributor should create a separate Standby rate class and discuss if TMMC agrees with Energy+'s approach of implementing a Standby charge to all customers in the GS>50 kW and larger rate classes that have LDG (i.e. not creating a separate Standby rate class).
- (b) Please provide a cost allocation model in which TMMC is a separate rate class.
- (c) Mr. Pollock stated that "Energy+'s LDG adjustments are contrary to the Board's directions on cost allocation. Specifically, with respect to LDG, the Board directed distributors to explain in its Filing Summary: (a) What steps were taken to gather relevant data to assess the existence of diversity, and (b) What steps were taken to reflect any diversity of generation in its filing. As previously stated, Energy+ assumed zero diversity for TMMC's generator outages, and it provided no explanation for this assumption."
  - Please discuss if it is TMMC's opinion that these two questions apply only to a distributor who proposes a separate Standby rate class. If so, please explain why it still applies to Energy+'s situation. If not, why not.
  - (ii) Please explain how the filling questions listed in Board's directions lead to the conclusion that "the first step in allocating total costs to the LDG classification is to determine a proper cost-based rate for providing distribution service to the class, irrespective of the impact of LDG."
  - (iii) Please discuss if suitable data cannot reasonably be obtained to assess whether or not an outage of the LDG would occur at the time the large user class reaches its monthly peaks, what methodology should be used to estimate such information.
- (d) Does TMMC give Energy+ access to its hourly metered data of the LDG?
- Please reconcile Schedule JP-3 Total Fixed Assets for Feeders of \$[\_\_\_\_\_] and Schedule JP-5, page 1 of 2, Directly Allocated Net Fixed Assets of \$251,979.
- (f) The Cost Allocation model provides a mechanism for directly allocating Uniform System of Accounts (USoA) balances. Mr. Pollock's proposed Cost Allocation model does not directly allocate USoA balances. Instead, it leaves the entire USoA balances to be allocated normally, and then performs a direct allocation (not on any USoA balance) to the Large User rate class,

and offsetting direct allocations to other rate classes. Why has the direct allocations of feeder assets, as well as associated OM&A and depreciation been performed as standalone items instead of directly on the related trial balance accounts?

## **Response:**

(b) Attached is a revised cost allocation model in which TMMC is a separate rate class. The EXCEL version contains confidential tabs and is being provided to the appropriate parties *via* link:

EB-2018-0028 TMMC Response Attachment OEB Staff Interrogatory - 1(b) Filed: 2018-10-29 Page 1 of 2

🖉 Ontario Energy Board

# 2019 Cost Allocation Model

#### EB-2018-0028

Instructions: Please see the first tab in this workbook for detailed instructions

Class Revenue, Cost Analysis, and Return on Rate

Line   Total   Residential   GS - 60   GS - 50 - 99 eW   GS - 1,000 - 4,999   Large Line X   Strent Light   Senti Table     1   Derbulston Revenue at Exteing Rates   533,64,200   \$31,76,930   \$37,460,130   \$37,460,130   \$37,460,130   \$37,460,130   \$37,755   \$39,77,955   \$59,77,955   \$59,77,955   \$59,77,955   \$59,77,955   \$59,77,955   \$59,77,955   \$59,77,955   \$59,77,955   \$59,77,955   \$59,77,955   \$57,755   \$59,77,955   <				1	2	3	5	6	7	8
2   Mixedimension Revenue (m)   \$1,877,69   \$325,580   \$222,747   \$77,650   \$93,75   \$55,540     3   Total Revenue at Existing Section (M)   \$32,872,880   \$32,872,860   \$32,	Line		Total	Residential			GS> 1,000 - 4,999	Large Use X	Street Light	Sentinel
Milecellaneous Revenue Tapet equals Output   Log   Log   Log     1   Foral Revenue at Existing Rates   53:32:41   57:40:14										\$14,573
0   Total Resonue at Estating Rates   53.20.57.0   51.20.57.0   51.20.57.0   51.20.57.0   57.20.58   52.21.57.66   527.57.28   577.57.28   577.57.58   577.5	2	Miscellaneous Revenue (mi)					\$77,653	\$9,376	\$55,140	\$1,266
5   Duitbulation Revenue at Statut, Quo Rates   58,4572,20   51,117,220   54,207,47   57,747,55   59,227,47   57,7465   59,227,47   57,7465   59,227,47   57,7465   59,227,47   57,7465   59,227,47   57,7465   59,227,47   57,7465   59,227,47   57,7465   59,227,47   57,7465   59,227,47   57,7465   59,227,47   57,7465   59,227,47   57,7465   59,227,47   57,7465   59,227,47   57,7465   59,227,47   57,7465   59,227,47   57,7465   59,227,47   57,7465   59,227,47   57,7465   59,227,47   57,469,77   59,227,47   57,469,77   59,227,47   57,269,48   59,229,45   51,229,42   51,229,42   51,229,42   51,229,42   51,229,42   51,229,42   51,229,42   51,229,42   51,229,42   51,237,169   59,229,44   51,229,42   51,237,169   59,229,44   51,237,169   59,229,44   51,237,169   51,229,179   59,229,42   51,237,169   51,229,179   59,229,427   53,239,179   51,229,179   59,229,219   51,259,1167   51,259,1167   51,229,116	3	Total Revenue at Existing Rates					\$2,218,146	\$276,758	\$726,951	\$15,839
6   Miscolinancue, Revenue (mi)   51,226,000   5205,688   520,747   577,863   59,377   553,400     7   Total Revenue 3 Status Que   51,226,000   534,220   547,477   577,803   59,370   553,400     8   Deprese   55,442,00   53,366,00   534,226   527,210   53,370,00   534,226   527,300   544,226   53,371,300   54,42,26   53,371,300   54,42,219   55,44,019   53,64,019   53,64,019   53,64,019   53,64,019   53,64,019   53,64,019   53,64,019   53,64,029   53,64,029   53,64,029   53,64,029   53,64,039   53,64,	4		1.0333							
Total Revenue at Status Guo Rates   354.42.70   87.398.220   84.474.77   87.994.079   52.289.418   535.60   97.49.230   5     Expenses   Distribution Control   Status Guo Rates   55.42.71   55.42.72   57.994.079   52.289.418   532.52.0   53.42.0   53.72.0   53.72.0   53.72.0   53.72.0   53.72.00   53.72.00   53.72.00   53.72.00   53.72.00   53.72.00   53.72.00   53.72.00   53.72.00   54.22.20   53.72.00   54.22.20   53.72.00   54.22.20   53.72.00   54.22.20   53.72.00   54.22.00   53.72.00   54.22.00   53.72.00   54.22.00   53.72.00   54.22.00   53.20.00   53.44.00.00 </td <td>-</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>\$15,058</td>	-									\$15,058
Expense   Section Costs (d)   Sec										\$1,266
a Distruction Costs (a) \$4,453,255 \$2,851,116 \$500,822 \$208,040 \$33,246 \$4,204 \$51,002   a Castomeral and Administration (a) \$3,77,477 \$5,976,822 \$1,026,447 \$51,026,427 \$38,277 \$34,289 \$37,393 \$4,279 \$34,289   a Dependent of Administration (a) \$3,77,475 \$2,495,879 \$48,276 \$389,276 \$379,994 \$15,37,768 \$15,37,769 \$1,27,73 \$40,673 \$49,743 \$118,248 \$37,994 \$37,994 \$37,994 \$38,276,270 \$37,994 \$38,276,270 \$37,994 \$31,84,397 \$37,994,94 \$31,931,994 \$230,039 \$389,276 \$37,994,94 \$1,931,994 <t< td=""><td>7</td><td>Total Revenue at Status Quo Rates</td><td>\$36,442,709</td><td>\$19,369,220</td><td>\$4,474,773</td><td>\$7,940,479</td><td>\$2,289,416</td><td>\$285,660</td><td>\$749,320</td><td>\$16,324</td></t<>	7	Total Revenue at Status Quo Rates	\$36,442,709	\$19,369,220	\$4,474,773	\$7,940,479	\$2,289,416	\$285,660	\$749,320	\$16,324
•   Customer Related Costs (cu)   \$4,493,912   \$3,86,744   \$343,408   \$33,83,00   \$38,275   \$3,6,548   \$1,53,1     •   General and Administration (usp)   \$3,77,777   \$5,769,224   \$3,77,80   \$5,05,94   \$3,17,17   \$5,779,424   \$3,177,175   \$5,779,142   \$1,027,745   \$3,377,196   \$3,029,10   \$3,029,106   \$3,029,107   \$3,029,108   \$3,029,108   \$3,029,108   \$3,029,108   \$3,029,108   \$3,029,108   \$3,029,108   \$3,029,108   \$3,029,108   \$3,029,108   \$3,029,108   \$3,029,108,108   \$3,029,108,108   \$3,029,		Expenses								
10   General and Administration (ad) 10   \$5,776,622 (370,049   \$1,008,776 (370,049   \$31,025,42 (311,12)   \$31,025,47 (311,12)										\$4,186
11   Depreciation and Amoritation (dep)   59,389,389 (37,47)   5788,489 (37,47)   5728,429 (38,32)   512,22,42 (35,20)   5387,180 (35,20)   550,584 (35,20)   510,22,00 (35,20)   510,22,00 (35,20)   510,22,00 (35,20)   510,22,00 (35,20)   510,22,00 (35,20)   510,22,00 (35,20)   510,22,00 (35,20)   510,22,00 (35,20)   510,22,00 (35,20,20)   510,22,00 (35,20,20)   510,22,00 (35,20,40)   510,22,00 (35,20,40)   510,22,00 (35,20,40)   510,22,00 (35,20,40)   510,257   (51,50,40)   (52,04,40)   (52,00)   512,60,17   510,30,02   5118,248   5112,400   5118,248   5112,400   5118,248   5112,400   5112,400,47   513,31,804   52,200,639   5440,273   510,340,248   513,704,385   51     10   Diatrotution Plant - Gross   5195,315,344   5112,400,076   51,22,0607   51,260,077   51,040,024   51,704,345   51   51,040,024   51,704,345   51     10   Diatrotution Plant - Gross   5195,315,344   51,722,494   51,722,494   51,722,494   51,722,495   51,722,495   51,722,495   51,722,492   51,722,492   51,722,492   51,722,492	-									\$181
12   PLis   (INPUT)   Standball   Standball <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>\$4,000 \$5.012</td>										\$4,000 \$5.012
10   Interest   544,377,475   52,496,879   5448,274   5382,011   5382,021   5382,002   5383,389     15   Direct Allocation   \$14,077   \$2,496,879   \$45,754,143   \$15,751,185   \$162,040   \$377,470   \$     16   Allocated Net Income (NI)   \$54,09,770   \$3,540,530   \$689,810   \$1,251,177   \$410,673   \$49,743   \$118,244     17   Revenue Requirement (includes NI)   \$56,209,670   \$3,540,530   \$589,810   \$1,251,177   \$410,673   \$49,743   \$118,244     17   Revenue Requirement (includes NI)   \$56,209,670   \$22,218,271   \$4,186,508   \$57,90,944   \$1,331,894   \$230,639   \$495,945   \$     18   Distribution Plant - Gross   \$196,515,386   \$112,492,006   \$22,223,326   \$33,160,07   \$1,2666,176   \$1,564,024   \$33,704,385   \$15     19   General Plant - Gross   \$196,515,386   \$112,482,006   \$22,223,326   \$33,163,05   \$12,266,176   \$1,564,024   \$33,704,385   \$15     19   General Plant - Gross   <										\$662
14   Total Expenses   130.092.000   1914/07/494   33.507,255   94.573,143   91,537,186   912,240   3377,904   5     15   Direct Allocation   \$14,0979   (\$29,759)   \$(\$10,557)   \$(\$33,376)   \$(\$15,564)   (\$2,044)   \$(\$207)     16   Allocated Net Income (NI)   \$52,00,670   \$35,40,530   \$5689,810   \$1,251,177   \$41,0,673   \$49,743   \$118,246     17   Revenue Requirement (includes NI)   \$35,642,709   \$22,218,271   \$44,86,508   \$5,79,944   \$13,931,894   \$23,00,39   \$495,945   \$     18   Distribution Plant - Gross   \$1195,315,345   \$112,402,908   \$39,128,067   \$12,286,177   \$1,594,024   \$3,704,385   \$1     19   Distribution Plant - Gross   \$1195,315,384   \$112,402,908   \$30,012,622   \$15,2577   \$30,30   \$2     20   Capital Corritioution   \$(\$22,218,2717,157,161,500   \$(\$31,424,677   \$3,149,305   \$1,259,403   \$1,564,474   \$1,550,474   \$30,302,52   \$12,551,303,109   \$2   \$1,522,510   \$1,562,777 <td< td=""><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td>\$3,861</td></td<>										\$3,861
10 Allocated Net Income (NI) \$6,209,670 \$3,540,530 \$699,910 \$1,251,177 \$410,673 \$49,743 \$118,248   17 Revenue Requirement (includes NI) \$36,442,709 \$22,918,271 \$4,186,508 \$5,790,944 \$1,931,894 \$220,639 \$495,945 \$5   17 Revenue Requirement (includes NI) \$36,442,709 \$22,918,271 \$4,186,508 \$5,790,944 \$1,931,894 \$220,639 \$495,945 \$5   18 Distribution Plant - Gross \$195,9315,344 \$112,482,900 \$22,222,328 \$33,143,936 \$102,222 \$12,380,175 \$15,94,024 \$33,704,985 \$5   19 General Plant - Gross \$15,513,924 \$112,482,900 \$52,222,328 \$33,144,936 \$102,222 \$12,380,175 \$12,380,175 \$12,380,175 \$12,380,175 \$12,390,971 \$12,399,979 \$12,714 \$14,930,975 \$12,380,971 \$12,399,979 \$12,714,970,985 \$12,222,770 \$3,461,144 \$15,590,176 \$14,941,445,245 \$10,931,8971 \$12,399,893 \$22,947,701 \$3,461,445 \$15,590,176 \$14,941,453 \$12,784,964 \$22,820,770 \$3,461,445 \$15,590,176 \$14,50,444										\$17,901
10 Allocated Net Income (NI) \$6,209,670 \$3,540,530 \$699,910 \$1,251,177 \$410,673 \$49,743 \$118,248   17 Revenue Requirement (includes NI) \$36,442,709 \$22,918,271 \$4,186,508 \$5,790,944 \$1,931,894 \$220,639 \$495,945 \$5   17 Revenue Requirement (includes NI) \$36,442,709 \$22,918,271 \$4,186,508 \$5,790,944 \$1,931,894 \$220,639 \$495,945 \$5   18 Distribution Plant - Gross \$195,9315,344 \$112,482,900 \$22,222,328 \$33,143,936 \$102,222 \$12,380,175 \$15,94,024 \$33,704,985 \$5   19 General Plant - Gross \$15,513,924 \$112,482,900 \$52,222,328 \$33,144,936 \$102,222 \$12,380,175 \$12,380,175 \$12,380,175 \$12,380,175 \$12,390,971 \$12,399,979 \$12,714 \$14,930,975 \$12,380,971 \$12,399,979 \$12,714,970,985 \$12,222,770 \$3,461,144 \$15,590,176 \$14,941,445,245 \$10,931,8971 \$12,399,893 \$22,947,701 \$3,461,445 \$15,590,176 \$14,941,453 \$12,784,964 \$22,820,770 \$3,461,445 \$15,590,176 \$14,50,444			<b>64 40 070</b>	(\$00.75.4)		(\$20.070)	(\$45.004)	(*** ***	(******	
17   Revenue Requirement (includes NI)   536,442,700 Revenue Requirement Input equals Dutput   55,790,944   \$1,931,894   \$220,639   \$495,945   \$ \$ \$ 100,000     18   Distribution Plant - Gross General Plant - Gross Genera										\$0
Rate Base Calculation   Revenue Requirement Input equals Output   Not Assets     18   Distribution Plant - Gross   \$195,315,384   \$112,492,008   \$22,223,326   \$39,128,067   \$12,866,176   \$15,84,024   \$3,704,385   \$15     19   General Plant - Gross   \$195,315,384   \$112,492,008   \$22,223,326   \$39,128,067   \$12,866,176   \$15,540,024   \$3,704,385   \$15     20   General Plant - Gross   \$16,519,244   \$9,057,667   \$1,762,946   \$1,648,1699   \$(51,626,259)   \$(52,500)   \$(54,24,479)   \$(52,290,977)   \$(51,444,467)   \$(53,422,302)   \$(51,626,176)   \$(52,963,971,164)   \$(52,963,971,164)   \$(52,963,971,164)   \$(52,963,971,164)   \$(52,963,971,164)   \$(54,78,791,164)   \$(54,78,791,164)   \$(54,78,91,164)										\$5,477
Rate Base Calculation   Net Assets   S195,315,384   S112,492,908   S22,223,326   S39,128,067   S12,866,176   S1,584,024   S3,704,385   S15     19   General Plant- Gross   S195,315,384   S112,492,908   S22,223,326   S39,128,067   S12,866,176   S1,584,024   S3,704,385   S1     20   General Plant- Gross   S15,591,92,44   S3,164,305   S11,032,522   S125,277   S300,130   S2     21   Capital Contribution   (525,291,77)   (S14,467,697   S3,142,309   (S1,702,539)   (S1,252,199)   (S22,37,14)   (S998,286)   (S     22   Total Net Plant   S155,993,979   S87,244,905   S23,933,444   S00,508,046   S28,250,770   S3,461,184   S467,804   S     22   Total Net Fixed Assets   S16,584,544   S12,784,696   S23,933,444   S00,508,046   S28,250,770   S3,461,184   S467,804   S     234   S12,784,914   S12,784,915   S22,492,277   S2,344,858   S810,901   S1,218,217,472   S     201rectry Allocated Net Fixed Assets	17	Revenue Requirement (includes NI)				\$5,790,944	\$1,931,894	\$230,639	\$495,945	\$23,378
Not Assets   S195,315,384   S11,2492,908   S22,223,326   S12,866,176   S15,86,024   S3,704,385   S13   S3			Revenue Requirement Input equals Output							
18   Distribution Plant - Gross   \$195,315,384   \$112,402,008   \$22,223,326   \$39,128,007   \$12,866,176   \$1,584,024   \$3,704,385   \$1     19   General Plant - Gross   \$15,581,224   \$50,007,567   \$1,702,945   \$3,104,305   \$10,02,522   \$12,564,024   \$12,764,459   \$12,646,452   \$11,399,931   \$1,259,983   \$2,2984,750   \$12,864,760   \$12,269,983   \$2,298,4750   \$12,264,760   \$1,250,986   \$12,264,760   \$12,269,983   \$2,298,4750   \$12,264,760   \$12,259,983   \$12,269,983   \$2,298,4750   \$12,264,760   \$12,269,983   \$12,264,760   \$12,269,983   \$12,264,760   \$12,264,760   \$12,269,986,753   \$12,264,7		Rate Base Calculation								
19 General Plant - Gross \$15,819,244 \$9,007,657 \$1,762,445 \$3,162,522 \$122,277 \$303,100 \$5   20 Accumulated Depreciation (\$22,231,672) \$(\$17,681,500) \$(\$1,444,667) \$(\$13,128,304) \$(\$16,764,559) \$(\$222,371,4) \$(\$508,256) \$(\$242,479) \$(\$223,714) \$(\$559,258) \$(\$1,252,578) \$(\$223,714) \$(\$559,260) \$(\$54,447,67) \$(\$3,422,92) \$(\$1,76,81,500) \$(\$1,76,81,500) \$(\$3,422,92) \$(\$1,76,81,508) \$(\$223,714) \$(\$559,260) \$(\$24,479) \$(\$259,268) \$(\$598										
20   Accumulated Depreciation   (\$25,291,672)   (\$14,444,67)   (\$3,128,304)   (\$4,815,891)   (\$16,74,529)   (\$222,603)   (\$424,479)   (\$     21   Capital Contribution   \$155,303,079   \$89,424,307   \$17,435,046   \$31,848,245   \$10,398,971   \$1,259,983   \$2,984,750   \$1     22   Total Net Plant   \$155,303,079   \$89,424,307   \$17,435,046   \$31,848,245   \$10,398,971   \$1,259,983   \$2,984,750   \$1     21   Cost of Power (COP)   \$204,149,413   \$57,234,905   \$23,33,484   \$60,508,046   \$28,250,770   \$3,461,184   \$467,804   \$17,7442     Directly Allocated Expenses   \$16,504,544   \$12,784,684   \$2,149,217   \$(\$21,0277)   \$3,461,184   \$467,804   \$17,47,442     Subtoral   \$222,772,772   \$69,999,983   \$26,079,390   \$62,799,515   \$29,050,674   \$3,357,050   \$645,102   \$\$     Working Capital   \$16,707,958   \$5,249,923,70   \$1,955,654   \$4,709,964   \$2,178,796   \$266,6329   \$48,383     Total Rate Base   \$17,33,75,892<										\$170,137
21 Capital Contribution (\$29,939,879) (\$17,815,00) (\$3,422,922) (\$5,792,538) (\$1,525,198) (\$223,714) (\$598,286) (\$1   22 Total Net Plant \$155,903,079 \$89,424,307 \$17,435,046 \$31,648,245 \$10,398,971 \$1,259,983 \$2,984,750 \$1   21 Directly Allocated Net Fixed Assets \$764,856 (\$81,51) (\$28,937) (\$91,480) (\$43,757) (\$5,602) (\$567)   Cost of Power (COP) \$204,149,413 \$57,234,905 \$23,933,484 \$60,508,046 \$28,250,770 \$3,461,184 \$467,804 \$\$   OM&A Expenses \$18,594,544 \$12,784,684 \$21,49,217 \$2,314,685 \$810,901 \$91,281 \$177,442   Subtoral \$222,772,772 \$69,989,983 \$26,075,390 \$62,799,515 \$22,90,050,614 \$33,651,600 \$848,303 \$11,510,570 \$1,51,600 \$846,702 \$\$   Working Capital \$16,707,958 \$5,249,923,70 \$19,56,554 \$4,709,964 \$2,178,796 \$266,529 \$448,383 \$\$   Equity Component of Rate Base \$16,707,958 \$5,249,923,70 \$31,857,1650 \$12,534,01										\$14,027
22   Total Net Plant   \$195,903,079   \$89,424,307   \$17,435,046   \$31,648,245   \$10,398,971   \$1,259,983   \$2,984,750   \$1     Directly Allocated Net Fixed Assets   \$764,856   (\$81,551)   (\$28,937)   (\$91,480)   (\$43,757)   (\$5,602)   (\$567)     Cost of Power (COP)   \$104,844   \$12,784,684   \$12,784,684   \$22,419,217   \$2,314,585   \$510,901   \$91,281   \$177,442   \$91,480   (\$1,057)   (\$1,416)   (\$143)   \$57,234,905   \$22,3115   (\$11,057)   (\$1,416)   \$17,744   \$91,281   \$177,442   \$91,281   \$91,77,442   \$91,936,998,993   \$22,6,075,390   \$522,20,50,614   \$33,551,050   \$645,102   \$\$15,904,504   \$\$15,904,			(\$25,291,672)						(\$424,479)	(\$18,407) (\$27,534)
Directly Allocated Net Fixed Assets   \$764,856   (\$81,551)   (\$28,937)   (\$91,460)   (\$43,757)   (\$5,602)   (\$567)     Cost of Power (COP) OM&A Expenses   \$204,149,413   \$57,234,905   \$23,933,484   \$560,508,046   \$28,250,770   \$3,461,184   \$467,804   \$\$     Directly Allocated Expenses   \$28,844   \$12,774,6864   \$22,314,9217   \$23,314,685   \$810,901   \$\$17,7442   \$\$     Directly Allocated Expenses   \$28,814   \$12,774,727   \$69,999,693   \$26,075,999,575   \$229,506,674   \$3,551,506   \$645,702   \$\$     Working Capital   \$16,707,958   \$5,249,923,70   \$1,955,654   \$4,709,964   \$2,178,796   \$266,529   \$48,383     Total Rate Base   \$173,375,892   \$94,592,679   \$19,955,654   \$4,709,964   \$2,178,796   \$266,329   \$48,383     Net Income on Allocated Assets   \$62,209,670   \$3,53,7072   \$7,744,705   \$14,506,691   \$5,013,604   \$608,284   \$1,213,026   \$     Net Income on Direct Allocation Assets   \$6,209,670   \$8,521   \$978,075   \$3,400,711   \$76					(++;:==;+==)	(++, ++, +++)				\$138,224
Cost of Power (COP) OM&A Expenses   \$204,149,413 \$15,594,544   \$57,234,905 \$28,2844   \$60,508,066 \$2,149,217   \$28,250,770 \$2,314,565   \$3,461,184 \$10,007   \$467,804 \$1,231   \$ \$11,251     Directly Allocated Expenses   \$22,972,772   \$69,998,983   \$22,6075,390   \$62,799,515   \$229,050,614   \$33,551,050   \$645,102   \$ \$11,855   \$ \$10,570,595   \$524,923,70   \$11,955,654   \$4,709,964   \$2,178,796   \$266,329   \$48,883     Total Rate Base   \$1173,375,892   \$94,592,679   \$19,951,654   \$4,709,964   \$2,178,796   \$266,329   \$48,883     Equity Component of Rate Base   \$1173,375,892   \$94,592,679   \$19,9361,764   \$36,266,729   \$12,534,010   \$1,520,710   \$3,032,565   \$1     Rate Base   \$107,375,892   \$94,592,679   \$19,361,764   \$36,266,729   \$12,534,010   \$1,520,710   \$3,032,565   \$1     Lequity Component of Rate Base   \$69,350,357   \$37,837,072   \$7,744,705   \$14,506,691   \$104,764   \$371,624   ((     Net Income on Direct Allocation Assets   \$61,202   (\$3,397   \$12,505   \$33,366,901										
OM&A Expenses   \$18,594,544   \$12,784,684   \$2,149,217   \$2,314,585   \$810,901   \$91,281   \$177,442     Directly Allocated Expenses   \$228,814   (\$20,607)   (\$7,312)   (\$23,115)   (\$11,057)   (\$1,416)   (\$143)     Subtotal   \$222,772,772   \$569,998,983   \$226,075,390   \$62,799,515   \$29,050,614   \$3,551,050   \$645,102   \$     Working Capital   \$16,707,958   \$5,249,923.70   \$1,955,654   \$4,709,964   \$2,178,796   \$266,329   \$48,383     Total Rate Base   \$173,375,892   \$94,592,679   \$19,361,764   \$36,266,729   \$12,534,010   \$1,520,710   \$3,303,2655   \$11     Equity Component of Rate Base   \$16,707,958   \$5,249,923.70   \$7,744,705   \$14,506,691   \$5,013,604   \$608,284   \$1,213,026   \$10     Net Income on Allocated Assets   \$6,209,670   \$37,837,072   \$7,744,705   \$14,506,691   \$104,764   \$371,624   \$(10,000,00,00,00,00,00,00,00,00,00,00,00,		Directly Allocated Net Fixed Assets	\$764,856	(\$81,551)	(\$28,937)	(\$91,480)	(\$43,757)	(\$5,602)	(\$567)	\$0
OM&A Expenses   \$18,594,544   \$12,784,684   \$2,149,217   \$2,314,585   \$810,901   \$91,281   \$177,442     Directly Allocated Expenses   \$228,814   \$220,607)   \$7,712   \$23,314,585   \$810,901   \$91,281   \$177,442   \$(\$14,3)     Subtotal   \$222,772,772   \$569,998,983   \$226,075,390   \$62,799,515   \$29,050,614   \$3,551,050   \$645,102   \$     Working Capital   \$16,707,958   \$5,249,923.70   \$1,955,654   \$4,709,964   \$2,178,796   \$266,329   \$48,383     Total Rate Base   \$16,707,958   \$5,249,923.70   \$19,361,764   \$36,266,729   \$12,534,010   \$1,520,710   \$3,303,2655   \$11     Equity Component of Rate Base   \$16,707,958   \$37,837,072   \$7,744,705   \$14,506,691   \$5,013,604   \$608,284   \$1,213,026   \$12,50,710   \$3,303,2655   \$11   \$1,213,026   \$12,501,101   \$1,621,101   \$1,621,101   \$1,621,101,101   \$1,621,101,101   \$1,621,101,101   \$1,621,101,101   \$1,621,101,101,101   \$1,621,101,101,101   \$1,621,101,101,101   \$1,621,101,101,101,101   \$1,623,1		Cost of Power (COP)	\$204 149 413	\$57 234 905	\$23 933 484	\$60 508 046	\$28 250 770	\$3 461 184	\$467 804	\$15,640
Directly Allocated Expenses   \$28,814   (\$20,607)   (\$7,312)   (\$11,057)   (\$11,057)   (\$1,416)   (\$143)     Subtoral   \$222,772,772   \$69,998,983   \$26,075,390   \$622,799,515   \$29,050,614   \$3,551,050   \$645,102   \$5     Working Capital   \$16,707,958   \$5,249,923.70   \$1,955,654   \$4,709,964   \$2,178,796   \$266,329   \$48,383   \$5     Total Rate Base   \$173,375,892   \$94,592,679   \$19,361,764   \$36,266,729   \$12,534,010   \$1,520,710   \$3,302,565   \$1     Equity Component of Rate Base   \$173,375,892   \$94,592,679   \$19,361,764   \$36,266,729   \$12,534,010   \$1,520,710   \$3,302,565   \$1     Equity Component of Rate Base   \$173,375,892   \$94,592,679   \$13,367,072   \$7,744,705   \$14,506,691   \$5,013,604   \$608,284   \$1,213,026   \$1     Net Income on Direct Allocation Assets   \$31,862   (\$3,397)   \$(\$1,205)   \$(\$3,811)   \$(\$1,823)   \$233   \$371,604   \$371,604   \$371,604   \$371,604   \$371,604   \$371,604   \$37										\$8,366
Working Capital   \$16,707,958   \$5,249,923.70   \$1,955,654   \$4,709,964   \$2,178,796   \$266,329   \$48,383     Total Rate Base   \$173,375,892   \$94,592,679   \$19,361,764   \$36,266,729   \$12,534,010   \$1,520,710   \$3,303,2565   \$1     Equity Component of Rate Base   \$69,350,357   \$37,837,072   \$7,744,705   \$14,506,691   \$5,013,604   \$608,284   \$1,213,026   \$     Net Income on Allocated Assets   \$66,209,670   (\$8,521)   \$978,075   \$3,400,711   \$768,195   \$104,764   \$371,624   (()     Net Income on Direct Allocation Assets   \$66,241,532   (\$11,919)   \$976,870   \$3,396,901   \$766,372   \$104,531   \$371,600   ()     RATIOS ANALYSIS   \$6,241,532   (\$11,919)   \$976,870   \$3,396,901   \$766,372   \$104,531   \$31,000   ()     EXISTING REVENUE MINUS ALLOCATED COSTS   (\$1,114,029)   (\$4,132,686)   \$150,698   \$1,900,941   \$286,252   \$46,118   \$231,006   ()										\$0
Total Rate Base   \$173,375,892   \$94,592,679   \$19,361,764   \$36,266,729   \$12,534,010   \$1,520,710   \$3,032,565   \$1     Equity Component of Rate Base   Rate Base   \$69,350,357   \$37,837,072   \$7,744,705   \$14,506,691   \$5,013,604   \$608,284   \$1,213,026   \$     Net Income on Allocated Assets   \$6,209,670   (\$8,521)   \$978,075   \$3,400,711   \$768,195   \$104,764   \$371,624   \$     Net Income on Direct Allocation Assets   \$31,862   (\$3,397)   (\$1,205)   (\$3,381)   (\$1,823)   \$\$233)   \$\$27,14,000   \$     Net Income   \$6,241,532   (\$11,919)   \$976,870   \$3,336,901   \$766,372   \$104,531   \$371,600   \$     RATIOS ANALYSIS    100.00%   84.51%   106.89%   137.12%   118.51%   123.86%   151.09%   \$     EXISTING REVENUE MINUS ALLOCATED COSTS   (\$1,114,029)   (\$4,132,686)   \$150,688   \$1,900,941   \$286,252   \$46,118   \$231,006   \$		Subtotal	\$222,772,772	\$69,998,983	\$26,075,390	\$62,799,515	\$29,050,614	\$3,551,050	\$645,102	\$24,006
Rate Base   Rate Base Input equals Output   \$14,506,691   \$5,013,604   \$608,284   \$1,213,026   \$     Net Income on Allocated Assets   \$6,209,670   (\$8,521)   \$978,075   \$3,400,711   \$768,195   \$104,764   \$371,624   (     Net Income on Direct Allocation Assets   \$31,862   (\$3,397)   (\$1,205)   (\$3,811)   (\$1,823)   (\$233)   (\$24)     Net Income   \$6,241,532   (\$11,919)   \$976,870   \$3,396,901   \$766,372   \$104,764   \$371,600   (     RATIOS ANALYSIS   100.00%   84.51%   106.89%   137.12%   118.51%   123.86%   151.09%     EXISTING REVENUE MINUS ALLOCATED COSTS   (\$1,114,029)   (\$4,132,686)   \$150,698   \$1,900,941   \$286,252   \$46,118   \$231,006   (		Working Capital	\$16,707,958	\$5,249,923.70	\$1,955,654	\$4,709,964	\$2,178,796	\$266,329	\$48,383	\$1,800
Rate Base   Rate Base Input equals Output   \$14,506,691   \$5,013,604   \$608,284   \$1,213,026   \$     Net Income on Allocated Assets   \$6,209,670   (\$8,521)   \$978,075   \$3,400,711   \$768,195   \$104,764   \$371,624   (     Net Income on Direct Allocation Assets   \$31,862   (\$3,397)   (\$1,205)   (\$3,811)   (\$1,823)   (\$233)   (\$24)     Net Income   \$6,241,532   (\$11,919)   \$976,870   \$3,396,901   \$766,372   \$104,764   \$371,600   (     RATIOS ANALYSIS   100.00%   84.51%   106.89%   137.12%   118.51%   123.86%   151.09%     EXISTING REVENUE MINUS ALLOCATED COSTS   (\$1,114,029)   (\$4,132,686)   \$150,698   \$1,900,941   \$286,252   \$46,118   \$231,006   (		Total Pate Race	\$173 375 802	\$04 502 670	\$10 361 764	\$36 266 720	\$12 534 010	\$1 520 710	\$3 032 565	\$140,024
Equity Component of Rate Base \$69,350,357 \$37,837,072 \$7,744,705 \$14,506,691 \$5,013,604 \$608,284 \$1,213,026 \$   Net Income on Allocated Assets \$6,209,670 (\$8,521) \$978,075 \$3,400,711 \$768,195 \$104,764 \$371,624 (\$   Net Income on Direct Allocation Assets \$31,862 (\$3,397) (\$1,205) (\$3,811) (\$1,823) (\$233) (\$24)   Net Income \$6,241,532 (\$11,919) \$976,870 \$3,396,901 \$766,372 \$104,531 \$371,600 (\$   RATIOS ANALYSIS 100.00% 84.51% 106.89% 137.12% 118.51% 123.86% 151.09% (\$   EXISTING REVENUE MINUS ALLOCATED COSTS (\$1,114,029) (\$4,132,686) \$150,698 \$1,900,941 \$286,252 \$46,118 \$231,006 (\$						<i>400,200,120</i>	ψ12,00 <del>4</del> ,010	\$1,020,710	<i>\\</i> 0,002,000	\$140,024
Net Income on Direct Allocation Assets   \$31,862   (\$3,397)   (\$1,205)   (\$3,811)   (\$1,823)   (\$233)   (\$24)     Net Income   \$6,241,532   (\$1,919)   \$976,870   \$3,396,901   \$766,372   \$104,531   \$371,600   (     RATIOS ANALYSIS   100.00%   84.51%   106.89%   137.12%   118.51%   123.86%   151.09%     EXISTING REVENUE MINUS ALLOCATED COSTS   (\$1,114,029)   (\$4,132,686)   \$150,698   \$1,900,941   \$286,252   \$46,118   \$231,006   (		Equity Component of Rate Base			-	\$14,506,691	\$5,013,604	\$608,284	\$1,213,026	\$56,010
Net Income   \$6,241,532   (\$11,919)   \$976,870   \$3,396,901   \$766,372   \$104,531   \$371,600   (     RATIOS ANALYSIS   100.00%   84.51%   106.89%   137.12%   118.51%   123.86%   151.09%     EXISTING REVENUE MINUS ALLOCATED COSTS   (\$1,114,029)   (\$4,132,686)   \$150,698   \$1,900,941   \$286,252   \$46,118   \$231,006   (\$1,114,029)		Net Income on Allocated Assets	\$6,209,670	(\$8,521)	\$978,075	\$3,400,711	\$768,195	\$104,764	\$371,624	(\$1,577)
RATIOS ANALYSIS   Image: Constraint of the state of the st		Net Income on Direct Allocation Assets	\$31,862	(\$3,397)	(\$1,205)	(\$3,811)	(\$1,823)	(\$233)	(\$24)	\$0
REVENUE TO EXPENSES STATUS QUO%   100.00%   84.51%   106.89%   137.12%   118.51%   123.86%   151.09%     EXISTING REVENUE MINUS ALLOCATED COSTS   (\$1,114,029)   (\$4,132,686)   \$150,698   \$1,900,941   \$286,252   \$46,118   \$231,006   (\$1,114,029)   \$1,006,006   \$1,007,006		Net Income	\$6,241,532	(\$11,919)	\$976,870	\$3,396,901	\$766,372	\$104,531	\$371,600	(\$1,577)
EXISTING REVENUE MINUS ALLOCATED COSTS (\$1,114,029) (\$4,132,686) \$150,698 \$1,900,941 \$286,252 \$46,118 \$231,006 (		RATIOS ANALYSIS								
		REVENUE TO EXPENSES STATUS QUO%	100.00%	84.51%	106.89%	137.12%	118.51%	123.86%	151.09%	69.83%
		EXISTING REVENUE MINUS ALLOCATED COSTS	(\$1,114,029)	(\$4,132,686)	\$150,698	\$1,900,941	\$286,252	\$46,118	\$231,006	(\$7,539)
Deficiency Input equals Output					Dutput					
		STATUS QUO REVENUE MINUS ALLOCATED COSTS				\$2,149,535	\$357,522	\$55,021	\$253,375	(\$7,054)
RETURN ON EQUITY COMPONENT OF RATE BASE 9.00% -0.03% 12.61% 23.42% 15.29% 17.18% 30.63%		RETURN ON EQUITY COMPONENT OF RATE BASE	9.00%	-0.03%	12.61%	23.42%	15.29%	17.18%	30.63%	-2.81%

EB-2018-0028 TMMC Response Attachment OEB Staff Interrogatory - 1(b) Filed: 2018-10-29 Page 2 of 2

🖉 Ontario Energy Board

# 2019 Cost Allocation Model

#### EB-2018-0028

Instructions: Please see the first tab in this workbook for detailed instructions

Class Revenue, Cost Analysis, and Return on Rate

Line			9		12		14		16
		Total	Unmetered Scattered Load	10 Embedded Distributor Hydro One - CND	Embedded Distributor Waterloo North Hydro - CND	13 Embedded Distributor Hydro One 1 - BCP	Embedded Distributor Brantford Power BCP	15 Embedded Distributor Hydro One 2 - BCP	тммс
	tribution Revenue at Existing Rates scellaneous Revenue (mi)	\$33,458,220 \$1,870,459	\$64,042 \$4,320	\$50,527 \$562	\$221,287 \$1,518	\$119,034 \$328	\$5,388 \$180	\$4,655 \$199	\$772,679 \$31,591
3 Tota	tal Revenue at Existing Rates	Mis \$35,328,679	\$68,362	\$51,088	\$222,805	\$119,362	\$5,568	\$4,854	\$804,270
	ctor required to recover deficiency (1 + D)	1.0333	¥00,002	\$01,000	¥222,000	\$115,502	\$5,555	ψ4,004	<del>4004,210</del>
	tribution Revenue at Status Quo Rates	\$34,572,250	\$66,174	\$52,209	\$228,655	\$122,997	\$5,567	\$4,810	\$798,406
	scellaneous Revenue (mi)	\$1,870,459	\$4,320	\$562	\$1,518	\$328	\$180	\$199	\$31,591
7 Tota	tal Revenue at Status Quo Rates	\$36,442,709	\$70,494	\$52,770	\$230,173	\$123,325	\$5,747	\$5,009	\$829,997
	penses								
	tribution Costs (di)	\$4,953,255	\$13,817	\$0	\$0	\$0	\$0	\$0	\$62,561
	stomer Related Costs (cu)	\$4,893,912	\$1,388	\$2,394	\$405	\$405	\$701	\$1,620	\$9,452
	neral and Administration (ad) preciation and Amortization (dep)	\$8,747,377 \$6,369,992	\$13,859 \$16,523	\$6,134 \$2,962	\$17,923 \$4,774	\$3,676 \$904	\$1,852 \$616	\$1,386 \$0	\$120,494 \$85,475
	s (INPUT)	\$750,049	\$2,180	\$648	\$2,566	\$486	\$190	\$0 \$0	\$11,324
13 Inter		\$4,377,475	\$12,723	\$3,783	\$14,978	\$2,837	\$1,111	\$0 \$0	\$66,087
	tal Expenses	\$30,092,060	\$60,490	\$15,922	\$40,647	\$8,309	\$4,471	\$3,006	\$355,392
15 Dire	ect Allocation	\$140,979	(\$31)	\$21,851	\$94,513	\$17,904	\$6,712	\$0	\$91,933
16 Alloc	pcated Net Income (NI)	\$6,209,670	\$18,048	\$5,366	\$21,247	\$4,025	\$1,577	\$0	\$93,748
17 <b>Rev</b>	venue Requirement (includes NI)	\$36,442,709	\$78,508	\$43,139	\$156,407	\$30,237	\$12,759	\$3,006	\$541,073
		Revenue Re		,					
Rate	te Base Calculation								
Net	t Assets								
	tribution Plant - Gross	\$195,315,384	\$560,415	\$21,740	\$0	\$0	\$3,239	\$0	\$2,560,967
	neral Plant - Gross	\$15,819,244	\$46,087	\$14,837	\$58,711	\$11,122	\$4,357	\$0	\$224,358
	cumulated Depreciation pital Contribution	(\$25,291,672) (\$29,939,878)	(\$61,947) (\$89,077)	(\$15,665) (\$3,537)	(\$33,328) \$0	<mark>(\$6,313)</mark> \$0	(\$3,553) (\$527)	\$0 \$0	(\$403,288) (\$275,046)
	tal Net Plant	\$155,903,079	\$455,477	\$17,375	\$25,383	\$4,808	\$3,517	\$0 \$0	\$2,106,991
Dire	ectly Allocated Net Fixed Assets	\$764,856	(\$84)	\$118,547	\$512,764	\$97,133	\$36,413	\$0	\$251,979
	st of Power (COP)	\$204,149,413	\$280,069	\$1,552,477	\$7,156,251	\$1,501,556	\$42,830	\$5,329,726	\$14,414,669
	I&A Expenses ectly Allocated Expenses	\$18,594,544 \$28,814	\$29,064 (\$21)	\$8,529 \$4,466	\$18,328 \$19,317	\$4,081 \$3,659	\$2,553 \$1,372	\$3,006 \$0	\$192,507 \$63,671
	btotal	\$222,772,772	\$309,112	\$1,565,472	\$7,193,896	\$1,509,297	\$46,755	\$5,332,732	\$14,670,847
Wor	orking Capital	\$16,707,958	\$23,183	\$117,410	\$539,542	\$113,197	\$3,507	\$399,955	\$1,100,314
Tett	tal Rate Base	£473 375 003	\$478,577	\$253,332	¢4 077 090	\$245 420	\$43,436	\$200.05F	\$2.450.000
TOTA	lai Rate Base	\$173,375,892 Rate B	\$476,577	\$203,332	\$1,077,689	\$215,138	\$43,430	\$399,955	\$3,459,283
Equ	uity Component of Rate Base	\$69,350,357	\$191,431	\$101,333	\$431,076	\$86,055	\$17,374	\$159,982	\$1,383,713
Net	t Income on Allocated Assets	\$6,209,670	\$10,034	\$14,998	\$95,013	\$97,112	(\$5,435)	\$2,003	\$382,672
Net	t Income on Direct Allocation Assets	\$31,862	(\$3)	\$4,938	\$21,361	\$4,046	\$1,517	\$0	\$10,497
Net	t Income	\$6,241,532	\$10,031	\$19,936	\$116,374	\$101,159	(\$3,918)	\$2,003	\$393,169
RAT	TIOS ANALYSIS								
REV	VENUE TO EXPENSES STATUS QUO%	100.00%	89.79%	122.33%	147.16%	407.86%	45.04%	166.64%	153.40%
EXIS	ISTING REVENUE MINUS ALLOCATED COSTS	(\$1,114,029) Deficie	(\$10,146)	\$7,949	\$66,398	\$89,124	(\$7,191)	\$1,848	\$263,197
STA	ATUS QUO REVENUE MINUS ALLOCATED COSTS	\$0	(\$8,014)	\$9,632	\$73,766	\$93,087	(\$7,012)	\$2,003	\$288,924
RET	TURN ON EQUITY COMPONENT OF RATE BASE	9.00%	5.24%	19.67%	27.00%	117.55%	-22.55%	1.25%	28.41%