



Exhibit 7

COST ALLOCATION

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Exhibit 7: Cost Allocation

7.1 Cost Allocation Study Requirements

7.1.1 Introduction

The OEB outlined its cost allocation policies in its reports of November 28, 2007 Application of Cost Allocation for Electricity Distributors, and March 31, 2011 Review of Electricity Distribution Cost Allocation Policy (EB-2010-0219). These are referred to here as the “Cost Allocation Reports”.

In this Application, KWHI has used the 2019 version of the Cost Allocation Model released by the OEB on July 12, 2018 to conduct a 2020 Test Year Cost Allocation study consistent with the OEB’s cost allocation policies. The model has been loaded with 2020 Test Year costs, customer numbers and demand values for KWHI. The 2020 demand values were determined based on the description provided under the Load Profiles section of this Exhibit. The various weighting factors used in the 2020 study have also been explained below.

7.1.2 Load Profiles

In a letter dated June 12, 2015, the OEB requested distributors to be mindful of material changes to load profiles and propose updates, as appropriate, in cost of service rate applications. KWHI proposes to use the same method as was used in the 2014 Cost of Service application to determine the demand data for the 2020 cost allocation model. This method involves applying a scaling factor to the 2004 weather normalized volumes supporting the 2004 load profiles to determine an estimate of the 2020 weather normalized load profiles. Then the same method applied by Hydro One to the 2004 load profiles to determine the demand data for the original cost allocation study, is applied to the 2020 load profiles to determine the 2020 demand data. KWHI has



provided an Excel spreadsheet named “Load profile model 2004 Hydro One data for 2020” to show how the 2020 demand data is determined.

In order to be prepared for the next cost of service application, KWHI will put in place a process to prepare a load profile for each actual year after 2016. This will provide more than one year of data to review the load profiles for the next cost of service application. Also, KWHI anticipates that by the time the next cost of service application is prepared, the OEB may prescribe a method to weather normalize actual hourly data which KWHI will be able to follow.

7.1.3 Cost Allocation Inputs

In the March 31, 2011 Cost Allocation Report, the OEB stated that “default weighting factors should now be utilized only in exceptional circumstances”. Distributors are expected to develop their own weighting factors as part of their cost allocation study. KWHI has developed its own weighting factors as outlined below.

Services (Account 1855)

To determine the weighting factor to be used for each customer class, the cost of installing a typical service for each customer class was determined. A weighting factor was determined by assigning the Residential customer class a factor of 1, as required, and determining the relative weights of the rest of the classes. The results are presented in [Table 7.1.3-1](#) below:

Table 7.1.3-1 – Weighting Factors - Services

	Weighting Factor
Residential	1.0
GS<50 kW	1.5
GS>50 kW	12.0
Large User	24.0
Street Lighting	1.0
Unmetered Scattered Load	1.0

Billing and Collecting

To determine the weighting factor to be used for each customer class, the cost for Billings and Collections were totaled and allocated to a typical bill for each customer class. A weighting factor was determined by assigning the Residential customer class a factor of one, as required, and determining the relative weights of the rest of the classes. The results are presented in [Table 7.1.3-2](#) below:

Table 7.1.3-2 – Weighting Factors - Billing and Collecting

	Weighting Factor
Residential	1.0
GS<50 kW	1.3
GS>50 kW	2.0
Large User	2.0
Street Lighting	1.5
Unmetered Scattered Load	1.5

Meter Capital

KWHI assessed the costs of installing meters using recent meter installation work orders. The installation costs are presented in [Table 7.1.3-3](#) below.

Table 7.1.3-3 – Meter Capital Weights

Meter Type	Cost
Conventional Demand	627
Conventional Demand Primary	1,836
Demand with IT and Interval Capability - Secondary	2,152
Demand with IT and Interval Capability - Primary	9,440
Smart Meter	157
Suite Meter	325

Meter Reading

KWHI has converted all its Residential and GS<50 kW customers to smart meters. Meter reading costs for smart meters have been assigned a weighting factor of one. As shown in [Table 7.1.3-4](#), the effort and cost for reading other types of meters are compared to the smart meter reading costs to determine an appropriate weight.

Table 7.1.3-4 – Meter Reading Weights

Meter Type	Weight
Smart	1.00
Suite	1.20
Interval	19.90
Unmetered	22.90

7.1.4 Embedded Distributor

KWHI is a host distributor to Waterloo North Hydro Inc. (WNHI). KWHI has an existing Embedded Distributor Service Classification for WNHI. As per Board direction in EB-2009-0267, KWHI incorporated the Embedded Distributor into its Cost Allocation model in 2014 (EB-2013-0147). In KWHI's 2014 Cost of Service filing, KWHI used a cost allocation method consistent with Appendix 2-Q of the Filing Requirement Chapter 2 Appendices. KWHI has followed the same approach in allocating costs to the Embedded Distributor in 2020. The cost allocation model also apportions return on



debt, return on equity, PILs, administration costs and general plant assets. The sum of these costs plus the costs directly assigned to the embedded distributor through Appendix 2-Q are the total costs assigned to the Embedded Distributor class.

KWHI input the costs of Appendix 2-Q into tab I.9 of the cost allocation model.

Appendix 2-Q is attached to this Exhibit as [Appendix 7-2](#)

Feedback from the Embedded Distributor

KWHI received feedback from WNHI they do not like the large increase, but they understand the methodology. The 2019 Cost Allocation model used for this Application is different from the Cost Allocation model used in the 2014 Cost of Service Application. The updated model allocates to the embedded distributor expenses for General and Administration, Depreciation and Amortization, PILs, Interest and Allocated Net income. This amount of \$75,107 is the driver of the large increase.

KWHI has provided the cost allocation and rate design information to its Embedded Distributor. This correspondence is included in [Appendix 7-3](#).

7.1.5 Unmetered Loads

KWHI communicates with unmetered load customers, including streetlighting customers, to assist them in understanding the regulatory context in which distributors operate and how it affects unmetered load customers. This communication takes place on an on-going basis and is not driven by the rate application process.

KWHI has used the “streetlight adjustment factor” to allocate costs to the Streetlighting class as outlined in the Board’s June 12, 2015 letter.



7.1.6 microFIT Class

KWHI is not proposing to include microFIT as a separate class in the cost allocation model in 2020. KWHI understands that the cost allocation model will produce a calculation of unit costs which the OEB may use to update the uniform microFIT rate at a future date.

7.1.7 New Customer Class

KWHI is not proposing to include a new customer class in this Application.

7.1.8 Eliminate a Customer Class

KWHI is not proposing to eliminate a customer class in this Application.

7.1.9 Standby Rates

On April 2, 2015 the OEB issued a *Board Policy of Rate Design for Electricity Residential Customers* in which the Board stated that it intends to remove the standby charge when the new rate policy is implemented for commercial customers. To date, a new rate policy for commercial customers has not been implemented and KWHI will continue its current standby rate which is approved on an interim basis.

7.2 Class Revenue Requirements

The data used in the updated cost allocation study is consistent with KWHI's cost data that supports the proposed 2020 revenue requirement outlined in this Application. KWHI's assets were broken out into primary and secondary distribution functions using updated breakout percentages. The breakout of assets, capital contributions, depreciation, accumulated depreciation, customer data and load data by primary, line



transformer and secondary categories were developed from the best data available to KWHI, its engineering records, and its customer and financial information systems. A live Excel version of the updated cost allocation study has been included with the filed application material (EB-2019-0049_KWHI_Appl_2019_Cost_Allocation_Model_20190430). In addition, [Appendix 7-1](#) outlines Input Sheets I-6 and I-8 and Output Sheets O-1 and O-2 (first page only).

Capital contributions, depreciation and accumulated depreciation by USoA are consistent with the information provided in the 2020 continuity statement shown in Exhibit 2. The rate class customer data used in the updated cost allocation study is consistent with the 2020 customer forecast outlined in Exhibit 3.

The following [Table 7.2-1](#) provides the combined allocated OEB Approved cost by rate class from the former 2014 cost allocation study along with the KWHI results from the 2020 cost allocation study.

Table 7.2-1 – Allocated Costs

	2014 Board Approved Cost Allocation Study	%	2020 Proposed Cost Allocation Study	%
Residential	23,916,302	59.0%	26,312,908	57.8%
GS<50 kW	5,246,278	12.9%	6,195,147	13.6%
GS>50 kW	10,531,674	26.0%	12,087,641	26.6%
Large User	265,721	0.7%	297,667	0.7%
Street Lighting	360,292	0.9%	334,895	0.7%
Unmetered Scattered Load	104,301	0.3%	151,850	0.3%
Embedded Distributor	98,174	0.2%	147,161	0.3%
	40,522,742	100.0%	45,527,270	100.0%

7.3 Revenue-to-Cost Ratios

The results of a cost allocation study are typically presented in the form of revenue to cost ratios. The ratio is shown by rate classification and is the percentage of distribution revenue collected by rate classification compared to the costs allocated to the classification. The percentage identifies the rate classifications that are being subsidized and those that are over-contributing. A percentage of less than 100% means the rate classification is under-contributing and is being subsidized by other classes of customers. A percentage of greater than 100% indicates the rate classification is over-contributing and is subsidizing other classes of customers.

In the March 31, 2011 Cost Allocation Board Report, the Board established what it considered to be the appropriate ranges of revenue to cost ratios which are summarized in Table 7.3-1 below. The Streetlight class is shown with the targets as established in the OEB's June 12, 2015 letter. In addition, [Table 7.3-1](#) provides the approved revenue to cost ratios from KWHI's 2014 Cost of Service (EB-2013-0147) compared to the proposed ratios and the OEB Min and Max targets.

Table 7.3-1 – Revenue to Cost Ratios

	2014 Board Approved Cost Allocation Study	2020 Cost Allocation Study	2020 Proposed Ratios	OEB Target	
				Min	Max
Residential	93.9%	98.0%	97.5%	85%	115%
GS<50 kW	107.8%	121.1%	120.0%	80%	120%
GS>50 kW	109.1%	95.6%	97.0%	80%	120%
Large User	93.9%	99.9%	100.0%	85%	115%
Street Lighting	120.0%	128.1%	120.0%	80%	120%
Unmetered Scattered Load	120.0%	113.7%	110.0%	80%	120%
Embedded Distributor	100.0%	61.5%	80.0%	80%	120%



7.3.1 Cost Allocation Results and Analysis

The 2020 Cost Allocation study shows that the Residential, GS>50 kW, Unmetered Scattered Load, and Large Use rate classes fall within the OEB target range. The GS<50 kW and Streetlighting rate classes are higher than OEB targets, and the Embedded distributor is below target. It is proposed that all rate classes be brought into the target range.

[Table 7.3-2](#) below shows the proposed class revenue for this Application. This class revenue will be used in Exhibit 8 to design the proposed distribution charges for this application.

Table 7.3-2 – Calculated Class Revenue

Rate Class	2020 Base Revenue at Existing Rates	2020 Proposed Base Revenue Allocated at Existing Rates Proportion	2020 Proposed Base Revenue	Miscellaneous Revenue
Residential	24,434,731	26,452,610	26,312,908	2,202,216
GS<50 kW	5,777,716	6,254,854	6,195,147	349,463
GS>50 kW	10,988,302	11,895,742	12,087,641	637,584
Large User	274,541	297,214	297,667	18,053
Street Lighting	331,182	358,532	334,895	18,526
Unmetered Scattered Load	145,247	157,242	151,850	10,097
Embedded Distributor	102,603	111,076	147,161	7,961
	42,054,323	45,527,270	45,527,270	3,243,900

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Appendix 7-1: Cost Allocation Model

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2019 Cost Allocation Model

EB-2019-0049
Sheet 18 Demand Data Worksheet -

This is an input sheet for demand allocators.

CP TEST RESULTS	12 CP
NCP TEST RESULTS	4 NCP

Co-incident Peak	Indicator
1 CP	CP 1
4 CP	CP 4
12 CP	CP 12

Non-co-incident Peak	Indicator
1 NCP	NCP 1
4 NCP	NCP 4
12 NCP	NCP 12

Customer Classes		Total	1 Residential	2 GS <50	5 GS>50	6 Large Use >5MW	7 Street Light	9 Unmetered Scattered Load	10 Embedded Distributor
		CP Sanity Check	Pass	Check 4CP	Pass	Check 4CP and 12CP	Check 4CP and 12CP	Check 4CP	Pass
CO-INCIDENT PEAK									
1 CP									
Transformation CP	TCP1	298,811	136,710	33,376	124,215	4,028	-	482	
Bulk Delivery CP	BCP1	298,811	136,710	33,376	124,215	4,028	-	482	
Total Sytem CP	DCP1	298,811	136,710	33,376	124,215	4,028	-	482	
4 CP									
Transformation CP	TCP4	1,162,082	537,919	138,080	462,020	17,047	5,080	1,937	
Bulk Delivery CP	BCP4	1,162,082	537,919	138,080	462,020	17,047	5,080	1,937	
Total Sytem CP	DCP4	1,162,082	537,919	138,080	462,020	17,047	5,080	1,937	
12 CP									
Transformation CP	TCP12	3,202,708	1,398,822	392,189	1,342,024	52,107	11,851	5,716	
Bulk Delivery CP	BCP12	3,202,708	1,398,822	392,189	1,342,024	52,107	11,851	5,716	
Total Sytem CP	DCP12	3,202,708	1,398,822	392,189	1,342,024	52,107	11,851	5,716	
NON CO INCIDENT PEAK									
1 NCP									
Classification NCP from Load Data Provider	DNCP1	325,211	144,851	40,527	132,307	5,326	1,702	498	
Primary NCP	PNCP1	323,497	144,087	40,313	131,610	5,298	1,693	495	
Line Transformer NCP	LTNCP1	309,906	140,332	39,263	128,180		1,649	482	
Secondary NCP	SNCP1	309,906	140,332	39,263	128,180		1,649	482	
4 NCP									
Classification NCP from Load Data Provider	DNCP4	1,252,445	562,056	156,783	503,663	21,195	6,802	1,945	
Primary NCP	PNCP4	1,245,842	559,093	155,956	501,008	21,083	6,766	1,935	
Line Transformer NCP	LTNCP4	1,192,840	544,523	151,892	487,951		6,590	1,885	
Secondary NCP	SNCP4	1,192,840	544,523	151,892	487,951		6,590	1,885	
12 NCP									
Classification NCP from Load Data Provider	DNCP12	3,495,132	1,508,053	440,963	1,458,671	61,416	20,313	5,716	
Primary NCP	PNCP12	3,476,705	1,500,103	438,638	1,450,981	61,092	20,206	5,685	
Line Transformer NCP	LTNCP12	3,326,600	1,461,009	427,207	1,413,167		19,680	5,537	
Secondary NCP	SNCP12	3,326,600	1,461,009	427,207	1,413,167		19,680	5,537	



Ontario Energy Board

2019 Cost Allocation Model

Sheet I6.1 Revenue Worksheet -

Miscellaneous Revenue (RRWF 5. cell F48)	3,243,900
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2019 Cost Allocation Model

EB-2019-0049
Sheet I6.2 Customer Data Worksheet -

			1	2	5	6	7	9	10
	ID	Total	Residential	GS <50	GS>50	Large Use >5MW	Street Light	Unmetered Scattered Load	Embedded Distributor
Billing Data									
Bad Debt 3 Year Historical Average	BDHA	\$250,076	\$203,056	\$12,021	\$34,999	\$0	\$0	\$0	\$0
Late Payment 3 Year Historical Average	LPHA	\$209,406	\$159,501	\$23,391	\$25,856	\$51	\$70	\$538	
Number of Bills	CNB	1,190,040	1,080,864	97,632.00	11,256	12.00	96.00	180.00	
Number of Devices	CDEV						25,440		
Number of Connections (Unmetered)	CCON	2,651					1,696	955	
Total Number of Customers	CCA	98,958	89,860	8,136	938	1	8	15	
Bulk Customer Base	CCB	98,958	89,860	8,136	938	1	8	15	
Primary Customer Base	CCP	100,038	89,860	8,136	938	1	1,088	15	
Line Transformer Customer Base	CCLT	99,843	89,860	8,112	768		1,088	15	
Secondary Customer Base	CCS	98,747	89,860	8,112	760			15	
Weighted - Services	CWCS	113,799	89,860	12,168	9,120	-	1,696	955	-
Weighted Meter -Capital	CWMC	17,675,723	13,891,786	1,367,968	2,406,529	9,440	-	-	-
Weighted Meter Reading	CWMR	116,611	88,192	9,064	18,810	20	183	344	-
Weighted Bills	CWNB	1,230,736	1,080,864	126,922	22,512	24	144	270	-

Bad Debt Data

Historic Year:	2015	239,436	218,543	19,888	1,005				
Historic Year:	2016	258,176	229,850	11,428	16,898				
Historic Year:	2017	252,618	160,776	4,747	87,095				
Three-year average		250,076	203,056	12,021	34,999	-	-	-	-

Street Lighting Adjustment Factors

NCP Test Results	4 NCP
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	Primary Asset Data		Line Transformer Asset Data	
Class	Customers/ Devices	4 NCP	Customers/ Devices	4 NCP
Residential	89,860	559,093	89,860	544,523
Street Light	25,440	6,766	25,440	6,590

Street Lighting Adjustment Factors	
Primary	23.3929
Line Transformer	23.3929

2019 Cost Allocation Model

EB-2019-0049
Sheet 01 Revenue to Cost Summary Worksheet -
Instructions:

Please see the first tab in this workbook for detailed instructions

Class Revenue, Cost Analysis, and Return on Rate Base

			1	2	5	6	7	9	10	
Rate Base		Total	Residential	GS <50	GS>50	Large Use >5MW	Street Light	Unmetered Scattered Load	Embedded Distributor	
Assets	crev	Distribution Revenue at Existing Rates	\$42,054,323	\$24,434,731	\$5,777,716	\$10,988,302	\$274,541	\$331,182	\$145,247	\$102,603
	mi	Miscellaneous Revenue (mi)	\$3,243,900	\$2,202,216	\$349,463	\$637,584	\$18,053	\$18,526	\$10,097	\$7,961
	Miscellaneous Revenue Input equals Output									
	Total Revenue at Existing Rates		\$45,298,223	\$26,636,947	\$6,127,179	\$11,625,886	\$292,594	\$349,708	\$155,345	\$110,564
	Factor required to recover deficiency (1 + D)		1.0826							
	Distribution Revenue at Status Quo Rates		\$45,527,270	\$26,452,610	\$6,254,854	\$11,895,742	\$297,213	\$358,532	\$157,242	\$111,076
	Miscellaneous Revenue (mi)		\$3,243,900	\$2,202,216	\$349,463	\$637,584	\$18,053	\$18,526	\$10,097	\$7,961
	Total Revenue at Status Quo Rates		\$48,771,170	\$28,654,826	\$6,604,317	\$12,533,326	\$315,266	\$377,058	\$167,340	\$119,037
	Expenses									
	di	Distribution Costs (di)	\$12,402,365	\$6,980,081	\$1,449,505	\$3,732,988	\$95,778	\$96,641	\$47,371	\$0
cu	Customer Related Costs (cu)	\$5,710,400	\$4,828,658	\$537,489	\$337,819	\$608	\$2,167	\$3,660	\$0	
ad	General and Administration (ad)	\$4,277,204	\$2,713,643	\$472,455	\$1,020,969	\$24,350	\$24,384	\$12,458	\$8,946	
dep	Depreciation and Amortization (dep)	\$10,987,112	\$6,320,602	\$1,234,884	\$3,240,021	\$75,547	\$69,884	\$34,355	\$11,819	
INPUT	PILs (INPUT)	\$922,574	\$507,579	\$106,267	\$289,115	\$7,214	\$6,127	\$2,982	\$3,289	
INT	Interest	\$5,785,404	\$3,183,000	\$666,396	\$1,813,023	\$45,235	\$38,420	\$18,702	\$20,627	
Total Expenses		\$40,085,059	\$24,533,563	\$4,466,996	\$10,433,935	\$248,732	\$237,622	\$119,529	\$44,681	
Direct Allocation		\$118,676	\$0	\$0	\$0	\$0	\$0	\$0	\$118,676	
NI	Allocated Net Income (NI)	\$8,567,435	\$4,713,611	\$986,846	\$2,684,853	\$66,988	\$56,896	\$27,696	\$30,546	
Revenue Requirement (includes NI)		\$48,771,170	\$29,247,175	\$5,453,842	\$13,118,788	\$315,720	\$294,518	\$147,225	\$193,902	
Revenue Requirement Input equals Output										
Rate Base Calculation										
Net Assets										
dp	Distribution Plant - Gross	\$456,392,178	\$260,099,590	\$52,382,410	\$135,858,721	\$3,145,114	\$3,283,759	\$1,622,585	\$0	
gp	General Plant - Gross	\$49,312,426	\$27,937,388	\$5,648,047	\$14,623,500	\$346,546	\$358,865	\$177,538	\$220,542	
accum dep	Accumulated Depreciation	(\$187,278,964)	(\$105,014,546)	(\$21,478,313)	(\$57,477,783)	(\$1,334,124)	(\$1,252,129)	(\$609,846)	(\$112,222)	
co	Capital Contribution	(\$95,302,475)	(\$59,477,237)	(\$10,785,311)	(\$23,266,968)	(\$426,562)	(\$888,611)	(\$457,786)	\$0	
Total Net Plant		\$223,123,165	\$123,545,195	\$25,766,832	\$69,737,470	\$1,730,974	\$1,501,884	\$732,490	\$108,320	



2019 Cost Allocation Model

EB-2019-0049

Sheet 01 Revenue to Cost Summary Worksheet -

Instructions:

Please see the first tab in this workbook for detailed instructions

Class Revenue, Cost Analysis, and Return on Rate Base

Rate Base Assets	Total	1	2	5	6	7	9	10
		Residential	GS <50	GS>50	Large Use >5MW	Street Light	Unmetered Scattered Load	Embedded Distributor
Directly Allocated Net Fixed Assets	\$711,691	\$0	\$0	\$0	\$0	\$0	\$0	\$711,691
COP Cost of Power (COP)	\$184,677,958	\$72,596,972	\$24,780,890	\$82,144,603	\$3,762,091	\$783,398	\$447,429	\$162,576
OM&A Expenses	\$22,389,969	\$14,522,382	\$2,459,449	\$5,091,775	\$120,736	\$123,191	\$63,489	\$8,946
Directly Allocated Expenses	\$37,632	\$0	\$0	\$0	\$0	\$0	\$0	\$37,632
Subtotal	\$207,105,558	\$87,119,354	\$27,240,338	\$87,236,378	\$3,882,827	\$906,589	\$510,918	\$209,153
Working Capital	\$15,532,917	\$6,533,952	\$2,043,025	\$6,542,728	\$291,212	\$67,994	\$38,319	\$15,686
Total Rate Base	\$239,367,773	\$130,079,146	\$27,809,858	\$76,280,198	\$2,022,186	\$1,569,878	\$770,809	\$835,697
Rate Base Input equals Output								
Equity Component of Rate Base	\$21,495,226	\$11,681,107	\$2,497,325	\$6,849,962	\$181,592	\$140,975	\$69,219	\$75,046
Net Income on Allocated Assets	\$8,567,435	\$4,121,263	\$2,137,321	\$2,099,391	\$66,534	\$139,436	\$47,810	(\$44,320)
Net Income on Direct Allocation Assets	\$30,655	\$0	\$0	\$0	\$0	\$0	\$0	\$30,655
Net Income	\$8,598,090	\$4,121,263	\$2,137,321	\$2,099,391	\$66,534	\$139,436	\$47,810	(\$13,665)
RATIOS ANALYSIS								
REVENUE TO EXPENSES STATUS QUO%	100.00%	97.97%	121.09%	95.54%	99.86%	128.03%	113.66%	61.39%
EXISTING REVENUE MINUS ALLOCATED COSTS	(\$3,472,947)	(\$2,610,228)	\$673,338	(\$1,492,902)	(\$23,126)	\$55,190	\$8,120	(\$83,338)
Deficiency Input equals Output								
STATUS QUO REVENUE MINUS ALLOCATED COSTS	(\$0)	(\$592,349)	\$1,150,475	(\$585,462)	(\$454)	\$82,540	\$20,115	(\$74,865)
RETURN ON EQUITY COMPONENT OF RATE BASE	40.00%	35.28%	85.58%	30.65%	36.64%	98.91%	69.07%	-18.21%



2019 Cost Allocation Model

EB-2019-0049
Sheet 02 Monthly Fixed Charge Min. & Max. Worksheet -

Output sheet showing minimum and maximum level for
Monthly Fixed Charge

Summary

	1	2	5	6	7	9	10
	Residential	GS <50	GS>50	Large Use >5MW	Street Light	Unmetered Scattered Load	Embedded Distributor
Customer Unit Cost per month - Avoided Cost	\$4.88	\$5.77	\$42.71	\$68.93	\$0.07	\$0.23	0
Customer Unit Cost per month - Directly Related	\$5.90	\$7.05	\$51.44	\$88.52	\$0.09	\$0.31	0
Customer Unit Cost per month - Minimum System with PLCC Adjustment	\$14.84	\$18.30	\$100.79	\$91.52	\$7.56	\$7.75	0
Existing Approved Fixed Charge	\$22.66	\$27.76	\$183.23	\$17,188.81	\$0.75	\$7.43	\$0.00

Information to be Used to Allocate PILs, ROD, ROE and A&G

		1	2	5	6	7	9	10
	Total	Residential	GS <50	GS>50	Large Use >5MW	Street Light	Unmetered Scattered Load	Embedded Distributor
General Plant - Gross Assets	\$49,312,426	\$27,937,388	\$5,648,047	\$14,623,500	\$346,546	\$358,865	\$177,538	\$220,542
General Plant - Accumulated Depreciation	(\$25,092,383)	(\$14,215,801)	(\$2,873,981)	(\$7,441,095)	(\$176,338)	(\$182,607)	(\$90,339)	(\$112,222)
General Plant - Net Fixed Assets	\$24,220,043	\$13,721,587	\$2,774,066	\$7,182,405	\$170,208	\$176,258	\$87,199	\$108,320
General Plant - Depreciation	\$2,642,700	\$1,497,191	\$302,684	\$783,687	\$18,572	\$19,232	\$9,514	\$11,819
Total Net Fixed Assets Excluding General Plant	\$199,614,813	\$109,823,608	\$22,992,766	\$62,555,065	\$1,560,766	\$1,325,626	\$645,292	\$711,691
Total Administration and General Expense	\$4,277,204	\$2,713,643	\$472,455	\$1,020,969	\$24,350	\$24,384	\$12,458	\$8,946
Total O&M	\$18,143,600	\$11,808,739	\$1,986,994	\$4,070,807	\$96,386	\$98,807	\$51,031	\$30,836

Scenario 1

Accounts included in Avoided Costs Plus General Administration Allocation

USoA Account #	Accounts	Total	1	2	5	6	7	9	10
			Residential	GS <50	GS>50	Large Use >5MW	Street Light	Unmetered Scattered Load	Embedded Distributor
1860	<u>Distribution Plant</u>								
	Meters	\$19,396,537	\$15,244,216	\$1,501,146	\$2,640,816	\$10,359	\$0	\$0	\$0
	<u>Accumulated Amortization</u>								
	Accum. Amortization of Electric Utility Plant - Meters only	(\$11,259,486)	(\$8,849,107)	(\$871,400)	(\$1,532,966)	(\$6,013)	\$0	\$0	\$0
	Meter Net Fixed Assets	\$8,137,051	\$6,395,109	\$629,747	\$1,107,850	\$4,346	\$0	\$0	\$0
4082	<u>Misc Revenue</u>								
	Retail Services Revenues	(\$44,000)	(\$28,539)	(\$4,833)	(\$10,006)	(\$237)	(\$242)	(\$125)	(\$18)
	Service Transaction Requests (STR) Revenues	(\$800)	(\$519)	(\$88)	(\$182)	(\$4)	(\$4)	(\$2)	(\$0)
	Electric Services Incidental to Energy Sales	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Other Electric Revenues	(\$71,600)	(\$46,441)	(\$7,865)	(\$16,283)	(\$386)	(\$394)	(\$203)	(\$29)
	Late Payment Charges	(\$207,100)	(\$157,745)	(\$23,133)	(\$25,571)	(\$50)	(\$69)	(\$532)	\$0
	Sub-total	(\$323,500)	(\$233,243)	(\$35,919)	(\$52,042)	(\$678)	(\$709)	(\$862)	(\$47)
5065	<u>Operation</u>								
	Meter Expense	\$710,300	\$558,242	\$54,972	\$96,707	\$379	\$0	\$0	\$0
	Customer Premises - Operation Labour	\$7,200	\$6,369	\$577	\$66	\$0	\$120	\$68	\$0
	Customer Premises - Materials and Expenses	\$11,200	\$9,907	\$897	\$103	\$0	\$187	\$105	\$0
	Sub-total	\$728,700	\$574,518	\$56,446	\$96,876	\$380	\$307	\$173	\$0
5175	<u>Maintenance</u>								
	Maintenance of Meters	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5310	<u>Billing and Collection</u>								
	Meter Reading Expense	\$892,700	\$675,138	\$69,384	\$143,994	\$152	\$1,402	\$2,630	\$0
	Customer Billing	\$2,542,000	\$2,232,450	\$262,148	\$46,497	\$50	\$297	\$558	\$0
	Collecting	\$780,200	\$685,192	\$80,459	\$14,271	\$15	\$91	\$171	\$0
	Collecting- Cash Over and Short	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Collection Charges	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Sub-total	\$4,214,900	\$3,592,780	\$411,992	\$204,762	\$217	\$1,791	\$3,358	\$0
	Total Operation, Maintenance and Billing	\$4,943,600	\$4,167,298	\$468,437	\$301,638	\$597	\$2,098	\$3,531	\$0
	Amortization Expense - Meters	\$1,139,200	\$895,325	\$88,166	\$155,101	\$608	\$0	\$0	\$0
	Allocated PILs	\$33,482	\$26,274	\$2,597	\$4,593	\$18	\$0	\$0	\$0
	Allocated Debt Return	\$209,965	\$164,763	\$16,287	\$28,802	\$114	\$0	\$0	\$0
	Allocated Equity Return	\$310,931	\$243,992	\$24,119	\$42,652	\$168	\$0	\$0	\$0
	Total	\$6,313,678	\$5,264,410	\$563,686	\$480,743	\$827	\$1,389	\$2,669	(\$47)

Scenario 2

Accounts included in Directly Related Customer Costs Plus General Administration Allocation

USoA Account #	Accounts	Total	1	2	5	6	7	9	10
			Residential	GS <50	GS>50	Large Use >5MW	Street Light	Unmetered Scattered Load	Embedded Distributor
<u>Distribution Plant</u>									
1860	Meters	\$19,396,537	\$15,244,216	\$1,501,146	\$2,640,816	\$10,359	\$0	\$0	\$0
<u>Accumulated Amortization</u>									
	Accum. Amortization of Electric Utility Plant - Meters only	(\$11,259,486)	(\$8,849,107)	(\$871,400)	(\$1,532,966)	(\$6,013)	\$0	\$0	\$0
	Meter Net Fixed Assets	\$8,137,051	\$6,395,109	\$629,747	\$1,107,850	\$4,346	\$0	\$0	\$0
	Allocated General Plant Net Fixed Assets	\$1,002,671	\$799,018	\$75,979	\$127,200	\$474	\$0	\$0	\$0
	Meter Net Fixed Assets Including General Plant	\$9,139,722	\$7,194,127	\$705,725	\$1,235,050	\$4,820	\$0	\$0	\$0
<u>Misc Revenue</u>									
4082	Retail Services Revenues	(\$44,000)	(\$28,539)	(\$4,833)	(\$10,006)	(\$237)	(\$242)	(\$125)	(\$18)
4084	Service Transaction Requests (STR) Revenues	(\$800)	(\$519)	(\$88)	(\$182)	(\$4)	(\$4)	(\$2)	(\$0)
4090	Electric Services Incidental to Energy Sales	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4220	Other Electric Revenues	(\$71,600)	(\$46,441)	(\$7,865)	(\$16,283)	(\$386)	(\$394)	(\$203)	(\$29)
4225	Late Payment Charges	(\$207,100)	(\$157,745)	(\$23,133)	(\$25,571)	(\$50)	(\$69)	(\$532)	\$0
Sub-total		(\$323,500)	(\$233,243)	(\$35,919)	(\$52,042)	(\$678)	(\$709)	(\$862)	(\$47)
<u>Operation</u>									
5065	Meter Expense	\$710,300	\$558,242	\$54,972	\$96,707	\$379	\$0	\$0	\$0
5070	Customer Premises - Operation Labour	\$7,200	\$6,369	\$577	\$66	\$0	\$120	\$68	\$0
5075	Customer Premises - Materials and Expenses	\$11,200	\$9,907	\$897	\$103	\$0	\$187	\$105	\$0
Sub-total		\$728,700	\$574,518	\$56,446	\$96,876	\$380	\$307	\$173	\$0
<u>Maintenance</u>									
5175	Maintenance of Meters	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<u>Billing and Collection</u>									
5310	Meter Reading Expense	\$892,700	\$675,138	\$69,384	\$143,994	\$152	\$1,402	\$2,630	\$0
5315	Customer Billing	\$2,542,000	\$2,232,450	\$262,148	\$46,497	\$50	\$297	\$558	\$0
5320	Collecting	\$780,200	\$685,192	\$80,459	\$14,271	\$15	\$91	\$171	\$0
5325	Collecting- Cash Over and Short	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5330	Collection Charges	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sub-total		\$4,214,900	\$3,592,780	\$411,992	\$204,762	\$217	\$1,791	\$3,358	\$0
Total Operation, Maintenance and Billing		\$4,943,600	\$4,167,298	\$468,437	\$301,638	\$597	\$2,098	\$3,531	\$0
Amortization Expense - Meters		\$1,139,200	\$895,325	\$88,166	\$155,101	\$608	\$0	\$0	\$0
Amortization Expense - General Plant assigned to Meters		\$109,404	\$87,183	\$8,290	\$13,879	\$52	\$0	\$0	\$0
Admin and General		\$1,146,207	\$957,643	\$111,382	\$75,652	\$151	\$518	\$862	\$0
Allocated PILs		\$37,608	\$29,557	\$2,911	\$5,120	\$20	\$0	\$0	\$0
Allocated Debt Return		\$235,835	\$185,348	\$18,252	\$32,109	\$126	\$0	\$0	\$0
Allocated Equity Return		\$349,241	\$274,477	\$27,029	\$47,549	\$187	\$0	\$0	\$0
Total		\$7,637,594	\$6,363,589	\$688,546	\$579,005	\$1,062	\$1,907	\$3,532	(\$47)

Scenario 3

Minimum System Customer Costs Adjusted for PLCC - High Limit Fixed Customer Charge

USoA Account #	Accounts	Total	1	2	5	6	7	9	10
			Residential	GS <50	GS>50	Large Use >5MW	Street Light	Unmetered Scattered Load	Embedded Distributor
<u>Distribution Plant</u>									
1565	Conservation and Demand Management								
	Expenditures and Recoveries	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1830	Poles, Towers and Fixtures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Poles, Towers and Fixtures - Subtransmission Bulk								
1830-3	Delivery	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1830-4	Poles, Towers and Fixtures - Primary	\$9,638,928	\$8,577,693	\$776,632	\$89,538	\$95	\$103,810	\$91,161	\$0
1830-5	Poles, Towers and Fixtures - Secondary	\$6,425,952	\$5,695,591	\$514,162	\$48,171	\$0	\$107,497	\$60,531	\$0
1835	Overhead Conductors and Devices	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Overhead Conductors and Devices -								
1835-3	Subtransmission Bulk Delivery	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1835-4	Overhead Conductors and Devices - Primary	\$9,509,096	\$8,462,155	\$766,171	\$88,332	\$94	\$102,411	\$89,933	\$0
1835-5	Overhead Conductors and Devices - Secondary	\$6,339,397	\$5,618,873	\$507,237	\$47,522	\$0	\$106,050	\$59,715	\$0
1840	Underground Conduit	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1840-3	Underground Conduit - Bulk Delivery	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1840-4	Underground Conduit - Primary	\$11,053,029	\$9,836,103	\$890,569	\$102,674	\$109	\$119,039	\$104,535	\$0
1840-5	Underground Conduit - Secondary	\$2,763,257	\$2,449,191	\$221,098	\$20,714	\$0	\$46,226	\$26,029	\$0
1845	Underground Conductors and Devices	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Underground Conductors and Devices - Bulk								
1845-3	Delivery	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1845-4	Underground Conductors and Devices - Primary	\$9,035,763	\$8,040,936	\$728,033	\$83,935	\$89	\$97,314	\$85,456	\$0
1845-5	Underground Conductors and Devices - Secondary	\$9,035,763	\$8,008,775	\$722,982	\$67,735	\$0	\$151,156	\$85,114	\$0
1850	Line Transformers	\$26,429,405	\$23,565,064	\$2,127,307	\$201,402	\$0	\$285,191	\$250,441	\$0
1855	Services	\$66,138,786	\$52,225,690	\$7,071,914	\$5,300,448	\$0	\$985,697	\$555,036	\$0
1860	Meters	\$19,396,537	\$15,244,216	\$1,501,146	\$2,640,816	\$10,359	\$0	\$0	\$0
	Sub-total	\$175,765,914	\$147,724,286	\$15,827,250	\$8,691,287	\$10,748	\$2,104,391	\$1,407,951	\$0
<u>Accumulated Amortization</u>									
	Accum. Amortization of Electric Utility Plant -Line								
	Transformers, Services and Meters	(\$109,205,915)	(\$91,353,943)	(\$9,973,057)	(\$5,668,365)	(\$6,231)	(\$1,327,489)	(\$876,832)	\$0
	Customer Related Net Fixed Assets	\$66,559,998	\$56,370,344	\$5,854,194	\$3,022,922	\$4,517	\$776,902	\$531,119	\$0
	Allocated General Plant Net Fixed Assets	\$8,271,978	\$7,043,027	\$706,306	\$347,084	\$493	\$103,299	\$71,770	\$0
	Customer Related NFA Including General Plant	\$74,831,976	\$63,413,370	\$6,560,499	\$3,370,006	\$5,009	\$880,201	\$602,889	\$0
<u>Misc Revenue</u>									
4082	Retail Services Revenues	(\$44,000)	(\$28,539)	(\$4,833)	(\$10,006)	(\$237)	(\$242)	(\$125)	(\$18)
4084	Service Transaction Requests (STR) Revenues	(\$800)	(\$519)	(\$88)	(\$182)	(\$4)	(\$4)	(\$2)	(\$0)
4090	Electric Services Incidental to Energy Sales	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4220	Other Electric Revenues	(\$71,600)	(\$46,441)	(\$7,865)	(\$16,283)	(\$386)	(\$394)	(\$203)	(\$29)
4225	Late Payment Charges	(\$207,100)	(\$157,745)	(\$23,133)	(\$25,571)	(\$50)	(\$69)	(\$532)	\$0
4235	Miscellaneous Service Revenues	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Sub-total	(\$323,500)	(\$233,243)	(\$35,919)	(\$52,042)	(\$678)	(\$709)	(\$862)	(\$47)
<u>Operating and Maintenance</u>									
5005	Operation Supervision and Engineering	\$851,010	\$720,997	\$77,967	\$32,929	\$2	\$11,453	\$7,662	\$0
5010	Load Dispatching	\$296,970	\$251,600	\$27,208	\$11,491	\$1	\$3,997	\$2,674	\$0
5020	Overhead Distribution Lines and Feeders - Operation								
	Labour	\$12,686	\$11,271	\$1,019	\$109	\$0	\$167	\$120	\$0
5025	Overhead Distribution Lines & Feeders - Operation								
	Supplies and Expenses	\$40,480	\$35,966	\$3,253	\$347	\$0	\$532	\$382	\$0

5035	Overhead Distribution Transformers- Operation	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5040	Underground Distribution Lines and Feeders - Operation Labour	\$128,717	\$114,376	\$10,344	\$1,110	\$1	\$1,670	\$1,216
5045	Underground Distribution Lines & Feeders - Operation Supplies & Expenses	\$111,589	\$99,156	\$8,968	\$963	\$1	\$1,448	\$1,054
5055	Underground Distribution Transformers - Operation	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5065	Meter Expense	\$710,300	\$558,242	\$54,972	\$96,707	\$379	\$0	\$0
5070	Customer Premises - Operation Labour	\$7,200	\$6,369	\$577	\$66	\$0	\$120	\$68
5075	Customer Premises - Materials and Expenses	\$11,200	\$9,907	\$897	\$103	\$0	\$187	\$105
5085	Miscellaneous Distribution Expense	\$2,970	\$2,516	\$272	\$115	\$0	\$40	\$27
5090	Underground Distribution Lines and Feeders - Rental Paid	\$4,560	\$4,052	\$366	\$39	\$0	\$59	\$43
5095	Overhead Distribution Lines and Feeders - Rental Paid	\$6,600	\$5,864	\$530	\$57	\$0	\$87	\$62
5096	Other Rent	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5105	Maintenance Supervision and Engineering	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5120	Maintenance of Poles, Towers and Fixtures	\$125,061	\$111,114	\$10,049	\$1,072	\$1	\$1,645	\$1,181
5125	Maintenance of Overhead Conductors and Devices	\$463,715	\$412,000	\$37,259	\$3,975	\$3	\$6,099	\$4,379
5130	Maintenance of Overhead Services	\$1,835,730	\$1,449,562	\$196,286	\$147,118	\$0	\$27,359	\$15,405
5135	Overhead Distribution Lines and Feeders - Right of Way	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5145	Maintenance of Underground Conduit	\$91,701	\$81,539	\$7,378	\$819	\$1	\$1,097	\$867
5150	Maintenance of Underground Conductors and Devices	\$212,409	\$188,645	\$17,055	\$1,783	\$1	\$2,920	\$2,005
5155	Maintenance of Underground Services	\$287,771	\$227,235	\$30,770	\$23,062	\$0	\$4,289	\$2,415
5160	Maintenance of Line Transformers	\$142,555	\$127,105	\$11,474	\$1,086	\$0	\$1,538	\$1,351
5175	Maintenance of Meters	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sub-total		\$5,343,224	\$4,417,518	\$496,644	\$322,950	\$390	\$64,707	\$41,015
Billing and Collection								
5305	Supervision	\$584,700	\$513,499	\$60,298	\$10,695	\$11	\$68	\$128
5310	Meter Reading Expense	\$892,700	\$675,138	\$69,384	\$143,994	\$152	\$1,402	\$2,630
5315	Customer Billing	\$2,542,000	\$2,232,450	\$262,148	\$46,497	\$50	\$297	\$558
5320	Collecting	\$780,200	\$685,192	\$80,459	\$14,271	\$15	\$91	\$171
5325	Collecting- Cash Over and Short	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5330	Collection Charges	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5335	Bad Debt Expense	\$182,100	\$147,861	\$8,753	\$25,486	\$0	\$0	\$0
5340	Miscellaneous Customer Accounts Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sub-total		\$4,981,700	\$4,254,140	\$481,043	\$240,942	\$229	\$1,860	\$3,487
Sub Total Operating, Maintenance and Biling		\$10,324,924	\$8,671,658	\$977,687	\$563,892	\$618	\$66,567	\$44,502
Amortization Expense - Customer Related		\$3,401,026	\$2,822,778	\$292,433	\$234,557	\$614	\$30,160	\$20,484
Amortization Expense - General Plant assigned to Meters		\$902,573	\$768,479	\$77,067	\$37,871	\$54	\$11,271	\$7,831
Admin and General		\$2,394,085	\$1,992,743	\$232,468	\$141,426	\$156	\$16,428	\$10,864
Allocated PILs		\$307,625	\$260,531	\$27,057	\$13,971	\$21	\$3,591	\$2,455
Allocated Debt Return		\$1,929,098	\$1,633,773	\$169,671	\$87,613	\$131	\$22,517	\$15,393
Allocated Equity Return		\$2,856,744	\$2,419,406	\$251,261	\$129,743	\$194	\$33,345	\$22,796
PLCC Adjustment for Line Transformer		\$529,934	\$472,530	\$42,571	\$4,020	\$0	\$5,755	\$5,059
PLCC Adjustment for Primary Costs		\$1,192,664	\$1,061,248	\$96,026	\$11,066	\$12	\$12,939	\$11,373
PLCC Adjustment for Secondary Costs		\$897,594	\$794,961	\$66,345	\$7,425	\$0	\$10,645	\$18,217
Total		\$19,172,383	\$16,007,385	\$1,786,782	\$1,134,520	\$1,098	\$153,831	\$88,814 (\$47)

Below: Grouping to avoid disclosure

Scenario 1

Accounts included in Avoided Costs Plus General Administration Allocation

Accounts	Total	Residential	GS <50	GS>50	Large Use >5MW	Street Light	Unmetered Scattered Load	Embedded Distributor
<u>Distribution Plant</u>								
CWMC	\$ 19,396,537	\$ 15,244,216	\$ 1,501,146	\$ 2,640,816	\$ 10,359	\$ -	\$ -	\$ -
<u>Accumulated Amortization</u>								
Accum. Amortization of Electric Utility Plant - Meters only	\$ (11,259,486)	\$ (8,849,107)	\$ (871,400)	\$ (1,532,966)	\$ (6,013)	\$ -	\$ -	\$ -
Meter Net Fixed Assets	\$ 8,137,051	\$ 6,395,109	\$ 629,747	\$ 1,107,850	\$ 4,346	\$ -	\$ -	\$ -
<u>Misc Revenue</u>								
CWNB	\$ (44,800)	\$ (29,058)	\$ (4,921)	\$ (10,188)	\$ (242)	\$ (246)	\$ (127)	\$ (18)
NFA	\$ (71,600)	\$ (46,441)	\$ (7,865)	\$ (16,283)	\$ (386)	\$ (394)	\$ (203)	\$ (29)
LPHA	\$ (207,100)	\$ (157,745)	\$ (23,133)	\$ (25,571)	\$ (50)	\$ (69)	\$ (532)	\$ -
Sub-total	\$ (323,500)	\$ (233,243)	\$ (35,919)	\$ (52,042)	\$ (678)	\$ (709)	\$ (862)	\$ (47)
<u>Operation</u>								
CWMC	\$ 710,300	\$ 558,242	\$ 54,972	\$ 96,707	\$ 379	\$ -	\$ -	\$ -
CCA	\$ 18,400	\$ 16,276	\$ 1,474	\$ 170	\$ 0	\$ 307	\$ 173	\$ -
Sub-total	\$ 728,700	\$ 574,518	\$ 56,446	\$ 96,876	\$ 380	\$ 307	\$ 173	\$ -
<u>Maintenance</u>								
1860	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>Billing and Collection</u>								
CWMR	\$ 892,700	\$ 675,138	\$ 69,384	\$ 143,994	\$ 152	\$ 1,402	\$ 2,630	\$ -
CWNB	\$ 3,322,200	\$ 2,917,642	\$ 342,607	\$ 60,768	\$ 65	\$ 389	\$ 729	\$ -
Sub-total	\$ 4,214,900	\$ 3,592,780	\$ 411,992	\$ 204,762	\$ 217	\$ 1,791	\$ 3,358	\$ -
Total Operation, Maintenance and Billing	\$ 4,943,600	\$ 4,167,298	\$ 468,437	\$ 301,638	\$ 597	\$ 2,098	\$ 3,531	\$ -
Amortization Expense - Meters	\$ 1,139,200	\$ 895,325	\$ 88,166	\$ 155,101	\$ 608	\$ -	\$ -	\$ -
Allocated PILs	\$ 33,482	\$ 26,274	\$ 2,597	\$ 4,593	\$ 18	\$ -	\$ -	\$ -
Allocated Debt Return	\$ 209,965	\$ 164,763	\$ 16,287	\$ 28,802	\$ 114	\$ -	\$ -	\$ -
Allocated Equity Return	\$ 310,931	\$ 243,992	\$ 24,119	\$ 42,652	\$ 168	\$ -	\$ -	\$ -
Total	\$ 6,313,678	\$ 5,264,410	\$ 563,686	\$ 480,743	\$ 827	\$ 1,389	\$ 2,669	\$ (47)

Scenario 2

Accounts included in Directly Related Customer Costs Plus General Administration Allocation

Accounts	Total	Residential	GS <50	GS>50	Large Use >5MW	Street Light	Unmetered Scattered Load	Embedded Distributor
<u>Distribution Plant</u>								
CWMC	\$ 19,396,537	\$ 15,244,216	\$ 1,501,146	\$ 2,640,816	\$ 10,359	\$ -	\$ -	\$ -
<u>Accumulated Amortization</u>								
Accum. Amortization of Electric Utility Plant - Meters only	\$ (11,259,486)	\$ (8,849,107)	\$ (871,400)	\$ (1,532,966)	\$ (6,013)	\$ -	\$ -	\$ -
Meter Net Fixed Assets	\$ 8,137,051	\$ 6,395,109	\$ 629,747	\$ 1,107,850	\$ 4,346	\$ -	\$ -	\$ -
Allocated General Plant Net Fixed Assets	\$ 1,002,671	\$ 799,018	\$ 75,979	\$ 127,200	\$ 474	\$ -	\$ -	\$ -
Meter Net Fixed Assets Including General Plant	\$ 9,139,722	\$ 7,194,127	\$ 705,725	\$ 1,235,050	\$ 4,820	\$ -	\$ -	\$ -
<u>Misc Revenue</u>								
CWNB	\$ (44,800)	\$ (29,058)	\$ (4,921)	\$ (10,188)	\$ (242)	\$ (246)	\$ (127)	\$ (18)
NFA	\$ (71,600)	\$ (46,441)	\$ (7,865)	\$ (16,283)	\$ (386)	\$ (394)	\$ (203)	\$ (29)
LPHA	\$ (207,100)	\$ (157,745)	\$ (23,133)	\$ (25,571)	\$ (50)	\$ (69)	\$ (532)	\$ -
Sub-total	\$ (323,500)	\$ (233,243)	\$ (35,919)	\$ (52,042)	\$ (678)	\$ (709)	\$ (862)	\$ (47)
<u>Operation</u>								
CWMC	\$ 710,300	\$ 558,242	\$ 54,972	\$ 96,707	\$ 379	\$ -	\$ -	\$ -
CCA	\$ 18,400	\$ 16,276	\$ 1,474	\$ 170	\$ 0	\$ 307	\$ 173	\$ -
Sub-total	\$ 728,700	\$ 574,518	\$ 56,446	\$ 96,876	\$ 380	\$ 307	\$ 173	\$ -
<u>Maintenance</u>								
1860	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>Billing and Collection</u>								
CWMB	\$ 892,700	\$ 675,138	\$ 69,384	\$ 143,994	\$ 152	\$ 1,402	\$ 2,630	\$ -
CWNB	\$ 3,322,200	\$ 2,917,642	\$ 342,607	\$ 60,768	\$ 65	\$ 389	\$ 729	\$ -
Sub-total	\$ 4,214,900	\$ 3,592,780	\$ 411,992	\$ 204,762	\$ 217	\$ 1,791	\$ 3,358	\$ -
Total Operation, Maintenance and Billing	\$ 4,943,600	\$ 4,167,298	\$ 468,437	\$ 301,638	\$ 597	\$ 2,098	\$ 3,531	\$ -
Amortization Expense - Meters	\$ 1,139,200	\$ 895,325	\$ 88,166	\$ 155,101	\$ 608	\$ -	\$ -	\$ -
Amortization Expense - General Plant assigned to Meters	\$ 109,404	\$ 87,183	\$ 8,290	\$ 13,879	\$ 52	\$ -	\$ -	\$ -
Admin and General	\$ 1,146,207	\$ 957,643	\$ 111,382	\$ 75,652	\$ 151	\$ 518	\$ 862	\$ -
Allocated PILs	\$ 37,608	\$ 29,557	\$ 2,911	\$ 5,120	\$ 20	\$ -	\$ -	\$ -
Allocated Debt Return	\$ 235,835	\$ 185,348	\$ 18,252	\$ 32,109	\$ 126	\$ -	\$ -	\$ -
Allocated Equity Return	\$ 349,241	\$ 274,477	\$ 27,029	\$ 47,549	\$ 187	\$ -	\$ -	\$ -
Total	\$ 7,637,594	\$ 6,363,589	\$ 688,546	\$ 579,005	\$ 1,062	\$ 1,907	\$ 3,532	\$ (47)

Scenario 3

Minimum System Customer Costs Adjusted for PLCC - High Limit Fixed Customer Charge

USoA Account #	Accounts	Total	Residential	GS <50	GS>50	Large Use >5MW	Street Light	Unmetered Scattered Load	Embedded Distributor
<u>Distribution Plant</u>									
	CDMPP	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Poles, Towers and Fixtures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	BCP	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	PNCP	\$ 39,236,816	\$ 34,916,886	\$ 3,161,404	\$ 364,479	\$ 389	\$ 422,574	\$ 371,084	\$ -
	SNCP	\$ 24,564,370	\$ 21,772,430	\$ 1,965,479	\$ 184,143	\$ -	\$ 410,929	\$ 231,390	\$ -
	Overhead Conductors and Devices	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	LTNCP	\$ 26,429,405	\$ 23,565,064	\$ 2,127,307	\$ 201,402	\$ -	\$ 285,191	\$ 250,441	\$ -
	CWCS	\$ 66,138,786	\$ 52,225,690	\$ 7,071,914	\$ 5,300,448	\$ -	\$ 985,697	\$ 555,036	\$ -
	CWMC	\$ 19,396,537	\$ 15,244,216	\$ 1,501,146	\$ 2,640,816	\$ 10,359	\$ -	\$ -	\$ -
	Sub-total	\$ 175,765,914	\$ 147,724,286	\$ 15,827,250	\$ 8,691,287	\$ 10,748	\$ 2,104,391	\$ 1,407,951	\$ -
<u>Accumulated Amortization</u>									
	Accum. Amortization of Electric Utility Plant -Line Transformers, Services and Meters	\$ (109,205,915)	\$ (91,353,943)	\$ (9,973,057)	\$ (5,668,365)	\$ (6,231)	\$ (1,327,489)	\$ (876,832)	\$ -
	Customer Related Net Fixed Assets	\$ 66,559,998	\$ 56,370,344	\$ 5,854,194	\$ 3,022,922	\$ 4,517	\$ 776,902	\$ 531,119	\$ -
	Allocated General Plant Net Fixed Assets	\$ 8,271,978	\$ 7,043,027	\$ 706,306	\$ 347,084	\$ 493	\$ 103,299	\$ 71,770	\$ -
	Customer Related NFA Including General Plant	\$ 74,831,976	\$ 63,413,370	\$ 6,560,499	\$ 3,370,006	\$ 5,009	\$ 880,201	\$ 602,889	\$ -
<u>Misc Revenue</u>									
	CWNB	\$ (44,800)	\$ (29,058)	\$ (4,921)	\$ (10,188)	\$ (242)	\$ (246)	\$ (127)	\$ (18)
	NFA	\$ (71,600)	\$ (46,441)	\$ (7,865)	\$ (16,283)	\$ (386)	\$ (394)	\$ (203)	\$ (29)
	LPHA	\$ (207,100)	\$ (157,745)	\$ (23,133)	\$ (25,571)	\$ (50)	\$ (69)	\$ (532)	\$ -
	Sub-total	\$ (323,500)	\$ (233,243)	\$ (35,919)	\$ (52,042)	\$ (678)	\$ (709)	\$ (862)	\$ (47)
<u>Operating and Maintenance</u>									
	1815-1855	\$ 1,150,950	\$ 975,114	\$ 105,447	\$ 44,534	\$ 3	\$ 15,489	\$ 10,363	\$ -
	1830 & 1835	\$ 59,766	\$ 53,101	\$ 4,802	\$ 512	\$ 0	\$ 786	\$ 564	\$ -
	1850	\$ 142,555	\$ 127,105	\$ 11,474	\$ 1,086	\$ -	\$ 1,538	\$ 1,351	\$ -
	1840 & 1845	\$ 244,866	\$ 217,584	\$ 19,679	\$ 2,112	\$ 2	\$ 3,177	\$ 2,312	\$ -
	CWMC	\$ 710,300	\$ 558,242	\$ 54,972	\$ 96,707	\$ 379	\$ -	\$ -	\$ -
	CCA	\$ 18,400	\$ 16,276	\$ 1,474	\$ 170	\$ 0	\$ 307	\$ 173	\$ -
	O&M	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	1830	\$ 125,061	\$ 111,114	\$ 10,049	\$ 1,072	\$ 1	\$ 1,645	\$ 1,181	\$ -
	1835	\$ 463,715	\$ 412,000	\$ 37,259	\$ 3,975	\$ 3	\$ 6,099	\$ 4,379	\$ -
	1855	\$ 2,123,501	\$ 1,676,797	\$ 227,056	\$ 170,180	\$ -	\$ 31,648	\$ 17,820	\$ -
	1840	\$ 91,701	\$ 81,539	\$ 7,378	\$ 819	\$ 1	\$ 1,097	\$ 867	\$ -
	1845	\$ 212,409	\$ 188,645	\$ 17,055	\$ 1,783	\$ 1	\$ 2,920	\$ 2,005	\$ -
	1860	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Sub-total	\$ 5,343,224	\$ 4,417,518	\$ 496,644	\$ 322,950	\$ 390	\$ 64,707	\$ 41,015	\$ -
<u>Billing and Collection</u>									
	CWNB	\$ 3,906,900	\$ 3,431,141	\$ 402,905	\$ 71,463	\$ 76	\$ 457	\$ 857	\$ -
	CWMR	\$ 892,700	\$ 675,138	\$ 69,384	\$ 143,994	\$ 152	\$ 1,402	\$ 2,630	\$ -
	BDHA	\$ 182,100	\$ 147,861	\$ 8,753	\$ 25,486	\$ -	\$ -	\$ -	\$ -
	Sub-total	\$ 4,981,700	\$ 4,254,140	\$ 481,043	\$ 240,942	\$ 229	\$ 1,860	\$ 3,487	\$ -
	Sub Total Operating, Maintenance and Biling	\$ 10,324,924	\$ 8,671,658	\$ 977,687	\$ 563,892	\$ 618	\$ 66,567	\$ 44,502	\$ -
	Amortization Expense - Customer Related	\$ 3,401,026	\$ 2,822,778	\$ 292,433	\$ 234,557	\$ 614	\$ 30,160	\$ 20,484	\$ -
	Amortization Expense - General Plant assigned to Meters	\$ 902,573	\$ 768,479	\$ 77,067	\$ 37,871	\$ 54	\$ 11,271	\$ 7,831	\$ -
	Admin and General	\$ 2,394,085	\$ 1,992,743	\$ 232,468	\$ 141,426	\$ 156	\$ 16,428	\$ 10,864	\$ -
	Allocated PILs	\$ 307,625	\$ 260,531	\$ 27,057	\$ 13,971	\$ 21	\$ 3,591	\$ 2,455	\$ -
	Allocated Debt Return	\$ 1,929,098	\$ 1,633,773	\$ 169,671	\$ 87,613	\$ 131	\$ 22,517	\$ 15,393	\$ -

Allocated Equity Return	\$	2,856,744	\$	2,419,406	\$	251,261	\$	129,743	\$	194	\$	33,345	\$	22,796	\$	-
PLCC Adjustment for Line Transformer	\$	529,934	\$	472,530	\$	42,571	\$	4,020	\$	-	\$	5,755	\$	5,059	\$	-
PLCC Adjustment for Primary Costs	\$	1,192,664	\$	1,061,248	\$	96,026	\$	11,066	\$	12	\$	12,939	\$	11,373	\$	-
PLCC Adjustment for Secondary Costs	\$	897,594	\$	794,961	\$	66,345	\$	7,425	\$	-	\$	10,645	\$	18,217	\$	-
Total	\$	19,172,383	\$	16,007,385	\$	1,786,782	\$	1,134,520	\$	1,098	\$	153,831	\$	88,814	\$	(47)

2019 Cost Allocation Model

Sheet 02.1 Line Transformer Worksheet -

Line Transformers Demand Unit Cost for PLCC
Adjustment to Customer Related Cost
Allocation by rate classification

		1	2	3	4	5	6	7	8	9	10
Description	Total	Residential	GS <50	GS>50-Regular	GS> 50-TOU	GS>50	Large Use >5MW	Street Light	Sentinel	Unmetered Scattered Load	Embedded Distributor
Depreciation on Acct 1850 Line Transformers	\$849,680	\$330,080	\$114,417	\$0	\$0	\$400,895	\$0	\$3,995	\$0	\$294	\$0
Depreciation on General Plant Assigned to Line Transformers	\$249,618	\$101,278	\$33,900	\$0	\$0	\$113,038	\$0	\$1,304	\$0	\$97	\$0
Acct 5035 - Overhead Distribution Transformers- Operation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Acct 5055 - Underground Distribution Transformers - Operation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Acct 5160 - Maintenance of Line Transformers	\$264,745	\$102,847	\$35,650	\$0	\$0	\$124,912	\$0	\$1,245	\$0	\$92	\$0
Allocation of General Expenses	\$490,993	\$190,739	\$66,117	\$0	\$0	\$231,660	\$0	\$2,308	\$0	\$170	\$0
Admin and General Assigned to Line Transformers	\$63,769	\$23,634	\$8,477	\$0	\$0	\$31,328	\$0	\$307	\$0	\$22	\$0
PILs on Line Transformers	\$88,385	\$34,335	\$11,902	\$0	\$0	\$41,702	\$0	\$416	\$0	\$31	\$0
Debt Return on Line Transformers	\$554,256	\$215,315	\$74,636	\$0	\$0	\$261,508	\$0	\$2,606	\$0	\$192	\$0
Equity Return on Line Transformers	\$820,781	\$318,853	\$110,526	\$0	\$0	\$387,260	\$0	\$3,859	\$0	\$284	\$0
Total	\$3,382,227	\$1,317,081	\$455,624	\$0	\$0	\$1,592,301	\$0	\$16,040	\$0	\$1,181	\$0
Line Transformer NCP	1,031,588	400,747	138,913	0	0	486,722	0	4,850	0	357	0
PLCC Amount	161,252	143,776	12,979	0	0	1,229	0	1,740	0	1,528	0
Adjustment to Customer Related Cost for PLCC	\$529,934	\$472,530	\$42,571	\$0	\$0	\$4,020	\$0	\$5,755	\$0	\$5,059	\$0
General Plant - Gross Assets	\$49,312,426	\$27,937,388	\$5,648,047	\$0	\$0	\$14,623,500	\$346,546	\$358,865	\$0	\$177,538	\$220,542
General Plant - Accumulated Depreciation	(\$25,092,383)	(\$14,215,801)	(\$2,873,981)	\$0	\$0	(\$7,441,095)	(\$176,338)	(\$182,607)	\$0	(\$90,339)	(\$112,222)
General Plant - Net Fixed Assets	\$24,220,043	\$13,721,587	\$2,774,066	\$0	\$0	\$7,182,405	\$170,208	\$176,258	\$0	\$87,199	\$108,320
General Plant - Depreciation	\$2,642,700	\$1,497,191	\$302,684	\$0	\$0	\$783,687	\$18,572	\$19,232	\$0	\$9,514	\$11,819
Total Net Fixed Assets Excluding General Plant	\$199,614,813	\$109,823,608	\$22,992,766	\$0	\$0	\$62,555,065	\$1,560,766	\$1,325,626	\$0	\$645,292	\$711,691
Total Administration and General Expense	\$4,277,204	\$2,713,643	\$472,455	\$0	\$0	\$1,020,969	\$24,350	\$24,384	\$0	\$12,458	\$8,946
Total O&M	\$18,143,600	\$11,808,739	\$1,986,994	\$0	\$0	\$4,070,807	\$96,386	\$98,807	\$0	\$51,031	\$30,836
Line Transformer Rate Base											
Acct 1850 - Line Transformers - Gross Assets	\$49,083,180	\$19,067,609	\$6,609,491	\$0	\$0	\$23,158,347	\$0	\$230,762	\$0	\$16,971	\$0
Line Transformers - Accumulated Depreciation	(\$29,959,591)	(\$11,638,565)	(\$4,034,328)	\$0	\$0	(\$14,135,486)	\$0	(\$140,853)	\$0	(\$10,359)	\$0
Line Transformers - Net Fixed Assets	\$19,123,589	\$7,429,044	\$2,575,163	\$0	\$0	\$9,022,861	\$0	\$89,908	\$0	\$6,612	\$0
General Plant Assigned to Line Transformers - NFA	\$2,287,721	\$928,200	\$310,692	\$0	\$0	\$1,035,981	\$0	\$11,954	\$0	\$894	\$0
Line Transformer Net Fixed Assets Including General Plant	\$21,411,310	\$8,357,244	\$2,885,855	\$0	\$0	\$10,058,842	\$0	\$101,863	\$0	\$7,506	\$0
General Expenses											
Acct 5005 - Operation Supervision and Engineering	\$1,985,690	\$791,893	\$259,364	\$0	\$0	\$902,896	\$21,720	\$8,390	\$0	\$1,427	\$0
Acct 5010 - Load Dispatching	\$692,930	\$276,340	\$90,508	\$0	\$0	\$315,076	\$7,579	\$2,928	\$0	\$498	\$0
Acct 5085 - Miscellaneous Distribution Expense	\$6,930	\$2,764	\$905	\$0	\$0	\$3,151	\$76	\$29	\$0	\$5	\$0
Acct 5105 - Maintenance Supervision and Engineering	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$2,685,550	\$1,070,997	\$350,777	\$0	\$0	\$1,221,124	\$29,375	\$11,347	\$0	\$1,930	\$0
Acct 1850 - Line Transformers - Gross Assets	\$49,083,180	\$19,067,609	\$6,609,491	\$0	\$0	\$23,158,347	\$0	\$230,762	\$0	\$16,971	\$0
Acct 1815 - 1855	\$268,466,798	\$107,064,508	\$35,066,169	\$0	\$0	\$122,072,278	\$2,936,534	\$1,134,375	\$0	\$192,934	\$0

2019 Cost Allocation Model

Sheet 02.2 Primary Cost PLCC Adjustment Worksheet -

**Primary Conductors and Poles Cost Pool Demand Unit Cost for PLCC
Adjustment to Customer Related Cost**

Allocation by Rate Classification

		1	2	3	4	5	6	7	8	9	10
Description	Total	Residential	GS <50	GS>50-Regular	GS> 50-TOU	GS>50	Large Use >5MW	Street Light	Sentinel	Unmetered Scattered Load	Embedded Distributor
Depreciation on Acct 1830-4 Primary Poles, Towers & Fixtures	\$430,258	\$164,804	\$56,720	\$0	\$0	\$198,212	\$8,366	\$1,995	\$0	\$162	\$0
Depreciation on Acct 1835-4 Primary Overhead Conductors	\$287,500	\$110,123	\$37,901	\$0	\$0	\$132,446	\$5,590	\$1,333	\$0	\$108	\$0
Depreciation on Acct 1840-4 Primary Underground Conduit	\$265,909	\$101,853	\$35,054	\$0	\$0	\$122,500	\$5,170	\$1,233	\$0	\$100	\$0
Depreciation on Acct 1845-4 Primary Underground Conductors	\$354,370	\$135,736	\$46,716	\$0	\$0	\$163,252	\$6,890	\$1,643	\$0	\$133	\$0
Depreciation on General Plant Assigned to Primary C&P	\$525,582	\$210,583	\$69,986	\$0	\$0	\$232,747	\$9,330	\$2,712	\$0	\$223	\$0
Primary C&P Operations and Maintenance	\$1,718,157	\$658,319	\$226,590	\$0	\$0	\$791,857	\$32,799	\$7,948	\$0	\$645	\$0
Allocation of General Expenses	\$915,826	\$350,794	\$120,732	\$0	\$0	\$421,904	\$17,807	\$4,245	\$0	\$344	\$0
Admin and General Assigned to Primary C&P	\$414,163	\$151,282	\$53,877	\$0	\$0	\$198,600	\$8,286	\$1,961	\$0	\$157	\$0
PILs on Primary C&P	\$186,385	\$71,392	\$24,571	\$0	\$0	\$85,864	\$3,624	\$0	\$0	\$70	\$0
Debt Return on Primary C&P	\$1,168,811	\$447,696	\$154,082	\$0	\$0	\$538,450	\$22,725	\$5,418	\$0	\$439	\$0
Equity Return on Primary C&P	\$1,730,859	\$662,981	\$228,176	\$0	\$0	\$797,375	\$33,653	\$8,024	\$0	\$650	\$0
Total	\$7,997,822	\$3,065,564	\$1,054,406	\$0	\$0	\$3,683,207	\$154,240	\$37,375	\$0	\$3,030	\$0
Primary NCP	1,084,278	415,317	142,939	0	0	499,507	21,082	5,026	0	407	0
PLCC Amount	161,564	143,776	13,018	0	0	1,501	2	1,740	0	1,528	0
Adjustment to Customer Related Cost for PLCC	\$1,192,664	\$1,061,248	\$96,026	\$0	\$0	\$11,066	\$12	\$12,939	\$0	\$11,373	\$0
General Plant - Gross Assets	\$49,312,426	\$27,937,388	\$5,648,047	\$0	\$0	\$14,623,500	\$346,546	\$358,865	\$0	\$177,538	\$220,542
General Plant - Accumulated Depreciation	(\$25,092,383)	(\$14,215,801)	(\$2,873,981)	\$0	\$0	(\$7,441,095)	(\$176,338)	(\$182,607)	\$0	(\$90,339)	(\$112,222)
General Plant - Net Fixed Assets	\$24,220,043	\$13,721,587	\$2,774,066	\$0	\$0	\$7,182,405	\$170,208	\$176,258	\$0	\$87,199	\$108,320
General Plant - Depreciation	\$2,642,700	\$1,497,191	\$302,684	\$0	\$0	\$783,687	\$18,572	\$19,232	\$0	\$9,514	\$11,819
Total Net Fixed Assets Excluding General Plant	\$199,614,813	\$109,823,608	\$22,992,766	\$0	\$0	\$62,555,065	\$1,560,766	\$1,325,626	\$0	\$645,292	\$711,691
Total Administration and General Expense	\$4,277,204	\$2,713,643	\$472,455	\$0	\$0	\$1,020,969	\$24,350	\$24,384	\$0	\$12,458	\$8,946
Total O&M	\$18,143,600	\$11,808,739	\$1,986,994	\$0	\$0	\$4,070,807	\$96,386	\$98,807	\$0	\$51,031	\$30,836
Primary Conductors and Poles Gross Assets											
Acct 1830-4 Primary Poles, Towers & Fixtures	\$22,490,833	\$8,614,791	\$2,964,929	\$0	\$0	\$10,361,115	\$437,294	\$104,259	\$0	\$8,445	\$0
Acct 1835-4 Primary Overhead Conductors	\$22,187,890	\$8,498,753	\$2,924,993	\$0	\$0	\$10,221,555	\$431,404	\$102,854	\$0	\$8,331	\$0
Acct 1840-4 Primary Underground Conduit	\$25,790,400	\$9,878,643	\$3,399,906	\$0	\$0	\$11,881,165	\$501,448	\$119,554	\$0	\$9,684	\$0
Acct 1845-4 Primary Underground Conductors	\$21,083,447	\$8,075,712	\$2,779,396	\$0	\$0	\$9,712,758	\$409,930	\$97,735	\$0	\$7,916	\$0
Subtotal	\$91,552,570	\$35,067,899	\$12,069,224	\$0	\$0	\$42,176,593	\$1,780,077	\$424,402	\$0	\$34,376	\$0
Primary Conductors and Poles Accumulated Depreciation											
Acct 1830-4 Primary Poles, Towers & Fixtures	(\$10,498,291)	(\$4,021,220)	(\$1,383,972)	\$0	\$0	(\$4,836,370)	(\$204,121)	(\$48,666)	\$0	(\$3,942)	\$0
Acct 1835-4 Primary Overhead Conductors	(\$10,446,727)	(\$4,001,469)	(\$1,377,175)	\$0	\$0	(\$4,812,616)	(\$203,118)	(\$48,427)	\$0	(\$3,922)	\$0
Acct 1840-4 Primary Underground Conduit	(\$16,644,818)	(\$6,375,559)	(\$2,194,259)	\$0	\$0	(\$7,667,963)	(\$323,629)	(\$77,159)	\$0	(\$6,250)	\$0
Acct 1845-4 Primary Underground Conductors	(\$13,635,030)	(\$5,222,703)	(\$1,797,484)	\$0	\$0	(\$6,281,409)	(\$265,109)	(\$63,207)	\$0	(\$5,120)	\$0
Subtotal	(\$51,224,867)	(\$19,620,951)	(\$6,752,890)	\$0	\$0	(\$23,598,358)	(\$995,976)	(\$237,458)	\$0	(\$19,234)	\$0
Primary Conductor & Pools - Net Fixed Assets	\$40,327,703	\$15,446,949	\$5,316,335	\$0	\$0	\$18,578,235	\$784,100	\$186,943	\$0	\$15,142	\$0
General Plant Assigned to Primary C&P - NFA	\$4,816,902	\$1,929,973	\$641,413	\$0	\$0	\$2,133,103	\$85,509	\$24,856	\$0	\$2,046	\$0
Primary C&P Net Fixed Assets Including General Plant	\$45,144,605	\$17,376,922	\$5,957,748	\$0	\$0	\$20,711,338	\$869,610	\$211,800	\$0	\$17,188	\$0
Acct 1830-3 Bulk Poles, Towers & Fixtures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Acct 1835-3 Bulk Overhead Conductors	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Acct 1840-3 Bulk Underground Conduit	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Acct 1845-3 Bulk Underground Conductors	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Description	Total	1	2	3	4	5	6	7	8	9	10
		Residential	GS <50	GS>50-Regular	GS> 50-TOU	GS>50	Large Use >5MW	Street Light	Sentinel	Unmetered Scattered Load	Embedded Distributor
Acct 1830-5 Secondary Poles, Towers & Fixtures	\$14,993,888	\$5,830,187	\$2,020,944	\$0	\$0	\$7,081,174	\$0	\$56,395	\$0	\$5,189	\$0
Acct 1835-5 Secondary Overhead Conductors	\$14,791,927	\$5,751,657	\$1,993,723	\$0	\$0	\$6,985,793	\$0	\$55,635	\$0	\$5,119	\$0
Acct 1840-5 Secondary Underground Conduit	\$6,447,600	\$2,507,069	\$869,037	\$0	\$0	\$3,045,012	\$0	\$24,251	\$0	\$2,231	\$0
Acct 1845-5 Secondary Underground Conductors	\$21,083,447	\$8,198,036	\$2,841,722	\$0	\$0	\$9,957,093	\$0	\$79,298	\$0	\$7,297	\$0
Subtotal	\$57,316,862	\$22,286,949	\$7,725,425	\$0	\$0	\$27,069,072	\$0	\$215,579	\$0	\$19,837	\$0
Operations and Maintenance											
Acct 5020 Overhead Distribution Lines & Feeders - Labour	\$29,600	\$11,406	\$3,937	\$0	\$0	\$13,773	\$345	\$127	\$0	\$11	\$0
Acct 5025 Overhead Distribution Lines & Feeders - Other	\$94,454	\$36,399	\$12,563	\$0	\$0	\$43,951	\$1,102	\$405	\$0	\$34	\$0
Acct 5040 Underground Distribution Lines & Feeders - Labour	\$300,340	\$115,686	\$39,922	\$0	\$0	\$139,649	\$3,679	\$1,295	\$0	\$110	\$0
Acct 5045 Underground Distribution Lines & Feeders - Other	\$260,374	\$100,291	\$34,609	\$0	\$0	\$121,066	\$3,189	\$1,123	\$0	\$95	\$0
Acct 5090 Underground Distribution Lines & Feeders - Rental Paid	\$10,640	\$4,098	\$1,414	\$0	\$0	\$4,947	\$130	\$46	\$0	\$4	\$0
Acct 5095 Overhead Distribution Lines & Feeders - Rental Paid	\$15,400	\$5,934	\$2,048	\$0	\$0	\$7,166	\$180	\$66	\$0	\$6	\$0
Acct 5120 Maintenance of Poles, Towers & Fixtures	\$291,810	\$112,451	\$38,814	\$0	\$0	\$135,784	\$3,404	\$1,251	\$0	\$106	\$0
Acct 5125 Maintenance of Overhead Conductors & Devices	\$1,082,001	\$416,956	\$143,918	\$0	\$0	\$503,474	\$12,623	\$4,637	\$0	\$394	\$0
Acct 5135 Overhead Distribution Lines & Feeders - Right of Way	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Acct 5145 Maintenance of Underground Conduit	\$213,969	\$82,206	\$28,334	\$0	\$0	\$99,067	\$3,328	\$954	\$0	\$79	\$0
Acct 5150 Maintenance of Underground Conductors & Devices	\$495,620	\$191,278	\$66,069	\$0	\$0	\$231,195	\$4,818	\$2,081	\$0	\$179	\$0
Total	\$2,794,208	\$1,076,706	\$371,629	\$0	\$0	\$1,300,073	\$32,799	\$11,985	\$0	\$1,017	\$0
General Expenses											
Acct 5005 - Operation Supervision and Engineering	\$1,985,690	\$791,893	\$259,364	\$0	\$0	\$902,896	\$21,720	\$8,390	\$0	\$1,427	\$0
Acct 5010 - Load Dispatching	\$692,930	\$276,340	\$90,508	\$0	\$0	\$315,076	\$7,579	\$2,928	\$0	\$498	\$0
Acct 5085 - Miscellaneous Distribution Expense	\$6,930	\$2,764	\$905	\$0	\$0	\$3,151	\$76	\$29	\$0	\$5	\$0
Acct 5105 - Maintenance Supervision and Engineering	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$2,685,550	\$1,070,997	\$350,777	\$0	\$0	\$1,221,124	\$29,375	\$11,347	\$0	\$1,930	\$0
Primary Conductors and Poles Gross Assets	\$91,552,570	\$35,067,899	\$12,069,224	\$0	\$0	\$42,176,593	\$1,780,077	\$424,402	\$0	\$34,376	\$0
Acct 1815 - 1855	\$268,466,798	\$107,064,508	\$35,066,169	\$0	\$0	\$122,072,278	\$2,936,534	\$1,134,375	\$0	\$192,934	\$0

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File Number: EB-2019-0049

Exhibit: 7

Filed: April 30, 2019

Appendix 7-2: Required OEB Filing Appendices

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Appendix 2-Q Cost of Serving Embedded Distributor(s)

To be completed by Host Distributors ONLY

(Not required if Host Distributor has an Embedded Distributor rate class, i.e. a separate row on Sheet 11 of the RRWF.)

Proposed Rate Class for Billing Embedded Distributor(s)

Waterloo North Hydro Inc.

Host's Distribution Facilities used by Embedded Distributor(s)

(1)	(2)	(3)	(4)	(5)	(6) = '(3) + (4)
Asset Class	Total OM&A costs associated with asset class	Original cost of asset class	Accumulated amortization of asset class	Annual amortization of asset class	Net Book Value of asset class
Totals for Host Distributor:	(\$)	(\$)	(\$)	(\$)	
Distribution Stations					\$ -
Low Voltage Line					\$ -
LV Line category # 2 (if applicable)					\$ -
TS (owned by host)	\$ 3,053,100.00	\$ 78,118,600.96	-\$ 32,939,016.42	-\$ 1,804,711.05	\$ 45,179,584.54
O/H	\$ 3,986,300.00	\$ 85,644,735.86	-\$ 34,895,066.32	-\$ 1,491,568.10	\$ 50,749,669.54
U/G	\$ 2,102,700.00	\$ 66,026,087.62	-\$ 32,066,612.98	-\$ 1,333,053.72	\$ 33,959,474.64
					\$ -

(1)	(7)	(8)	(9)	(10)	(11)
Asset Class	Total line length or station capacity in asset class	Line length or capacity required to provide LV service to Embedded Distributor(s)	Annual total demand on station/line providing LV services (sum of 12 monthly peaks)	Annual billed Embedded Distributor demand on station/line providing LV services	Embedded Distributor(s)' Responsibility Share
Embedded Distributor's share:	kW or kVA; km	kW or kVA; km	kW or kVA	kW or kVA	percent
Distribution Stations					0.00%
Low Voltage Line					0.00%
LV Line # 2 (if applicable)					0.00%
TS (owned by host)	83,300.00	5,000.00	227,606	43,316	1.14%
O/H	1,017.70	14.30	227,606	43,316	0.27%
U/G	950.30	0.50	227,606	43,316	0.01%

(1)	(12)	(12a)	(13)	(14)	(15)	(16)
Asset Class	Return on Assets used to Provide LV services	Taxes/PILs	Annual amortization on assets used to provide LV services	OM&A costs with burden associated with assets used to provide LV services	Total annual cost associated with assets used to provide LV services	Monthly cost associated with the delivery of LV services
	(\$)	(\$)	(\$)	(\$)	(\$)	\$/kW or \$/kVA
Distribution Stations	\$ -	\$ -	\$ -	\$ -	\$ -	0.00
Low Voltage Line	\$ -	\$ -	\$ -	\$ -	\$ -	0.00
LV Line # 2 (if applicable)	\$ -	\$ -	\$ -	\$ -	\$ -	0.00
TS (owned by host)	\$ 31,214.2017	\$ 6,740.6246	-\$ 20,615.73	\$ 34,876.44	\$ 52,215.53	1.21
O/H	\$ 8,214.6656	\$ 1,774.9071	-\$ 3,988.65	\$ 10,659.88	\$ 16,660.81	0.38
U/G	\$ 205.5757	\$ 44.3810	-\$ 133.48	\$ 210.55	\$ 327.02	0.01
Administration					\$ 8,304.40	0.19
Total					\$ 69,203.36	1.79

(17)	(18) Capital Structure (%)	(19) Cost Rate (%)	(20)	(21) (%)
Long-Term Debt	56.00%	4.13%	Weighted Average Cost of Capital	6.02%
Short-term Debt	4.00%	2.82%		
Common Equity	40.00%	8.98%	Tax/PILs Rate	26.5%
Preferred Shares				
Total	100.00%		Working Capital Allowance Factor	7.5%

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File Number: EB-2019-0049

Exhibit: 7

Filed: April 30, 2019

Appendix 7-3: WNHI Communication

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Margaret Nanninga, MBA, CPA, CGA
Vice President Finance & CFO
T | 519-749-6177
F | 519-745-2360
mnanninga@kwhydro.ca

April 10, 2019

Waterloo North Hydro Inc.
526 Country Squire Road
Waterloo, ON
N2J 4G8

Attn: Rene Gatien, President & CEO

Re: **Kitchener-Wilmot Hydro Inc. – Cost of Service Application
Embedded Distributor Rates**

Dear Rene:

Kitchener Wilmot Hydro Inc. (KWHI) is applying to the Ontario Energy Board (OEB) through a Cost of Service application for new embedded generator rates.

As part of KWHI's customer engagement activities, we value your comments and feedback with respect to the proposed changes to the distribution rates.

The following is an overview of the proposed changes:

Consistent with the rates as designed in the prior Cost of Service application, KWHI proposes to directly allocate its costs to your rate class. This cost allocation methodology has been approved by the OEB in the past.

Attached to this letter are the following documents:

Appendix 2-Q Cost of serving the embedded distributor

Appendix 2-W Bill impacts

We would appreciate receiving your comments and feedback no later than April 22nd, 2019. If you have any questions or require additional information, please do not hesitate to contact the undersigned at 519 749-6177.

Sincerely

Margaret Nanninga, MBA, CPA, CGA
Vice President Finance & CFO

Appendix 2-Q Cost of Serving Embedded Distributor(s)

To be completed by Host Distributors ONLY

(Not required if Host Distributor has an Embedded Distributor rate class, i.e. a separate row on Sheet 11 of the RRWF.)

Proposed Rate Class for Billing Embedded
Distributor(s)

Waterloo North Hydro Inc.

Host's Distribution Facilities used by Embedded Distributor(s)

(1)	(2)	(3)	(4)	(5)	(6) = (3) + (4)
Asset Class	Total OM&A costs associated with asset class	Original cost of asset class	Accumulated amortization of asset class	Annual amortization of asset class	Net Book Value of asset class
Totals for Host Distributor:	(\$)	(\$)	(\$)	(\$)	
Distribution Stations					\$ -
Low Voltage Line					\$ -
LV Line category # 2 (if applicable)					\$ -
TS (owned by host)	\$ 3,053,100.00	\$ 78,118,600.96	-\$ 32,939,016.42	-\$ 1,804,711.05	\$ 45,179,584.54
O/H	\$ 3,986,300.00	\$ 85,644,735.86	-\$ 34,895,066.32	-\$ 1,491,568.10	\$ 50,749,669.54
U/G	\$ 2,102,700.00	\$ 66,026,087.62	-\$ 32,066,612.98	-\$ 1,333,053.72	\$ 33,959,474.64
					\$ -

(1)	(7)	(8)	(9)	(10)	(11)
Asset Class	Total line length or station capacity in asset class	Line length or capacity required to provide LV service to Embedded Distributor(s)	Annual total demand on station/line providing LV services (sum of 12 monthly peaks)	Annual billed Embedded Distributor demand on station/line providing LV services	Embedded Distributor(s)' Responsibility Share
Embedded Distributor's share:	kW or kVA; km	kW or kVA; km	kW or kVA	kW or kVA	percent
Distribution Stations					0.00%
Low Voltage Line					0.00%
LV Line # 2 (if applicable)					0.00%
TS (owned by host)	83,300.00	5,000.00	227,606	43,316	1.14%
O/H	1,017.70	14.30	227,606	43,316	0.27%
U/G	950.30	0.50	227,606	43,316	0.01%

(1)	(12)	(12a)	(13)	(14)	(15)	(16)
Asset Class	Return on Assets used to Provide LV services	Taxes/PILs	Annual amortization on assets used to provide LV services	OM&A costs with burden associated with assets used to provide LV services	Total annual cost associated with assets used to provide LV services	Monthly cost associated with the delivery of LV services
	(\$)	(\$)	(\$)	(\$)	(\$)	\$/kW or \$/kVA
Distribution Stations	\$ -	\$ -	\$ -	\$ -	\$ -	0.00
Low Voltage Line	\$ -	\$ -	\$ -	\$ -	\$ -	0.00
LV Line # 2 (if applicable)	\$ -	\$ -	\$ -	\$ -	\$ -	0.00
TS (owned by host)	\$ 31,214,201.7	\$ 6,740,624.6	-\$ 20,615.73	\$ 34,876.44	\$ 52,215.53	1.21
O/H	\$ 8,214,665.6	\$ 1,774,907.1	-\$ 3,988.65	\$ 10,659.88	\$ 16,660.81	0.38
U/G	\$ 205,575.7	\$ 44,381.0	-\$ 133.48	\$ 210.55	\$ 327.02	0.01
Administration					\$ 8,304.40	0.19
Total					\$ 69,203.36	1.79

(17)	(18) Capital Structure (%)	(19) Cost Rate (%)	(20)	(21) (%)
Long-Term Debt	56.00%	4.13%	Weighted Average Cost of Capital	6.02%
Short-term Debt	4.00%	2.82%		
Common Equity	40.00%	8.98%	Tax/PILs Rate	26.5%
Preferred Shares				
Total	100.00%		Working Capital Allowance Factor	7.5%

Customer Class: EMBEDDED DISTRIBUTOR SERVICE CLASSIFICATION			
RPP / Non-RPP:	Non-RPP (Other)		
Consumption	1,500,000 kWh		
Demand	3,600 kW		
Current Loss Factor	1.0351		
Proposed/Approved Loss Factor	1.0349		

	Current OEB-Approved		Proposed		Impact			
	Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	\$	1	\$	\$	1	\$	\$	
Distribution Volumetric Rate	\$	2,3687	\$ 8,527.32	\$ 3,397.4	3600	\$ 12,230.64	\$ 3,703.32	43.43%
Fixed Rate Riders	\$	1	\$	\$	1	\$	\$	
Volumetric Rate Riders	\$	3600	\$	\$ 0.0311	3600	\$ 111.96	\$ 111.96	
Sub-Total A (excluding pass through)			\$ 8,527.32			\$ 12,342.60	\$ 3,815.28	44.74%
Line Losses on Cost of Power	\$	-	\$	\$	-	\$	\$	
Total Deferral/Variance Account Rate Riders	\$	1,0438	\$ (3,757.68)	\$ 0.1311	3,600	\$ 471.96	\$ 4,229.64	-112.56%
CBR Class B Rate Riders	\$	3,600	\$	\$	3,600	\$	\$	
GA Rate Riders	\$	1,500,000	\$	\$	1,500,000	\$	\$	
Low Voltage Service Charge	\$	3,600	\$	\$	3,600	\$	\$	
Smart Meter Entity Charge (if applicable)	\$	1	\$	\$	1	\$	\$	
Additional Fixed Rate Riders	\$	1	\$	\$	1	\$	\$	
Additional Volumetric Rate Riders	\$	3,600	\$	\$	3,600	\$	\$	
Sub-Total B - Distribution (includes Sub-Total A)			\$ 4,769.64			\$ 12,814.56	\$ 8,044.92	168.67%
RTSR - Network	\$	2,5650	\$ 9,234.00	\$ 2,6680	3,600	\$ 9,604.80	\$ 370.80	4.02%
RTSR - Connection and/or Line and Transformation Connection	\$	0,7970	\$ 2,869.20	\$ 0,7972	3,600	\$ 2,869.92	\$ 0.72	0.03%
Sub-Total C - Delivery (including Sub-Total B)			\$ 16,872.84			\$ 25,289.28	\$ 8,416.44	49.88%
Wholesale Market Service Charge (WMSC)	\$	1,552,650	\$	\$	1,552,350	\$	\$	
Rural and Remote Rate Protection (RRRP)	\$	1,552,650	\$	\$	1,552,350	\$	\$	
Standard Supply Service Charge	\$	1	\$	\$ 0.25	1	\$ 0.25	\$ 0.25	
Average IESO Wholesale Market Price		1,552,650	\$	\$	1,552,350	\$	\$	
Total Bill on Average IESO Wholesale Market Price HST	13%		\$ 16,872.84			\$ 25,289.53	\$ 8,416.69	49.88%
Total Bill on Average IESO Wholesale Market Price			\$ 2,193.47	13%		\$ 3,287.64	\$ 1,094.17	49.88%
			\$ 19,066.31			\$ 28,577.17	\$ 9,510.86	49.88%