# 2019 Cost of Service Checklist

## Algoma Power Inc.

## EB-2019-0019

**Filing Requirement Page # Reference**

**Date: May 17, 2019**

| Filing Requirement Page # Reference | | Yes/No/N/A | Evidence Reference, Notes |
|---|---|---|---|
| **GENERAL REQUIREMENTS** | | | |
| **Ch 1, Pg. 2** | Certification by a senior officer that the evidence filed is accurate, consistent and complete | **Yes** | Appendix 1D; Appendix 9D |
| **Ch 1, Pg. 3** | Confidential Information - Practice Direction has been followed | **Yes** | 1.3.4 (statement confirming no confidential information) |
| **Ch 2, Pg. 1** | Statement identifying all deviations from Filing Requirements | **Yes** | 1.3.11 |
| **2** | Chapter 2 appendices in live Microsoft Excel format; PDF and Excel copy of current tariff sheet | **Yes** | Ch 2 Appendices Workbook; Excel Tariff Sheets; Appendices 8B & 8C |
| **3** | If applicable, late applications filed after the commencement of the rate year for which the application is intended to set rates is converted to the following rate year. | **N/A** | Filed in May 2019 for 2020 test year |
| **3** | Aligning rate year with fiscal year - request for proposed alignment | **N/A** | Rate year aligned with fiscal in prior application |
| **5** | Text searchable and bookmarked PDF documents | **Yes** | All pdf files searchable and appropriately bookmarked |
| **5** | Links within Excel models not broken and models names so that they can be identified (e.g. RRWF instead of Attachment A) | **Yes** | Various Excel models named accordingly |
| **5** | Materiality threshold; additional details beyond the threshold if necessary | **Yes** | All amounts above materiality are explained; additional explanations provided for amounts below materiality where appropriate |
| **16** | Proposal for disposition of any balances in existing DVAs for renewable generation and smart grid development, if applicable | **N/A** | No balances for these items |
| **6** | State accounting standard(s) used in historical, bridge and test years. Provide a summary of changes to its accounting policies made since the applicant's last cost of service filing. Identify all material changes or confirm no material changes in the adoption of IFRS. Appendix 2-Y | **Yes** | 1.3.13; Note - Appendix 2-Y no longer included in OEB model |
| **RESS Guideline** | Two hardcopies of application sent to OEB the same day as electronic filing (p10 of RESS Guideline) | **Yes** | Hard copies sent May 17, 2019 |
| **EXHIBIT 1 - ADMINISTRATIVE DOCUMENTS** | | | |
| *Table of Contents* | | | |
| **6** | Table of Contents listing major sections and subsections of the application. Electronic version of application appropriately bookmarked to provide direct access to each section | **Yes** | 1.2.1 (list of Exhibits and Models); each Exhibit contains a detailed TOC, with bookmarks; Full TOC at beginning of hard copies; |
| *Executive Summary* | | | |
| **6** | Summary identifying key elements of the proposals and the Business Plan underpinning application, as guided by the Rate Handbook including plain language information about its goals | **Yes** | 1.2.3 (Executive Summary); Appendix 1B (Business Plan) |
| *Administration* | | | |
| **6** | Brief but complete summary of the application that will be posted as a stand-alone document on the OEB's website for review by the general public and be made available to customers of the applicant | **Yes** | Appendix 1A |
| **6 & 7** | Primary contact information (name, address, phone, fax, email) | **Yes** | 1.3.1 |
| **7** | Identification of legal (or other) representation | **Yes** | 1.3.1 |
| **7** | Applicant's internet address for viewing of application and any social media accounts used by the applicant to communicate with customers | **Yes** | 1.3.1 |
| **7** | Statement identifying customers materially affected by the application including any change to any rate or charge and specific statement of what individual customer or customer groups would be affected by the proposed change | **Yes** | 1.3.3 |
| **7** | Statement identifying where notice should be published and why | **Yes** | 1.3.3 |
| **7** | A list of one ore more accessible community-based venues for each non-contiguous area that the utility serves | **Yes** | 1.3.1 |
| **7** | Bill impacts - distribution only impacts for 750 kWh residential and 2000 kWh GS<50 (sub-total A of Tariff Schedule and Bill Impact Spreadsheet Model) to be used for notice; proposed bill impacts based on alternative consumption profiles and customer groups as appropriate given consumption patterns of a distributors customers | **Yes** | 1.3.9 |
| **7** | Form of hearing requested and why | **Yes** | 1.3.10 |
| **7** | Requested effective date | **Yes** | 1.3.4 (item #1 in list of requested approvals) |
| **7** | Statement identifying and describing any changes to methodologies used vs previous applications | **Yes** | 1.3.12 |
| **8** | Identification of OEB directions from any previous OEB Decisions and/or Orders. The applicant must clearly indicate how these are being addressed in the current application (e.g., filing of a study as directed in a previous decision) | **N/A** | 1.3.13 (confirms no directives that require addressing in the Application) |
| **8** | Reference to Conditions of Service - LDC does not need to file Conditions of Service, but must provide reference to website and confirm version is current; identify if there are changes to Conditions of Service (a) since last CoS application or (b) as a result of the current application. Confirmation that there are no rates and charges linked in the Conditions of Service that are not in the distributor's Tariff of Rates and Charges must be provided | **Yes** | 1.3.14 |
| **8** | Description of the corporate and utility organizational structure, showing the main units and executive and senior management positions within the utility. Include a corporate entities relationship chart, showing the extent to which the parent company is represented on the utility company's Board of Directors and a description of the reporting relationships between utility and parent company management. Also include any planned changes in corporate or operational structure, including any changes in legal organization and control | **Yes** | 1.3.17 |

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| 8 | List of approvals requested (and relevant section of legislation), including accounting orders - a PDF copy of Appendix 2-A should be provided in this section | Yes | 1.3.4; Appendix 1C (pdf of OEB 2-A) |
| *Distribution System Overview* | | | |
| 8 | Description of Service Area (including map, communities served) | Yes | 1.4.1; Appendix 1E |
| 8 & 9 | Description of whether the distributor is a host distributor and/or embedded distributor. Identification of embedded and/or host distributors; if partially embedded provide %load from host distributor. If the distributor is a host, the applicant should identify whether there is a separate Embedded Distributor customer class or if any embedded distributors are included in other customer classes such as GS > 50 kW | Yes | 1.4.2 (confirms API is not host or embedded distributor) |
| 9 | Statement as to whether or not the distributor has had any transmission or high voltage assets deemed by the OEB as distribution assets and whether or not there are any such assets the distributor is seeking approval for in this application | Yes | 1.4.3 (confirms no HV assets) |
| *Application Summary* | | | |
| At a minimum, the items below must be provided. Applicants must also identify all proposed changes that will have a material impact on customers. | | | |
| 9 | Revenue Requirement - service RR, increase/decrease ($ and %) from change from previously approved and main drivers | Yes | 1.5 |
| 9 | Budgeting and Accounting Assumptions - economic overview and identification of accounting standard used for test year and brief explanation of impacts arising from any change in standards | Yes | 1.5 |
| 9 | Load Forecast Summary - load and customer growth, % change in kWh/kW and customer numbers, description of forecasting method(s) used for customer/connection and consumption/demand | Yes | 1.5 |
| 9 & 10 | Rate Base and DSP - major drivers of DSP, rate base for test year, change in rate base from last approved ($ and %), capital expenditures requested for the test year, change in capital expenditures from last approved ($ and %), summary of costs requested for renewable energy connections/expansions, smart grid, and regional planning initiatives, any O.Reg 339/09 planned recovery | Yes | 1.5 |
| 10 | OM&A Expense - OM&A for test year and change from last approved ($ and %), summary of drivers, inflation assumed, total compensation for test year and change from last approved ($ and %). | Yes | 1.5 |
| 10 | Cost of Capital - summary table showing proposed capital structure and cost of capital parameters used in WACC. Statement regarding use of OEB's cost of capital parameters; summary of any deviations | Yes | 1.5 |
| 10 | Cost Allocation & Rate Design - summary of any deviations from OEB methodologies, significant changes proposed to revenue-to-cost ratios and fixed/variable splits and summary of proposed mitigation plans | Yes | 1.5 |
| 10 | Deferral and Variance Accounts - total disposition (RPP and non-RPP), disposition period, new accounts requested | Yes | 1.5 |
| 10 | Bill Impacts - total impacts ($ and %) for all classes for typical customers | Yes | 1.5 |
| *Customer Engagement* | | | |
| 10 | Discussion on how customers were informed of the proposals being considered for inclusion in the application and the value of those proposals to customers i.e. costs, benefits, and the impact on rates | Yes | 1.7.1 (Taking AIM Program); Appendix 1B (Business Plan - Section 4.2) |
| 10 | Discussion of any feedback provided by customers and how the feedback shaped the final application | Yes | 1.7.2; Appendix 1B |
| 11 | Reference to any other communication sent to customers about the application i.e. bill inserts, town hall meetings or other forms of out reach and the feedback received from customers through these engagement activities | Yes | 1.7.1; Appendix 1F (pdf of OEB 2-AC) |
| 11 | Complete Appendix 2-AC Customer Engagement Activities Summary - explicit identification of the outcomes of customer engagement in terms of the impacts on the distributor's plans, and how that information has shaped the application | Yes | Appendix 1F (pdf of OEB 2-AC) |
| 11 | All responses to matters raised in letters of comment filed with the OEB | Yes | 1.8.1 (confirms no letters of comment received as of filing date) |
| 11 | Impact of customer engagement activities on the development of the capital plan are to be filed as part of the capital plan requirements in Chapter 5 | Yes | 1.7.2; DSP Sections 2.1.2 and 4.1.3 |
| 11 | Provide relevant customer and local knowledge for (community) meeting planning purposes, preparing presentation and other materials as may be required, attending the meeting and having one or more executives of the distributor available to present the distributor's rate application information and answer customer questions | Yes | 1.3.1 (commitment to work with OEB Staff to plan and prepare for meetings) |
| 11 | Required to advertise the OEB's community meeting(s) on a bill insert developed by the OEB in the next available billing cycle following the filing of the application or sooner. The OEB may require the distributor to advertise the meeting(s) through other channels | Yes | 1.3.1 (acknowledgement of requirement to advertise) |
| *Performance Measurement* | | | |
| 12 | Discussion of performance for each of the distributor's scorecard measures over the last five years; drivers for its performance, plans for continuous improvement, identify performance improvement targets, forecast of efficiency assessment using the PEG forecasting model for the test year, discussion on how the results obtained from the PEG model has informed the business plan and application | Yes | 1.9.1 (summary of PEG performance and reference to detailed scorecard analysis in Business Plan) |

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| *Financial Information* | | | |
| **12** | Non-consolidated Audited Financial Statements for 2 most recent years (i.e. 3 years of historical actuals) | **Yes** | 1.10.1; Appendices 1H, 1I |
| **12** | Detailed reconciliation of AFS with regulatory financial results filed in the application, with identification of any deviations that are being proposed | **Yes** | 1.10.2; Appendix 1J |
| **13** | Annual Report and MD&A for most recent year of distributor and parent company, if applicable | **N/A** | 1.10.3 (API does not publish MD&A - reference to Scorecard & Business Plan) |
| **13** | Rating Agency Reports, if available; Prospectuses, etc. for recent and planned public issuances | **N/A** | 1.10.4 (statement confirming N/A) |
| **13** | Any change in tax status | **N/A** | 1.3.15 (confirm no change in Tax Status) |
| **13** | Existing accounting orders and departures from the accounting orders and USoA | **Yes** | 1.3.15 |
| **13** | Accounting Standards used for financial statements and when adopted | **Yes** | 1.3.15 |
| **13** | Confirmation that accounting treatment of any non-utility business has segregated activities from rate regulated activities | **Yes** | 1.3.16 |
| *Distributor Consolidation* | | | |
| **13** | If a distributor has acquired or amalgamated with another distributor, identify any incentives that formed part of the acquisition or amalgamation transaction if the incentive represents costs that are being proposed to remain or enter rate base and/or revenue requirement. A distributor must specify whether any commitments made to shareholders are to be funded through rates | **N/A** | 1.11.1 (clarifies that 2.1.10 filing requirements generally N/A with respect to API/DLI MAAD; summarizes how acquisition was reflected throughout the Application) |
| **13** | Description of actual savings as a result of consolidation compared to what was in the approved consolidation application and explanation of how savings are sustainable and the efficacy of any rate plan approved as part of the MAADs application | **N/A** | 1.11.1 (clarifies that 2.1.10 filing requirements generally N/A with respect to API/DLI MAAD; summarizes how acquisition was reflected throughout the Application) |
| **13** | Identify approved ACM or ICM from a previous Price Cap IR application it proposes be incorporated into rate base. | **N/A** | 1.11.1 (confirms no ACM/ICM) |

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| **EXHIBIT 2 - RATE BASE** | | | |
| *Overview* | | | |
| **14** | Completed Fixed Asset Continuity Schedule (Appendix 2-BA) - in Application and Excel format | **Yes** | 2.1.4; Stand-alone workbook for FA continuity and depreciation schedules |
| **14** | Opening and closing balances, average of opening and closing balances for gross assets and accumulated depreciation (discussion of methodology if applicant uses an alternative method); working capital allowance (historical actuals, bridge and test year forecast) | **Yes** | 2.1.3 |
| **14 & 15** | Continuity statements (year end balance, including interest during construction and overheads).<br>Explanation for any restatement (e.g. due to change in accounting standards)<br>Year over year variance analysis; explanation where variance greater than materiality threshold<br>Hist. OEB-Approved vs Hist. Actual<br>Hist. Act. vs. preceding Hist. Act.<br>Hist. Act. vs. Bridge<br>Bridge vs. Test | **Yes** | 2.1.4; 2.1.3 |
| **15** | Opening and closing balances of gross assets and accumulated depreciation must correspond to fixed asset continuity statements. If not, an explanation must be provided (e.g. CWIP, ARO). Reconciliation must be between net book value balances reported on Appendix 2-BA and balances included in rate base calculation | **Yes** | 2.1.4 |
| *Gross Assets - PP&E and Accumulated Depreciation* | | | |
| **15** | Breakdown by function and by major plant account; description of major plant items for test year | **Yes** | 2.1.4; 2.2.1; 2.2.2 |
| **15 & 16** | Summary of approved and actual costs for any ICM(s) and/ or ACM approved in previous IRM applications | **N/A** | 2.5.5 (confirms no prior approved ICM/ACM) |
| **16** | Continuity statements must reconcile to calculated depreciation expenses and presented by asset account | **Yes** | 2.1.4 (reference to Exh 4 for depreciation continuity schedules) |
| **16** | All asset disposals clearly identified in the Chapter 2 Appendices for all historical, bridge and test years and if any amounts related to gains or losses on disposals have been included in Account 1575 IFRS - CGAAP Transitional PP&E Amount | **Yes** | 2.1.4; Ch 2 Appendices (2-AB) |
| *Allowance for Working Capital* | | | |
| **16** | Working Capital - 7.5% allowance or Lead/Lag Study or Previous OEB Direction | **Yes** | 2.3.1; 2.3.2 |
| **16** | Lead/Lag Study - leads and lags measured in days, dollar-weighted | **N/A** | 2.3.2 (confirms use of 7.5% default rate) |
| **16 & 17** | Cost of Power must be determined by split between RPP and non-RPP Class A and Class B customers based on actual data, use most current RPP (TOU) price, use current UTR. Calculation must fully consider all other impacts resulting from the Ontario Fair Hydro Plan Act, 2017. Distributors must complete Appendix 2-Z - Commodity Expense. | **Yes** | 2.3.3 (incl. commitment to update inputs as required) |
| **17** | In consideration of the impact of the Fair Hydro Plan, actual data must be split between Class A and Class B customers (RPP and non-RPP). | **Yes** | 2.3.3; Ch 2 Appendices (2-Z) |
| **17** | Non-RPP Class B consumption data must be further split between customers eligible for the Global Adjustment (GA) modifier vs. non-eligible. The GA modifier must be applied to eligible customers and a weighted average commodity price must be determined by the split between RPP, eligible non-RPP and non-eligible Non-RPP customers. | **Yes** | 2.3.3; Ch 2 Appendices (2-Z) |
| **17** | For customer classes that include Class A customers, distributor must incorporate Class A GA cost by completing the relevant section in Appendix 2-Z | **Yes** | 2.3.3; Ch 2 Appendices (2-Z) |
| **17** | If a distributor expects test year consumption data to vary significantly, a distributor may provide a forecast of the expected split between Class A and Class B and the expected split between RPP, non-RPP eligible for modifier and non-RPP non eligible for modifier consumption data and provide brief explanation of the forecast | **N/A** | 2.3.3 (historical actuals used for calculations); Ch 2 Appendices (2-Z) |

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| *Capital Expenditures* | | | |
| **17** | DSP filed as a stand-alone document; a discrete element within Exhibit 2 | **Yes** | DSP filed as Appendix 2A to Exhibit |
| **18** | Complete Appendix 2-AB - four historical years must be actuals, forecasts for the bridge and test years; at a minimum, for historical years, applicants must provide actual totals for each DSP category. If no previous plan has been filed, applicants are only required to enter their planned total capital budget in the "plan" column for each historical year and for the bridge year including the OEB-approved amount for the last rebasing year | **Yes** | 2.2.1 (2-AB included here); Ch 2 Appendices (2-AB) |
| **19** | Distributor that has an approved ACM or ICM from a previous Price Cap IR application must file a schedule of the ACM/ICM capital asset amounts (ie PP&E and associated accumulated depreciation) it proposes be incorporated into rate base. Distributor must provide a comparison of actual capital spending with the OEB-approved amount and provide explanation for variances. | **N/A** | 2.5.5 (confirms no prior approved ICM/ACM) |
| *Policy Options for the Funding of Capital* | | | |
| **18** | Distributor may propose ACM capital project coming into service during Price Cap IR (a discrete project documented in DSP). Provide cost and materiality calculations to demonstrate ACM qualification | **Yes** | 2.5.4 (two ACM projects) |
| **18** | Distributor must establish need for and prudence of these projects based on DSP information; identification that distributor is proposing ACM treatment for these future projects, preliminary cost information | **Yes** | 2.5.4 (reference to relevant sections of DSP) |
| **18** | Complete Capital Module Applicable to ACM and ICM | **Yes** | ACM/ICM Model |
| *Addition of Previously Approved ACM and ICM Project Assets to Rate Base* | | | |
| **19** | Distributor with previously approved ACM(s) and/or ICM(s) - schedule of ACM/ICM amounts proposed to be incorporated into rate base. The distributors must compare actual capital spending with OEB-approved amount and provide an explanation for variances | **N/A** | 2.5.5 (confirms no prior approved ICM/ACM) |
| **19 & 20** | Balances in Account 1508 sub-accounts, reconciliation with proposed rate base amounts; recalculated revenue requirement should be compared with rate rider revenue | **N/A** | 2.5.5 (confirms no prior approved ICM/ACM) |
| *Capitalization Policy and Capitalization* | | | |
| **20** | Changes to capitalization policy since its last rebasing application as a result of the OEB's letter dated July 17, 2012 or for any other reasons, the applicant must identify the changes and the causes of the changes. | **N/A** | 2.2.3 (confirms no change and summarizes policy) |
| **20** | Appendix 2-D complete; identification of burden rates and burden rates prior to changes, if any | **Yes** | 2.5.2 (burden rates); Ch 2 Appendices (2-D) |
| *Costs of Eligible Investments for the Connection of Qualifying Generation Facilities* | | | |
| **21 & 22** | Generation Facilities - If applicable, proposal to divide the costs of eligible investments between the distributor's ratepayers and all Ontario ratepayers per O.Reg. 330/09. Request for rate protection exceeds the materiality threshold in section 2.0.8 of the Filing Requirements<br>- Appendices 2-FA through 2-FC identifying all eligible investments for recovery | **N/A** | 2.5.3 (confirms no requests for recovery and that 2-FA to 2-FC have zero values) |

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| *Service Quality and Reliability Performance* | | | |
| **22** | 5 historical years of ESQRs, explanation for any under-performance vs standard and actions taken | **Yes** | 2.6 |
| **22** | 5 historical years of SAIDI and SAIFI - for all interruptions, all interruptions excluding loss of supply, and all interruptions excluding major events. The applicant should also provide a summary of major events that occurred since last rebasing. For each interruption set out in section 2.1.4.2.5 of the RRR, for the last 5 years, a distributor must report on the following data: name of the Cause of Interruption, number of interruptions that occurred as a result of the Cause of Interruption, Number of Customer Interruptions that occurred as a result of the Cause of Interruption, and the Number of customer-hours of Interruptions that occurred as a result of the Cause of Interruption | **Yes** | 2.6 (includes summary tables and references to relevant sections of DSP for reliability analysis and summary of MEDs) |
| **22** | Explanation for any under-performance vs 5 year average and actions taken | **N/A** | No underperformance |
| **22** | Distributors may propose SAIDI and SAIFI benchmarks different than 5 year average; provide rationale | **N/A** | No alternate benchmark proposed |
| **22** | Completed Appendix 2-G | **Yes** | 2.6; Ch 2 Appendices (2-G) |
| **Ch 5 p6** | Where applicable, explanation for section headings other than Chapter 5 headings; cross reference table | **Yes** | DSP 1.2 (confirms use of Chapter 5 headings; additional headings to supplement the prescribed data; headings include references to Chapter 5 numbering where relevant) |
| **Ch 5 p7-8** | Distribution System Plan Overview - key elements, sources of cost savings, period covered, vintage of information on investment drivers, changes to asset management process since last DSP filing, dependencies | **Yes** | DSP 2.1 |
| **Ch 5 p8-9** | Coordinated Planning with 3rd parties - description of consultations<br>- deliverables of the Regional Planning Process, or status of deliverables<br>- IESO letter in relation to REG investments (Ch 5 p9) and Dx response letter | **Yes** | DSP 2.2 |
| **Ch 5 p9-11** | Performance Measurement - identify and define methods and measures used to monitor DSP performance<br>- summary of performance and trends over historical period. Must include SAIFI and SAIDI for all interruptions and all interruptions excluding loss of supply<br>- explain how information has affected DSP | **Yes** | DSP 2.3 |
| **Ch 5 p11** | Realized efficiencies due to smart meters<br>-documented capital and operating efficiencies realized as a result of the deployment and operationalization of smart meters and related technologies. Both qualitative and quantitative descriptions should be provided | **Yes** | DSP 2.4 |
| **Ch5 p12** | Asset Management Process Overview - description of AM objectives/corporate goals and how Dx ranks objectives for prioritizing investments | **Yes** | DSP 3.1 |
| **Ch5 p12** | Inputs/Outputs of the AM process and information flow for investments; flowchart recommended | **Yes** | DSP 3.1.2 |
| **Ch 5 p13** | Overview of Assets Managed - description of service area (including evolution of features in forecast period affecting DSP),<br>- description of system configuration<br>- service profile and condition by asset type (tables and/or figures) - date data compiled<br>- assessment of degree the capacity of system assets is utilized | **Yes** | DSP 3.2 |
| **Ch 5 p13-14** | Asset Lifecycle Optimization - description of asset lifecycle optimization policies and practices, including asset replacement and refurbishment, maintenance planning criteria and assumptions<br>- description of asset life cycle risk management policies and practices, assessment methods and approaches to mitigation | **Yes** | DSP 3.3 |
| **Ch 5 p14-15** | System Capability Assessment for REG - REG applications > 10 kW, number and MW of REG connections for forecast period, capacity of Dx to connect REG, connection constraints | **Yes** | DSP 3.4 |
| **Ch 5 p15** | Capital Expenditure Plan Summary for significant projects and activities to be undertaken - capability to connect new load or Gx customers, total annual capex over forecast period by investment category, description of how AMP and Capex planning have affected capital expenditures for each category<br>- list, description and total capital cost of material capital expenditures sorted by category (table recommended)<br>- information related to Regional Planning Process (Needs Assessment Report, Regional Planning Status Letter, Regional Infrastructure Plan - as appropriate)<br>- description of customer engagement<br>- Dx expectations of system development over next 5 years<br>- list, description and total capital cost of projects planned in response to customer preferences, to take advantage of technology based opportunities, to study innovative processes (table recommended) | **Yes** | DSP 4.1 |
| **Ch 5 p16-17** | Capital Expenditure Planning Process Overview - description of capex planning objectives/criteria/ assumptions, relationship with AM objectives, policy on consideration of non-distribution alternatives, processes used to identify projects in each investment category, customer feedback and impact on plan, method and criteria used to priorities REG investments | **Yes** | DSP 4.2 |
| **Ch 5 p17** | Rate-Funded Activities to Defer Distribution Infrastructure<br>-CDM programs that target distributor-specific peak demand reductions to address a local constraint of the distribution system<br>-demand response programs to reduce peak demand in order to defer capital investment<br>-programs to improve the efficiency of the distribution system and reduce distribution losses<br>-energy storage programs whose primary purpose is to defer specific capital spending for the distribution system | **N/A** | DSP 4.2.6 (confirms no proposal for rate funding of these activities) |

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| **Ch 5 p18-19** | Capital Expenditure Summary by Investment Category - completed Table 2 of Ch 5 for historical and forecast period, explanation of markedly different variances plan vs actual, explanation of markedly different variances year over year<br>Table 2 of Ch 5 is provided in Excel format in Appendix 2-AB (must provide actual totals for historical years, as a minimum)<br>- Must also complete Chapter 2 Appendix 2-AA, along with explanations of variances by project or category, the proposed accounting treatments, a statement should be provided that there are no expenditures for non-distribution activities in the applicant's budget | **Yes** | DSP 4.3 |
| **Ch 5 p19** | Justifying Capital Expenditures<br>-filings must enable OEB to assess whether and how a distributor's DSP delivers value to customers, including by controlling costs in relation to its proposed investments through appropriate optimization, prioritization, and pacing of capital-related expenditures<br>-distributors should also keep pace with technological changes and integrate cost-effective innovative projects and traditional planning needs such as load growth, asset condition and reliability | **Yes** | DSP 4.4 |
| **Ch5 p19-20** | Overall Plan - comparative expenditures by category over historical period, forecast impact of system investment on O&M, drivers of investments by category, information related to Dx system capability assessment | **Yes** | DSP 4.3.1; DSP 4.3.2 |
| **Ch 5 p20-27** | Material Investments - For each project that meets materiality threshold set in Ch 2 p5<br>- general information - total capital, customer attachments, dates, risks, variances, REG investments<br>- evaluation criteria - may include: efficiency, customer value, reliability, etc.<br>- category specific requirements for each project - system access, system renewal, system service, general plant (as applicable) | **Yes** | DSP 4.4.2-4.4.6 |

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| **EXHIBIT 3 - OPERATING REVENUE** | | | |
| *Load and Revenue Forecasts* | | | |
| 22 | Explanation of causes, assumptions and adjustments for volume forecast. Economic assumptions and data sources for customer and load forecasts | Yes | 3.1.5 (economic assumptions); 3.1.7 (variables & data sources); 3.1.10 (adjustments) |
| 22 | Explanation of weather normalization methodology | Yes | 3.1.4 |
| 22 | Quantification of any impacts arising from the persistence of historical CDM programs as well as the forecasted impacts arising from new programs in the bridge and test years through the current 6-year CDM framework by customer class | Yes | 3.2 |
| 23 | Completed Appendix 2-IB; the customer and load forecast for the test year must be entered on RRWF, Tab 10 | Yes | Appendix 3A; Ch 2 Appendices (2-IB); RRWF Tab 10 |
| 23 & 24 | Multivariate Regression Model - rationale for choice, regression statistics, explanation of weather normalization methodology, sources of data for endogenous and exogenous variables, any binary variables used to either account for individual data points or to account for seasonal or cyclical trends or for discontinuities in the historical data, explanation of any specific adjustments made; data used in load forecast must be provided in Excel format, including derivation of constructed variables | Yes | 3.1.4 (rationale and methodology); 3.1.7 (variables & data sources); 3.1.8 (regression stats); 3.1.10 (determination of forecast and adjustments); Load Forecast Model |
| 24 | NAC Model - rationale for choice, data supporting NAC variables, description of accounting for CDM including licence conditions, discussion of weather normalization considerations | N/A | Used Regression Model - rationale for choice in Section 3.1.4 |
| 24 & 25 | CDM Adjustment - account for CDM in 2019 load forecast. Consider impact of persistence of historical CDM and impact of new programs. Adjustments may be required for IESO reported results which are full year impacts | Yes | 3.2.1 (Test year is 2020) |
| 25 | CDM savings for 2019 LRAMVA balance and adjustment to 2019 load forecast; data by customer class and for both kWh and, as applicable, kW. Provide rationale for level of CDM reductions in 2019 load forecast | Yes | 3.2.2 (Test year is 2020) |
| 25 | Completed Appendix 2-I | Yes | 3.2.1; Ch 2 Appendices |
| *Accuracy of Load Forecast and Variance Analyses* | | | |
| 25 | Completed Appendix 2-IB | Yes | Appendix 3A; Ch 2 Appendices (2-IB) |
| 25 | For customer/connection counts - identification as to whether customer/connection count is shown in year end or average format, year-over-year variances in changes of customer/connection counts with explanation of major changes, explanations of bridge and test year forecasts by rate class, for last rebasing variance analysis between last OEB-approved and actuals with explanations for material differences | Yes | 3.1.1 (overview confirming use of average counts); 3.1.10 (2020 adjustments); 3.3.1 (variance analysis) |
| 25 & 26 | For consumption and demand - explanation to support how kWh are converted to kW for applicable demand-billed classes, year-over-year variances in kWh and kW by rate class and for system consumption overall (kWh) with explanations for material changes in the definition of or major changes over time (should be done for both historical actuals against each other and historical weather-normalized actuals over time), explanations of the bridge and test year forecasts by rate class, variance analysis between the last OEB-approved and the actual and weather-normalized actual results | Yes | 3.1.10 (kWh to kW); 3..3.1 (weather-normal variance); 3.3.2 (actual load variance combined with revenue variance) |
| 26 | For revenues - calculation of bridge year forecast of revenues at existing rates, calculation of test year forecasted revenues at existing and proposed rates, year-over-year variances in revenues comparing historical actuals and bridge and test year forecasts | Yes | 3.1.2 (2020 Test Year revenue at existing rates); 3.3.2 (2019 Bridge Year revenue at existing rates & 2020 Test Year revenue at proposed rates) |
| 26 | With respect to average consumption, for each rate class, distributors are to provide weather-actual and weather-normalized average annual consumption or demand per customer as applicable for the rate class for last OEB approved and historical, weather normalized average annual consumption or demand per customer for the bridge and test years, explanation of the net change in average consumption from last OEB-approved and actuals from historical, bridge and test years based on year-over-year variances and any apparent trends in data | Yes | 3.3.1 (weather-normalized average consumption and demand); Ch 2 Appendices (2-IB) |
| *Other Revenue* | | | |
| 26 & 27 | Completed Appendix 2-H | Yes | 3.4.1; Appendix 3B; Ch 2 Appendices (2-H) |
| 27 | Variance analysis - year over year, historical, bridge and test | Yes | 3.4.2 |
| 27 | Any new proposed specific service charges, or proposed changes to rates or application of existing specific service charges | Yes | 3.4.3 |
| 27 | Revenue from affiliate transactions, shared services, corporate cost allocation. For each affiliate transaction, identification of the service, the nature of the service provided to affiliate entities, accounts used to record the revenue and associated costs (Appendix 2-N) | Yes | 3.4.4 |
| 28 | Distributors must identify any discrete customer groups that may be materially impacted by changes to other rates and charges | Yes | 3.4.3 |

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| Filing Requirement Page # Reference | | Yes/No/N/A | Evidence Reference, Notes |
|---|---|---|---|
| **EXHIBIT 4 - OPERATING COSTS** | | | |
| *Overview* | | | |
| 28 & 29 | Brief explanation of test year OM&A levels, cost drivers, significant changes, trends, inflation rate assumed, business environment changes | Yes | 4.1.1 |
| *Summary and Cost Driver Tables* | | | |
| 29 | Summary of recoverable OM&A expenses; Appendix 2-JA | Yes | 4.1.1; Ch 2 Appendices (2-JA) |
| 29 | Recoverable OM&A cost drivers; Appendix 2-JB | Yes | 4.2.1; Ch 2 Appendices (2-JB) |
| 29 | OM&A programs table; Appendix 2_JC | Yes | 4.3.1; Ch 2 Appendices (2-JC) |
| 29 | Recoverable OM&A Cost per customer and per FTE; Appendix 2-L | Yes | 4.2.2; Ch 2 Appendices (2-L) |
| 29 | Identification of change in OM&A in test year in relation to change in capitalized overhead. | N/A | 2.2.3 of Exh 2 (confirms no change in capitalization policy) |
| 29 | OM&A variance analysis for test year with respect to bridge and historical years; Appendix 2-D | Yes | Variance analysis included throughout Exh 4; OEB 2-D is filed in Exhibit 2 |
| *Program Delivery Costs with Variance Analysis* | | | |
| 29 & 30 | Completed Appendix 2-JC OM&A Programs Table - completed by program or major functions; include variance analysis limited to variances that are outliers, between test year and last OEB approved and most recent actuals, including an explanation for each significant change whether the change was within or outside the applicant's control and explanation of why | Yes | 4.3.1; 4.3.2 |
| 30 | For each significant change within the applicant's control describe business decision that was made to manage the cost increase/decrease and the alternatives | Yes | 4.3.2 |
| *Workforce Planning and Employee Compensation* | | | |
| 30 | Employee Compensation - completed Appendix 2-K | Yes | 4.4; Ch 2 Appendices (2-K) |
| 30 | Description of previous and proposed workforce plans, including compensation strategy | Yes | 4.4.1; 4.4.2 |
| 30 | Discussion of the outcomes of previous plans and how those outcomes have impacted their proposed plans including an explanation of the reasons for all material changes to headcount and compensation. Explanation for all years includes:<br>- year over year variances<br>- basis for performance pay, eligible employee groups, goals, measures, and review process for pay-for-performance plans,<br>- relevant studies (e.g. compensation benchmarking) | Yes | 4.4.2 |
| 30 & 31 | Details of employee benefit programs including pensions for last OEB approved, historical, bridge and test; must agree with tax section | Yes | 4.4.3 |
| 31 | Most recent actuarial report on employee benefits, pension and OPEBs | Yes | 4.4.3; Appendix 4B |
| 31 | Accounting method for pension and OPEBs; if cash method, sufficient supporting rationale. If proposing to change the basis in which pension and OPEB costs included in OM&A, quantification of impact of transition | Yes | 4.4.3 |
| *Shared Services and Corporate Cost Allocation* | | | |
| 31 | Identification of all shared services among affiliates and parent company; identification of the extent to which the applicant is a "virtual utility" | Yes | 4.5 |
| 31 & 32 | Allocation methodology for corporate and shared services, list of costs and allocators, including any third party review | Yes | 4.5 |
| 32 | Completed Appendix 2-N for service provided or received for historical, bridge and test; including reconciliation with revenue included in Other Revenue | Yes | 4.5; Ch 2 Appendices (2-N) |
| 32 | Shared Service and Corporate Cost Variance analysis - test year vs last OEB approved and most recent actual | Yes | 4.5 |
| 32 | Identification of any Board of Director costs for affiliates included in LDC costs | N/A | 4.5 (confirms no costs included) |
| *Non-Affiliate Services, One-Time Costs, Regulatory Costs* | | | |
| 32 | Purchased Non-Affiliated Services - file a copy of procurement policy (signing authority, tendering process, non-affiliate service purchase compliance) | Yes | 4.6.1 |
| 32 | For material transactions that are not in compliance with procurement policy, or that were undertaken pursuant to exceptions contemplated within the policy, an explanation as to why as well as a summary of the nature and cost of the product, and a description of the specific methodology used for selecting the vendor | Yes | 4.6.1 |
| 32 & 33 | Identification of one-time costs in historical, bridge, test; explanation of cost recovery in test (or future years). If no recovery of one-time costs is being proposed in the test year and subsequent IRM term, an explanation must be provided | Yes | 4.6.2 |
| 33 | Regulatory costs - breakdown of actual and forecast, supporting information related to CoS application (e.g. legal fees, consultant fees), proposed recovery (i.e. amortized?) Completed Appendix 2-M | Yes | 4.6.3 |

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|---|---|---|---|
| *LEAP, Charitable and Political Donations* | | | |
| **33** | LEAP - the greater of 0.12% of forecasted service revenue requirement or $2,000 should be included in OM&A and recovered from all rate classes | **Yes** | 4.7 |
| **33** | Detailed information for all contributions that are claimed for recovery | **Yes** | 4.7 |
| **33** | Charitable Donations - the applicant must confirm that no political contributions have been included for recovery | **Yes** | 4.7 |
| *Depreciation, Amortization and Depletion* | | | |
| **34** | Explanations for any useful lives of an asset that are proposed that are not within the ranges contained in the Kinectrics Report | **Yes** | 4.8.2 (see 2-BB in Exhibit 2 for useful life comparison) |
| **34** | Depreciation, Amortization and Depletion details by asset group for historical, bridge and test years. Include asset amount and rate of depreciation/amortization. Must complete Appendix 2-C which must agree to accumulated depreciation in Appendix 2-BA under rate base | **Yes** | 4.8.1; Depreciation schedule (2-C) provided in stand-alone workbook along with FA continuity schedule (2-BA); variances between 2-C and 2-BA are calculated and discussed in 4.8.1 |
| **34** | Identification of any Asset Retirement Obligations and associated depreciation, accretion expense | **N/A** | 4.8.1 (statement confirming no obligation or associated expense) |
| **34** | Identification of historical depreciation practice and proposal for test year. Variances from half year rule must be documented and supporting rationale provided | **Yes** | 4.8.1 |
| **34 & 35** | Copy of depreciation/amortization policy, or equivalent written description; summary of changes to depreciation/amortization policy since last CoS | **Yes** | 4.8.1 (written description; confirms no changes since last CoS) |
| **35** | Explanation of any deviations from the practice of depreciating significant parts or components of PP&E separately | **Yes** | 4.8.2 (confirms components that are not depreciated separately) |
| **35** | For any depreciation expense policy or asset service lives changes since its last rebasing application:<br>- identification of the changes and detailed explanation for the causes of the changes, including any changes subsequent to those made by January 1, 2013<br>-use of Kinectrics study or another study to justify changes in useful life<br>- list detailing all asset service lives tied to USoA, detail differences in TUL from Kinectrics and explain differences outside of minimum and maximum TUL range from Kinectrics; Appendix 2-BB | **N/A** | 4.8.1 (confirms no changes since last CoS) |
| *PILs and Property Taxes* | | | |
| **36** | Completed version of the PILs model (PDF and Excel); derivation of adjustments for historical, bridge, test years | **Yes** | 4.9; Appendix 4E; PILS Model |
| **36** | Supporting schedules and calculations identifying reconciling items | **N/A** | 4.9.1 (statement confirming no supporting schedues required) |
| **36** | Most recent federal and provincial tax returns | **Yes** | Appendix 4F |
| **36** | Financial Statements included with tax returns if different from those filed with application | **N/A** | Applicable financial statements filed in Exhibit 1 |
| **36** | Calculation of Tax Credits; redact where required (filing of unredacted versions is not required) | **N/A** | 4.9.1 (statement confirming no applicable tax credits) |
| **36** | Supporting schedules, calculations and explanations for other additions and deductions | **N/A** | 4.9.1 (statement confirming no supporting schedues required) |
| **36** | Completion of the integrity checks in the PILs Model | **Yes** | 4.9; Appendix 4E; PILS Model |
| **36** | Explanation of how taxes other than income taxes or PILS (e.g. property taxes) are derived | **Yes** | 4.10 |

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|---|---|---|---|
| *Non-recoverable and Disallowed Expenses* | | | |
| 36 | Exclude from regulatory tax calculation any non-recoverable or disallowed expenses | Yes | 4.11 |
| *Conservation and Demand Management* | | | |
| 37, 38 & 39 | LRAMVA - disposition of balance. Distributors must provide new LRAMVA Work Form in a working Excel file and provide the following:<br>- statement identifying the year(s) of new lost revenues and prior year savings persistence claimed in the LRAMVA disposition<br>- statement confirming LRAMVA based on verified savings results supported by the distributors final CDM Report and Persistence Savings Report (both filed in Excel format) and a statement indicating use of most recent input assumptions when calculating lost revenue<br>- summary table with principal and carrying charges by rate class and resulting rate riders<br>- statement providing the disposition period; rationale provided for disposing the balance in the LRAMVA if one or more classes do not generate significant rate riders<br>- statement confirming LRAMVA reference amounts, rationale for the distributors circumstances if LRAMVA threshold not used<br>- rationale confirming how rate class allocations for actual CDM savings were determined by class and program (Tab 3-A of LRAMVA Work Form)<br>- statement confirming whether additional documentation was provided in support of projects that were not included in distributors final CDM Annual Report (Tab 8 of LRAMVA Work Form as applicable)<br>- for OEB-approved programs prior to 2014, a submission of a third party report that provides a review and verification of the LRAM calculation including: confirmation of use of correct input assumptions and lost revenue calculations, participation amounts, net and gross impacts of each program (kW and kWh) by class by year, and verification of any carrying charges requested | Yes | 4.12; Appedices 4G and 4H; LRAMVA Workform;<br>IESO Verified Results workbook; |

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|---|---|---|---|
| **EXHIBIT 5 - COST OF CAPITAL AND CAPITAL STRUCTURE** | | | |
| *Capital Structure* | | | |
| **40** | Statement that LDC adopts OEB's guidelines for cost of capital and confirms that updates will be done. Alternatively - utility specific cost of capital with supporting evidence | **Yes** | 5.2.1 (adopt OEB structure); 5.2 (confirm updates will be done) |
| **40** | Completed Appendix 2-OA for last OEB approved and test year | **Yes** | 5.3; Ch 2 Appendices (2-OA) |
| **40** | Completed Appendix 2-OB for historical, bridge and test years | **Yes** | 5.4; Ch 2 Appendices (2-OB) |
| **40** | Explanation for any changes in capital structure | **Yes** | 5.2.1 |
| *Cost of Capital (Return on Equity and Cost of Debt)* | | | |
| **40** | Calculation of cost for each capital component | **Yes** | 5.2.2 |
| **40** | Profit or loss on redemption of debt | **Yes** | 5.2.2 (confirming no redemption) |
| **40** | Copies of promissory notes or other debt arrangements with affiliates | **Yes** | Appendix 5B |
| **40** | Explanation of debt rate for each existing debt instrument | **Yes** | 5.2.2 |
| **40** | Forecast of new debt in bridge and test year - details including estimate of rate | **Yes** | 5.2.2 (confirming no new debt forecasted in Bridge/Test years) |
| **40** | If proposing any rate that is different from the OEB guidelines, a justification of the proposed rate(s), including key assumptions | **N/A** | All proposed rates in accordance with guidelines |
| **41** | Notional Debt - difference between actual debt thickness and deemed debt thickness attracts the weighted average cost of actual long-term debt rate (unless 100% equity financed) | **Yes** | 5.2.1 |
| *Not-for-Profit Corporations* | | | |
| **41** | Not for Profit Corporations - evidence that excess revenue is used to build up operating and capital reserves | **N/A** | Section 2.5.3 of Filing Requirements is not applicable to API |
| **41** | Detailed calculation for test year revenue requirement based on its Reserve Requirement | N/A | Section 2.5.3 of Filing Requirements is not applicable to API |
| **41** | The proposed reserves and rationale for the need to establish each reserve, the time period of building up the reserves, and the procedure and policy of each reserve | N/A | Section 2.5.3 of Filing Requirements is not applicable to API |
| **42** | Description of the governance of the not-for-profit corporation | N/A | Section 2.5.3 of Filing Requirements is not applicable to API |
| **42** | If there are approved reserves from previous OEB decisions provide the following:<br>-the limits of any capital and/or operating reserves as approved by the OEB, and identifying the decisions establishing these reserve accounts and their limits<br>-the current balances of any established capital and/or operating reserves | N/A | Section 2.5.3 of Filing Requirements is not applicable to API |
| **EXHIBIT 6 - REVENUE DEFICIENCY/SUFFICIENCY** | | | |
| **42** | Calculation of delivery-related Revenue Deficiency/Sufficiency (excluding cost of power and associated costs): net utility income, rate base, actual return on rate base, indicated rate of return, requested rate of return, deficiency/sufficiency, gross deficiency/sufficiency. Deficiency/sufficiency must also be net of other costs (e.g. LV costs, RSVAs, smart meter or MIST meter expenditures/revenues and other DVA balances). | **Yes** | 6.3.1 |
| **42 & 43** | Summary of drivers for test year deficiency/sufficiency, how much each driver contributes; references in application evidence mapped to drivers | **Yes** | 6.3.2 |
| **43** | Impacts of any changes in methodologies to deficiency/sufficiency | **Yes** | 6.3.3 |
| *Revenue Requirement Work Form* | | | |
| **43** | RRWF - in PDF and Excel. Revenue requirement, def/sufficiency, data entered in RRWF must correspond with other exhibits | **Yes** | Appendix 6A; RRWF Model |
| **43** | If the enhanced RRWF cannot reflect a distributor's proposed rates accurately, the distributor must file its rate generator model | **Yes** | RRWF uses "Equivalent Rates"; API Rate Design Model supplements RRWF |
| **43** | Completed Appendices 2-JA, 2-JB, and 2-JC | **Yes** | Exhibit 4; Ch 2 Appendices model |

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|---|---|---|---|
| **EXHIBIT 7 - COST ALLOCATION** | | | |
| *Cost Allocation Study Requirements* | | | |
| 44 | Completed cost allocation study using the OEB-approved methodology or a comparable model must be filed reflecting future loads and costs and be supported by appropriate explanations and live Excel spreadsheets. Sheets 11 and 12 of the RRWF must also be completed. Live Excel version of 2017 cost allocation model will be filed (updated load profiles or scaled version of HONI CAIF). Model must be consistent with test year load forecast, changes to customer classes and load profiles. | Yes | 7.2.1; Cost Allocation Model; RRWF |
| 44 | Explanation provided if a distributor is unable to update its load profiles and confirm that it intends to put plans in place to update its load profiles the next time a cost allocation model is filed | Yes | 7.2.2 |
| 45 | Description of weighting factors, and rationale for use of default values (if applicable) | Yes | 7.2.3 |
| 45 | Hard copy of sheets I-6, I-8, O-1 and O-2 (first page) | Yes | Appendix 7A |
| 45 & 46 | Host Distributor only<br>- evidence of consultation with embedded Dx<br>- statement regarding embedded Dx support for approach to allocation of costs<br>- if embedded Dx is separate class - class in cost allocation study and RRWF, Sheet 11<br>- if new embedded Dx class - rationale and supporting evidence (cost of serving, load served, asset ownership information, distribution charges); include in cost allocation study and RRWF, Sheet 11<br>- if embedded Dx billed as GS customer - , include with the GS class in cost allocation model and Appendix 2-P. Provide cost of serving, load served, asset ownership information, distribution charges, appropriateness of rate class. File Appendix 2-Q. | N/A | API is not a Host Distributor for the 2020 Test Year |
| 46 | Unmetered Loads (including Street Lighting) - Confirmation of communication with unmetered load customers when proposing changes to the level of the rates and charges or the introduction of new rates and charges | Yes | 7.2.5 |
| 46 & 47 | microFIT - if the applicant believes that it has unique circumstances which would justify a certain rate, appropriate documentation must be provided | N/A | 7.2.5 (confirming use of generic rate) |
| 47 | Standby Rates - if seeking approval on final basis, provide evidence that affected customers have been advised. If seeking changes to standby charges, provide rationale and evidence that affected customer have been advised. | N/A | 7.2.5 (confirming that API does not have Standby rates) |
| 47 | New customer class or eliminated customer class - rationale and restatement of revenue requirement from previous CoS | Yes | 7.2.1 |
| *Class Revenue Requirements* | | | |
| 48 | To support a proposal to rebalance rates, the distributor must provide information on the revenue by class that would apply if all rates were changed by a uniform percentage. Ratios must be compared with the ratios that will result from the rates being proposed by the distributor. | Yes | 7.4.1 (Table 16 (B), Columns 7C and 7D); |
| *Revenue to Cost Ratios* | | | |
| 48 | If R:C ratios outside deadband based on model - distributors must include cost allocation proposal to bring them within the OEB-approved ranges. In making any such adjustments, distributors should address potential mitigation measures if the impact of the adjustments on the rates of any particular class or classes is significant. | Yes | 7.4.2 |
| 49 | If Cost Allocation Model other than OEB model used - exclude LV, exclude DVA such as smart meters | N/A | OEB CA Model used - excludes LV, DVA, etc. |

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|---|---|---|---|
| **EXHIBIT 8 - RATE DESIGN** | | | |
| 50 | Monthly fixed charges - 2 decimal places; variable charges - 4 decimal places | Yes | 8.2.6; 8.3.13 |
| *Fixed Variable Proportion* | | | |
| 50 | The following is to be provided in relation to the fixed/variable proportion of proposed rates:<br>-Current F/V with supporting info<br>-Proposed F/V proportion with explanation for any changes (billing determinants from proposed load forecast)<br>-Comparison between current and proposed monthly fixed charges with the floor and ceiling as in cost allocation study<br>Analysis must be net of rate adders, funding adders, and rate riders | Yes | 8.2.6 & API Rate Design Model Sheet 2 (compare current, proposed, floor/ceiling, explanations); 8.2.8 (summary of current vs. proposed F/V) |
| *Rate Design Policy* | | | |
| 50 & 51 | LDCs must propose changes to residential rates consistent with policy to transition to fully fixed monthly distribution service charge. | Yes | 8.2.7; API Rate Design Model Sheet 6 |
| 51 | Proposal follows approach set out in Tab 12 of RRWF | Yes | 8.2.7; Describes consistency with past OEB Decisions for API |
| 51 | If applicable, distributor with seasonal residential class must propose identical rate design treatment for such a class | Yes | 8.2.7; API Rate Design Model Sheet 7 |
| *RTSRs* | | | |
| 51 | Retail Transmission Service Rate Work Form - PDF and Excel | Yes | Appendix 7D; RTSR Model |
| 51 | RTSR information must be consistent with working capital allowance calculation | Yes | 8.3.1; 2.3.3 |
| *Retail Service Charges* | | | |
| 51 & 52 | If proposing changes to Retail Service Charges or introduction of new rates and charges - evidence of consultation and notice | Yes | 8.3.2 (only changes result from OEB generic review of RSC) |
| *Regulatory Charges* | | | |
| 52 | Wholesale Market Service Rate - reflect current approved rate in application or justify otherwise | Yes | 8.3.3 |
| *Specific Service Charges* | | | |
| 52 & 53 | Specific Service Charge description/purpose/reason for new and revised SSC; calculations to support charges | Yes | 8.3.6 (only changes result from OEB generic review of SSC) |
| 53 | Identification in the Application Summary all proposed changes that will have a material impact on customers, including charges that may affect a discrete group. | N/A | N/A - SSC changes are not being proposed by API - OEB changes made on generic basis will apply regardless; notice provided in EB-2017-0183 |
| 53 | Identification of any rates and charges in Conditions of Service that do not appear on tariff sheet. Explain nature of costs, provide schedule outlining revenues or capital contributions 2012-2015, bridge and test years.<br>Whether these charges should be included on tariff sheet | N/A | 8.3.6 (confirming no rates/charges in Conditions of Service that do not apear on Tariff) |
| 53 | Ensure revenue from SSCs corresponds with Operating Revenue evidence | Yes | 8.3.6 (reference to Exhibit 3 for revenue detail) |
| *Wireline Pole Attachment Charge* | | | |
| 53 | LDC without a distributor-specific charge will charge the province-wide pole attachment charge of $28.09 from September 1, 2018 to December 31, 2018. This charge will increase to $43.63 effective January 1, 2019. | Yes | 8.3.7 |
| 54 | Record the excess incremental revenue as of September 1, 2018 until the effective date of its rebased rates in a new variance account related to pole attachment charge | Yes | 8.3.7 |
| 54 & 55 | If an LDC chooses to apply for a custom charge, it must file a completed version of the OEB's Wireline Pole Attachment Work Form, and include the following information as part of their application: statement confirming the proposed distributor-specific wireline pole attachment charge; statement discussing the main cost drivers, including rationale; a table summarizing key inputs in the rate calculation, and a statement confirming the RRR data and pre-tax weighted cost of capital are consistent; confirmation of the total number of poles and joint use poles in the rate calculation, and a table outlining the rate of pole replacements and percentage of poles depreciated over the past 5 years; confirmation of the number of attaches that are specific to the distributor's service territory, a description of the types of poles and discussion of contractual arrangements with other entities that affect the number of attachments, including overlashing attachments; explanation of changes to the power deduction factor, must complete Tab 4-A and explain methodology, LDCs should provide supporting data and analysis, as applicable; explanation of changes to the hybrid equal sharing allocation rate; explanation of changes to the allocation factor of pole maintenance, Table 8 in Tab 4 must be completed; description of activities performed by the distributor to directly accommodate third party attaches, should include discussion of methodology, costs and data sources to calculate each component of direct costs, detailed calculations of total administration and LOP costs, including staff time and labour rates, as applicable | N/A | 8.3.7 (confirms API is using the OEB approved default charge of $43.63) |

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| Page # | Filing Requirement | Yes/No/N/A | Evidence Reference, Notes |
|---|---|---|---|
| *Low Voltage Service Rates* | | | |
| 55 | Forecast of LV cost, sum of host distributors charges | N/A | 8.3.8 (confirms LV charges not applicable to API) |
| 55 | Low Voltage Cost (historical, bridge, test), variances and explanations for substantive changes | N/A | 8.3.8 (confirms LV charges not applicable to API) |
| 55 | Support for forecast LV, e.g. Hydro One Sub-Transmission charges | N/A | 8.3.8 (confirms LV charges not applicable to API) |
| 55 | Allocation of LV cost to customer classes (typically proportional to Tx connection revenue) | N/A | 8.3.8 (confirms LV charges not applicable to API) |
| 55 | Proposed LV rates by customer class | N/A | 8.3.8 (confirms LV charges not applicable to API) |
| *Smart Meter Entity Charge* | | | |
| 55 | Distributor must follow accounting guidance provided on March 23, 2018 | Yes | 8.3.9 |
| *Loss Factors* | | | |
| 55 | Proposed SFLF and Total Loss Factor for test year | Yes | 8.3.10 |
| 56 | Statement as to whether LDC is embedded including whether fully or partially | Yes | 8.3.10 |
| 56 | Study of losses if required by previous decision | N/A | 8.3.10 (confirms no study required) |
| 56 | 3-5 years of historical loss factor data - Completed Appendix 2-R | Yes | 8.3.10; Ch 2 Appendices (2-R) |
| 56 | If proposed loss factor >5%, explanation and action plan to reduce losses going forward | Yes | 8.3.10 |
| 56 | Explanation of SFLF if not standard | N/A | 8.3.10 (confirms use of standard factor) |
| *Tariff of Rates and Charges* | | | |
| 56 | Current and proposed Tariff of Rates and Charges filed in the Tariff Schedule/Bill Impacts Model - each change must be explained and supported in the appropriate section of the application | Yes | Tariffs filed separately (see 8.3.11; Appendices 8B/8C; Excel Tariff Files) |
| 56 | Explanation of changes to terms and conditions of service if changes affect application of rates | N/A | No changes affect application of rates |
| *Revenue Reconciliation* | | | |
| 56 | Calculations of revenue per class under current and proposed rates; reconciliation of rate class revenue and other revenue to total revenue requirement (i.e. breakout volumes, rates and revenues by rate component etc.) | Yes | 8.2.6 (Sheet 8 summary); API Rate Design Model - Sheet 8 |
| 56 & 57 | Completed RRWF - Sheet 13 - rates and charges entered on this sheet should be rounded to the same decimal places as tariff | Yes | 8.2.6 (Sheet 8 summary); RRWF Sheet 13 |
| *Bill Impact Information* | | | |
| 57 | Completed Tariff Schedule and Bill Impacts Model. Bill impacts must identify existing rates, proposed changes to rates, and detailed bill impacts (including % change in distribution excluding pass through costs - Sub-Total A, % change in distribution - Sub-Total B, % change in delivery - Sub-Total C, and $ change in total bill) | Yes | 8.3.13 (explanation for use of API-specific bill impact model, commitment to populate OEB 2020 model when available, bill impact summary);<br>Appendix 8E (PDF of API Bill Impact Model);<br>API Bill Impact Model |
| 57 | Impact of changes resulting from the as-filed application on representative samples of end-users (i.e. volume, % rate change and revenue). Commodity and regulatory charges held constant | Yes | 8.3.13; API Bill Impact Model |
| 57 | Rates and charges input in the tariff schedule and Bill Impacts Model rounded to the decimal places as shown on the existing tariff | Yes | 8.3.13 |
| 57 | Bill impacts provided for typical customers and consumption levels. Must provide residential 750 kWh, residential at the lowest 10th percentile and GS<50 2,000 kWh. Bill impacts must be provided for a range of consumption levels relevant to the service territory. | Yes | 8.3.13 |
| 57 | If applicable, for certain classes where one or more customers have unique consumption and demand patterns, the distributor must show a typical impact and provide an explanation | Yes | 8.3.13 |
| *Rate Mitigation* | | | |
| 58 | Evidence showing that the monthly service charge would not rise by more than $4 per year due only to the rate design change, and that the total bill impact, reflecting all proposed changes in the application, will not exceed 10%. If either of these criteria is not met, some form of mitigation may be required (i.e. extending transition period). | Yes | 8.2.7 (confirmation of $4 per year adjustment);<br>8.3.14 (confirmation of total bill impacts < 10%) |
| 58 | Evaluation of bill impact for residential customer at 10th consumption percentile. Describe methodology for determination of 10th consumption percentile. File mitigation plan for whole residential class if impact >10% for these customers. | Yes | 8.3.13; API Bill Impact Model |
| 59 | Mitigation plan if total bill increase for any customer class is >10% including: specification of class and magnitude of increase, description of mitigation measures, justification, revised impact calculation. The Tariff Schedule and Bill Impacts Model must reflect any mitigation plan proposed. | N/A | 8.3.14 (confirmation of total bill impacts < 10%) |
| 59 | Rate Harmonization Plans, if applicable - including impact analysis | N/A | No rate harmonization required |

# 2019 Cost of Service Checklist

## Algoma Power Inc.

## EB-2019-0019

**Filing Requirement Page # Reference**

**Date: May 17, 2019**

| Filing Requirement Page # Reference | | Yes/No/N/A | Evidence Reference, Notes |
|---|---|---|---|
| **EXHIBIT 9 - DEFERRAL AND VARIANCE ACCOUNTS** | | | |
| **60** | List of all outstanding DVA and sub-accounts; provide description of DVAs that were used differently than as described in the APH | **Yes** | 9.3.2 |
| **60** | Completed DVA continuity schedule for period following last disposition to present - live Excel format | **Yes** | DVA Continuity Schedule Workform (see 9.2.1 for explanation on one-year shifting of values to use 2019 model for 2020) |
| **60** | Confirm use of interest rates established by the OEB by month or by quarter for each year | **Yes** | 9.3.3 |
| **60** | Explanation if account balances in continuity schedule differs from trial balance in RRR and AFS | **Yes** | 9.3.5 |
| **60** | Identification of Group 2 accounts that will continue/discontinue going forward, with explanation | **Yes** | 9.3.2 |
| **60** | Statement as to any new accounts, and justification. | **Yes** | 9.10.1 |
| **60 & 61** | Statement whether any adjustments made to DVA balances previously approved by OEB on final basis; explanation, amount of adjustment and supporting documents | **Yes** | 9.3.4 |
| **61** | Breakdown of energy sales and cost of power by USoA - as reported in AFS mapped and reconciled to USoA. Provide explanation if making a profit or loss on commodity. | **Yes** | 9.3.5 |
| **61** | Statement confirming that IESO GA charge is pro-rated into RPP and non-RPP; provide explanation if not pro-rated. | **Yes** | 9.8.1; 9.8.3 |
| *Account 1575, IFRS-CGAAP Transitional PP&E Amounts* | | | |
| **61** | 1575 IFRS-CGAAP PP&E account<br>- Account 1575 and 1576 can't be used interchangeably<br>- breakdown of balance, including explanation for each accounting change; Appendix 2-EA<br>- listing and quantification of drivers<br>- volumetric rate rider to clear 1575; separate rider must be on a fixed basis for the residential class;<br>- rate of return component is to be applied to 1575 but not recorded in 1575<br>- statement confirming no carrying charges applied to 1575<br>- explanation for the basis of the proposed disposition period to clear Account 1575 rate rider<br>- show the balance in DVA continuity schedule | **Yes** | 9.5.1 (1575 not used); 9.6.1 (Disposition of 1576) |
| *Retail Service Charges* | | | |
| **61 & 62** | Retail Service Charges - material balance in 1518 or 1548<br>- confirm variances are incremental costs of providing retail services; identify drivers for balances<br>- provide schedule identifying all revenues and expenses listed by USoA for 2013, actual/forecast for bridge and test year<br>- state whether Article 490 of APH has been followed; explanation if not followed | **N/A** | 9.4.1 (confirms zero balance in 1518, 1548) |
| **62** | Retail Service Charges - zero balance in 1518 or 1548 - state whether Article 490 of APH has been followed; explanation if not followed | **Yes** | 9.4.1 |

# 2019 Cost of Service Checklist

## Algoma Power Inc.

## EB-2019-0019

Date: May 17, 2019

| Filing Requirement Page # Reference | | Yes/No/N/A | Evidence Reference, Notes |
|---|---|---|---|
| *Disposition of Deferral and Variance Accounts* | | | |
| **62** | Identify all accounts for which LDC is seeking disposition; identify DVA for which LDC is not proposing disposition and the reasons why | **Yes** | 9.3.1; 9.3.2 |
| **62** | Statement whether DVA balances before forecasted interest match the last AFS; explain any variances | **Yes** | 9.3.5 |
| **62** | Provide an explanation of variance > 5% between amounts proposed for disposition and amounts reported in RRR for each account. | **Yes** | 9.3.2; 9.7.1 |
| **62** | Provide explanations if variances are < 5% threshold if the variances in question relate to: (1) matters of principle (i.e. conformance with the APH or prior OEB decisions, and prior period adjustments); and/or, (2) the cumulative effect of immaterial differences over several accounts total to a material difference between what is proposed for disposition in total before forecasted interest and what is recorded in the RRR filings | **N/A** | LRAMVA >5% as described in 9.3.2; zero variance on other accounts |
| **62** | For any utility specific accounts requested for disposition, supporting evidence showing how balance is derived and relevant accounting order | **Yes** | 9.11 (references to prior OEB Decisions, no accounting order available) |
| **62** | Disposition of residual balances for vintage Account 1595 are only done once - distributors expected to seek disposition of the balance a year after a rate rider's sunset date has expired. No further dispositions of these accounts are generally expected unless justified by the distributor | **Yes** | 9.9 |
| **62** | Proposed mechanisms for disposition with all relevant calculations: allocation of each account (including rationale), billing determinants for recovery purposes in accordance with Rate Design Policy | **Yes** | 9.7 |
| **62** | Rate riders where volumetric rider is $0.0000 for one or more classes not included in the tariff for those classes | **Yes** | 9.7.2; 2020 Proposed Tariff ($0.0000 rider for Street Light LRAMVA not included in Tariff) |
| **63** | Propose rate riders for recovery or refund of balances that are proposed for disposition. The default disposition period is one year; if the applicant is proposing an alternative recovery period must provide explanation. | **Yes** | 9.7.2 |
| **63** | Establish separate rate riders to recover balances in the RSVA's from Market Participants who must not be allocated the RSVA balances related to charges for which the MP's settle directly with the IESO. | **N/A** | 9.7.1 (confirms no Market Participants) |
| **63 & 64** | Proposed disposition of Account 1580 sub-account CBR Class B in accordance with the CBR Accounting Guidance.<br>- embedded distributors who are not charged CBR (therefore no balance in sub-account CBR Class B) must indicate this is the case for them<br>- In the DVA continuity schedule, applicants must indicate whether they serve any Class A customers during the period where Account 1580 CBR Class B sub-account balance accumulated.<br>- Account 1580 sub-account CBR Class A is not to be disposed through rates proceedings but rather follow the OEB's accounting guidance.<br>- The DVA continuity schedule will allocation the portion of Account 1580 sub-account CBR Class B allocated to customers who transitioned between Class A and Class B based on consumption levels | **Yes** | 9.7.2 |
| *Global Adjustment* | | | |
| **64** | Establishment of a separate rate rider included in the delivery component of the bill that would apply prospectively to Non-RPP Class B customers when clearing balances from the GA Variance Account | **Yes** | 9.7.2 |
| **65** | GA Analysis Workform in live Excel format- complete GA Analysis Workform; explain discrepancies | **Yes** | 9.8.4; Appendix 9B |
| **65 & 66** | Description of settlement process with IESO or host distributor, specify GA rate used for each rate class, itemize process for providing estimates and describe true-up process, details of method for estimating RPP and non-RPP consumption, treatment of embedded generation/distribution.<br><br>If distributor uses the actual GA rate to bill non-RPP Class B customers, a proposal must be made to exclude these customer classes from the allocations of the balance of Account 1589 and the calculation of the resulting rate riders | **Yes** | 9.8.3 |
| **66** | RPP Settlement True-Up - distributors to follow guidance in May 23, 2017 letter pertaining to the period that is being requested for disposition for Accounts 1588 and 1589 | **Yes** | 9.8.3 |
| **66 & 67** | Certification by the CEO, CFO or equivalent that distributor has robust processes and internal controls in place for the preparation, review, verification and oversight of account balances being proposed for disposition | **Yes** | 9.12; Appendix 9D |
| *Establishment of New Deferral and Variance Accounts* | | | |
| **67** | New DVA - information provided which addresses that the requested DVA meets the following criteria: causation, materiality, prudence; include draft accounting order. | **Yes** | 9.10.1 (standard request for 2020 1595 Sub-Accounts only) |
| | **TOTAL "NO"** | **0** | |