



## EXHIBIT 6 – REVENUE REQUIREMENT

2021 Cost of Service

Halton Hills Hydro Inc.  
EB-2020-0026

## 6.1 TABLE OF CONTENTS

1	<b>6.1 Table of Contents .....</b>	<b>1</b>
2	<b>6.2 Calculation of Revenue Requirement .....</b>	<b>3</b>
3	6.2.1 Overview .....	3
4	6.2.1 Determination of Net Utility Income .....	4
5	6.2.2 Proposed Revenue Requirement.....	7
6	6.2.3 Statement of Rate Base .....	8
7	6.2.4 Actual Utility Return on Rate Base .....	8
8	6.2.5 Requested and Indicated Rate of Return .....	9
9	6.2.6 Utility Income at Proposed Revenue Requirement .....	9
10	6.2.7 Revenue Requirement Trend .....	10
11	<b>6.3 Revenue Deficiency or Surplus .....</b>	<b>13</b>
12	6.3.1 Calculation of Revenue Deficiency or Surplus.....	13
13	6.3.2 Causes of Revenue Deficiency or Surplus .....	15

## Table of Figures

1	Table 1 - Distribution Revenues at Current Rates – 2021 Volumes .....	5
2	Table 2 - Distribution Revenues at Proposed Rates – 2021 Volumes.....	6
3	Table 3 - Test Year Revenue Requirement .....	7
4	Table 4 - Statement of Rate Base (2021 Test Year).....	8
5	Table 5 - Return on Rate Base (2021 Test Year) .....	8
6	Table 6 - Utility Income under proposed Revenue Requirement.....	9
7	Table 7 - Trend in Revenue Requirement.....	10
8	Table 8 - Variance Analysis of Revenue Requirement .....	11
9	Table 9 - Summary Table of Revenue Requirement and Revenue Deficiency/Sufficiency (RRWF)	
10	.....	13
11	Table 10 - Revenue Deficiency (RRWF).....	14
12	Table 11 - Revenue Deficiency by Revenue Requirement Component.....	16
13	Table 12 – Differences in Revenue Requirement from 2016 Cost of Service.....	17
14	Table 13 – OEB Appendix 2-JA – Summary of Recoverable OM&A Expenses .....	0
15	Table 14 – OEB Appendix 2-JA – Summary of Recoverable OM&A Expenses (Cont'd).....	0
16	Table 15 – OEB Appendix 2-JB – Recoverable OM&A Cost Driver Table .....	0
17	Table 16 - OEB Appendix 2-JC – OM&A Programs Table .....	1

## 6.2 CALCULATION OF REVENUE REQUIREMENT

### 6.2.1 OVERVIEW

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

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

These items are presented in Table 10 - Revenue Deficiency (RRWF). The information supports HHHI's request for an increase in its Revenue Requirement to support the proposed operating and capital expenditures for HHHI, to service debt, pay PILs, and provide the allowed Return on Equity ("ROE").

HHHI's revenue deficiency for the 2021 Test Year is \$5,422,387. This deficiency is calculated as the difference between the 2021 Test Year Revenue Requirement of \$17,045,865 and the Forecast 2021 Test Year Revenue, based on the 2020 approved rates of \$11,623,478. The 2021 Test Year Revenue Deficiency reflects an increase of \$6,132,730 or 56.2% increase relative to the 2016 Board Approved (EB-2015-0074) Service Revenue Requirement of \$10,913,135.

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

#### 6.2.1 DETERMINATION OF NET UTILITY INCOME

HHHI's current rates are based on Board approved rates effective May 1, 2020 through an Incentive Rate-setting Mechanism ("IRM") proceeding (EB-2019-0039). Existing revenues based on existing Board approved rates, which are used in calculating utility income, are comprised of distribution revenue and exclude pass-thru charges such as LV Charges and Transmission Charges and well as balances in deferral and variance accounts.

Details on existing and projected distribution revenue at existing rates are presented in both Exhibit 3 and Exhibit 8 and are also replicated below. Other revenues are shown in Exhibit 3 Section 3.4. Table 1 - Distribution Revenues at Current Rates – 2021 Volumes below shows distribution revenues at both current rates and proposed 2021 volumes.

1

**Table 1 - Distribution Revenues at Current Rates – 2021 Volumes**

**2021 Test Year Projected Revenue from Existing Variable Charges**

<b>Customer Class Name</b>	<b>Variable Distribution Rate</b>	<b>per</b>	<b>Test Year Volume</b>	<b>Gross Variable Revenue</b>	<b>Transform. Allowance Rate</b>	<b>Transform. Allowance kW's</b>	<b>Transform. Allowance \$'s</b>	<b>Net Variable Revenue</b>
<i>Residential</i>	\$0.0000	kWh	207,178,634	\$0	\$0	\$0	\$0	\$0
<i>General Service &lt; 50 kW</i>	\$0.0106	kWh	46,722,885	\$495,263				\$495,263
<i>General Service 50 to 999 kW</i>	\$3.9942	kW	371,084	\$1,482,183	\$1	\$107,413	\$64,448	\$1,417,735
<i>General Service 1,000 to 4,999 kW</i>	\$3.5931	kW	168,373	\$604,980	\$1	\$207,107	\$124,264	\$480,716
<i>Sentinel Lights</i>	\$37.1725	kW	680	\$25,268				\$25,268
<i>Street Lighting</i>	\$1.6071	kW	3,105	\$4,990				\$4,990
<i>Unmetered Scattered Load</i>	\$0.0056	kWh	962,029	\$5,387				\$5,387
<b>Total Variable Revenue</b>				<b>\$2,618,071</b>			<b>\$188,712</b>	<b>\$2,429,359</b>
<u>2020 Rates at 2021 Load</u>	<b>2021 Test Year Projected Revenue from Existing Fixed &amp; Variable Charges</b>							
<b>Customer Class Name</b>	<b>Fixed Rate</b>	<b>Customers (Connections) Annualized</b>	<b>Fixed Charge Revenue</b>	<b>Variable Revenue</b>	<b>TOTAL</b>	<b>% Fixed Revenue</b>	<b>% Variable Revenue</b>	<b>% Total Revenue</b>
<i>Residential</i>	\$27.34	249,090	\$6,810,124	\$0	\$6,810,124	86.2%	0.0%	65.9%
<i>General Service &lt; 50 kW</i>	\$29.38	22,359	\$656,908	\$495,263	\$1,152,171	8.3%	20.4%	11.2%
<i>General Service &gt; 50 to 999 kW</i>	\$89.89	2,628	\$236,231	\$1,417,735	\$1,653,966	3.0%	58.4%	16.0%
<i>General Service &gt; 50 to 4999 kW</i>	\$192.10	108	\$20,747	\$480,716	\$501,463	0.3%	19.8%	4.9%
<i>Sentinel Lights</i>	\$9.80	2,100	\$20,580	\$25,268	\$45,848	0.3%	1.0%	0.4%
<i>Street Lighting</i>	\$2.38	57,996	\$138,030	\$4,990	\$143,020	1.7%	0.2%	1.4%
<i>Unmetered Scattered Load</i>	\$8.25	2,196	\$18,117	\$5,387	\$23,504	0.2%	0.2%	0.2%
<b>Total Fixed Revenue</b>			<b>\$7,900,737</b>	<b>\$2,429,359</b>	<b>\$10,330,095</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

2

3

1 **Table 2 - Distribution Revenues at Proposed Rates – 2021 Volumes**

**2021 Proposed Rates at 2021 Load**

<b>Customer Class Name</b>	<b>2021 Test Year Projected Revenue from Proposed Variable Charges</b>							
	<b>Variable Distribution Rate</b>	<b>per</b>	<b>Test Year Volume</b>	<b>Gross Variable Revenue</b>	<b>Transform. Allowance Rate</b>	<b>Transform. Allowance kW's</b>	<b>Transform. Allowance \$'s</b>	<b>Net Variable Revenue</b>
<i>Residential</i>	\$0.0000	kWh	\$207,178,634	\$0	\$0	\$0	\$0	\$0
<i>General Service &lt; 50 kW</i>	\$0.0175	kWh	\$46,722,885	\$816,469	\$0	\$0	\$0	\$816,469
<i>General Service 50 to 999 kW</i>	\$6.9927	kW	\$371,084	\$2,594,867	\$1	\$107,413	\$64,448	\$2,530,420
<i>General Service 1,000 to 4,999 kW</i>	\$8.3308	kW	\$168,373	\$1,402,686	\$1	\$207,107	\$124,264	\$1,278,422
<i>Sentinel Lights</i>	\$38.8900	kW	\$680	\$26,435	\$0	\$0	\$0	\$26,435
<i>Street Lighting</i>	\$1.8150	kW	\$3,105	\$5,635	\$0	\$0	\$0	\$5,635
<i>Unmetered Scattered Load</i>	\$0.0156	kWh	\$962,029	\$15,021	\$0	\$0	\$0	\$15,021
<b>Total Variable Revenue</b>				<b>\$4,861,114</b>			<b>\$188,712</b>	<b>\$4,672,402</b>

**2021 Proposed Rates at 2021 Load**

<b>Customer Class Name</b>	<b>2021 Test Year Projected Revenue from Proposed Fixed &amp; Variable Charges</b>							
	<b>Fixed Rate</b>	<b>Customers (Connections)</b>	<b>Fixed Charge Revenue</b>	<b>Variable Revenue</b>	<b>TOTAL</b>	<b>% Fixed Revenue</b>	<b>% Variable Revenue</b>	<b>% Total Revenue</b>
<i>Residential</i>	37.31	249,090	\$9,292,387	\$0	\$9,292,387	83.87%	0.00%	58.99%
<i>General Service &lt; 50 kW</i>	48.43	22,359	\$1,082,950	\$816,469	\$1,899,419	9.77%	17.47%	12.06%
<i>General Service 50 to 999 kW</i>	160.44	2,628	\$421,633	\$2,530,420	\$2,952,052	3.81%	54.16%	18.74%
<i>General Service 1,000 to 4,999 kW</i>	510.87	108	\$55,174	\$1,278,422	\$1,333,596	0.50%	27.36%	8.47%
<i>Sentinel Lights</i>	10.25	2,100	\$21,531	\$26,435	\$47,966	0.19%	0.57%	0.30%
<i>Street Lighting</i>	2.69	57,996	\$155,891	\$5,635	\$161,526	1.41%	0.12%	1.03%
<i>Unmetered Scattered Load</i>	23.00	2,196	\$50,515	\$15,021	\$65,536	0.46%	0.32%	0.42%
<b>Total Fixed Revenue</b>			<b>\$11,080,080</b>	<b>\$4,672,402</b>	<b>\$15,752,482</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

2

3

## 6.2.2 PROPOSED REVENUE REQUIREMENT

The 2021 Test Year Base Revenue Requirement, which represents the amount of money that a utility must receive from its customers to cover its costs, operating expenses, taxes, interest paid on debts owed to investors and a deemed return (profit) is calculated to be \$5,422,387. Table 3, below, presents HHHI's proposed 2021 Revenue Requirement as calculated in the OEB's Revenue Requirement Work Form which is being filed with this application and is also presented at Appendix 6.1 of this Exhibit. <sup>1 2</sup> Table 3 - Test Year Revenue Requirement shows the Statement of Rate Base and Table 4 - Statement of Rate Base (2021 Test Year) shows the Return on Rate Base.

**Table 3 - Test Year Revenue Requirement**

<i>Particular</i>	MIFRS
	2021
<i>OM&amp;A Expenses</i>	\$7,561,372
<i>Depreciation Expense</i>	\$3,611,342
<i>Property Taxes</i>	\$157,546
<i>Donations - LEAP</i>	\$18,890
<i>Regulated Return on Equity</i>	\$3,552,813
<i>Deemed Interest</i>	\$2,143,902
<i>Grossed up PILs</i>	\$0
<b><i>Service Revenue Requirement</i></b>	<b>\$17,045,865</b>
<i>Less: Revenue Offsets</i>	\$1,293,382
<b><i>Base Revenue Requirement</i></b>	<b>\$15,752,482</b>

<sup>1</sup> MFR - RRWF - in PDF and Excel. Revenue requirement, def/sufficiency, data entered in RRWF must correspond with other exhibits

<sup>2</sup> MFR - If the enhanced RRWF cannot reflect a distributor's proposed rates accurately, the distributor must file its rate generator model

## 6.2.3 STATEMENT OF RATE BASE

**Table 4 - Statement of Rate Base (2021 Test Year)**

	(%)	(\$)	(%)	(\$)
<b>Debt</b>				
Long-term Debt	56.00%	\$58,379,561	3.48%	\$2,029,228
Short-term Debt	4.00%	\$4,169,969	2.75%	\$114,674
<b>Total Debt</b>	60.0%	\$62,549,530	3.43%	\$2,143,902
<b>Equity</b>				
Common Equity	40.00%	\$41,699,686	8.52%	\$3,552,813
Preferred Shares		\$ -	0.00%	\$ -
<b>Total Equity</b>	40.0%	\$41,699,686	8.52%	\$3,552,813
<b>Total</b>	100.0%	\$104,249,216	5.46%	\$5,696,715

## 6.2.4 ACTUAL UTILITY RETURN ON RATE BASE

**Table 5 - Return on Rate Base (2021 Test Year)**

	<b>Return</b>
Deemed Interest Expense	\$2,143,902
Return on Deemed Equity	\$3,552,813
<b>Total</b>	\$5,696,715

## 6.2.5 REQUESTED AND INDICATED RATE OF RETURN

The requested rate of return is 8.52% as per the OEB prescribed Cost of Capital Parameters. Details of the calculation can be found in Table 10 - Revenue Deficiency (RRWF).

## 6.2.6 UTILITY INCOME AT PROPOSED REVENUE REQUIREMENT

**Table 6 - Utility Income under proposed Revenue Requirement**

<i>Particulars</i>	<i>Initial Application</i>
<b><u>Operating Revenues:</u></b>	
<i>Distribution Revenue (at Proposed Rates)</i>	\$15,752,482
<i>Other Revenue</i>	\$1,293,382
<i>Total Operating Revenues</i>	\$17,045,865
<b><u>Operating Expenses:</u></b>	
<i>OM&amp;A Expenses</i>	\$7,561,372
<i>Depreciation/Amortization</i>	\$3,611,342
<i>Property taxes</i>	\$157,546
<i>Donations - LEAP</i>	\$18,890
<i>Other expense</i>	\$ -
<b><i>Total Operating Expenses</i></b>	<b>\$11,349,150</b>
<i>Deemed Interest Expense</i>	\$2,143,902
<i>Total Expenses</i>	\$13,493,052
<b><i>Utility income before income taxes</i></b>	<b>\$3,552,813</b>
<i>PILs (grossed-up)</i>	
<b><i>Utility net income</i></b>	<b>\$3,552,813</b>

## 6.2.7 REVENUE REQUIREMENT TREND

Table 7 - Trend in Revenue Requirement below presents HHHI's Revenue Requirement trend starting from the 2016 Board Approved up to the 2021 Test Year proposed Revenue Requirement.

**Table 7 - Trend in Revenue Requirement**

	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS
<i>Particular</i>	<b>2016 Board Approved (EB-2015-0074)</b>	<b>2016 Actual</b>	<b>2017 Actual</b>	<b>2018 Actual</b>	<b>2019 Actual</b>	<b>2020 Bridge Year</b>	<b>2021 Test Year</b>
<i>OM&amp;A Expenses</i>	\$5,995,565	\$6,012,140	\$5,976,347	\$6,052,225	\$6,288,184	\$6,406,370	\$7,561,371
<i>Depreciation Expense</i>	\$1,508,054	\$2,045,279	\$2,226,549	\$2,359,877	\$2,556,788	\$2,774,888	\$3,611,342
<i>Property Taxes</i>	\$104,440	\$102,949	\$105,778	\$93,294	\$114,540	\$152,923	\$157,546
<i>Other expenses - LEAP</i>	\$12,027	\$13,906	\$12,539	\$12,511	\$13,086	\$11,945	\$18,890
<b><i>Total Distribution Expenses</i></b>	<b>\$7,620,086</b>	<b>\$8,174,274</b>	<b>\$8,321,213</b>	<b>\$8,517,907</b>	<b>\$8,972,598</b>	<b>\$9,346,126</b>	<b>\$11,349,149</b>
<i>Regulated Return on Capital</i>	5.36%	5.56%	5.35%	5.53%	5.60%	5.91%	5.46%
<i>Grossed up PILs</i>	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b><i>Service Revenue Requirement</i></b>	<b>\$10,913,135</b>	<b>\$10,857,232</b>	<b>\$11,090,651</b>	<b>\$11,720,178</b>	<b>\$11,889,985</b>	<b>\$12,187,981</b>	<b>\$17,045,865</b>
<i>Less: Revenue Offsets</i>	\$959,144	\$975,398	\$895,991	\$965,977	\$910,390	\$1,016,241	\$1,293,382
<b><i>Base Revenue Requirement</i></b>	<b>\$9,953,991</b>	<b>\$9,881,834</b>	<b>\$10,194,660</b>	<b>\$10,754,201</b>	<b>\$10,979,595</b>	<b>\$11,171,740</b>	<b>\$15,752,483</b>

1

**Table 8 - Variance Analysis of Revenue Requirement**

Particular	MIFRS 2016 Board Approved (EB- 2015-0074)	MIFRS 2016	MIFRS 2017	MIFRS 2018	MIFRS 2019	MIFRS 2020 Bridge Year	MIFRS 2021 Test Year	Variance - 2021 Test Year over 2016 BA
OM&A Expenses								
Year over year change (\$)		16,575	(35,793)	75,878	235,959	118,186	1,155,001	1,565,806
Year over year change (%)		0.28%	(0.60%)	1.27%	3.90%	1.88%	18.03%	26.12%
Depreciation Expense								
Year over year change (\$)		537,225	181,270	133,328	196,911	218,100	836,454	2,103,288
Year over year change (%)		35.62%	8.86%	5.99%	8.34%	8.53%	30.14%	139.47%
Property Taxes								
Year over year change (\$)		(1,491)	2,829	(12,484)	21,246	38,383	4,623	53,106
Year over year change (%)		(1.43%)	2.75%	(11.80%)	22.77%	33.51%	3.02%	50.85%
Total Distribution Expenses								
Year over year change (\$)		554,188	146,939	196,694	454,691	373,528	2,003,023	3,729,063
Year over year change (%)		7.27%	1.80%	2.36%	5.34%	4.16%	21.43%	48.94%
Regulated Return on Capital								
Year over year rate change (%)		0.20%	(0.21%)	0.18%	0.07%	0.31%	(0.45%)	
Year over year change (%)		3.73%	(3.78%)	3.36%	1.27%	5.54%	(7.61%)	
Grossed up PILs								
Year over year change (\$)		-	-	-	-	-	-	-
Year over year change (%)		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>Service Revenue Requirement</b>								
Year over year change (\$)		(55,903)	233,419	629,527	169,807	297,996	4,857,884	6,132,730
Year over year change (%)		(0.51%)	2.15%	5.68%	1.45%	2.51%	39.86%	56.20%
Less: Revenue Offsets								
Year over year change (\$)		16,254	(79,407)	69,986	(55,587)	105,851	277,141	334,238
Year over year change (%)		1.69%	(8.14%)	7.81%	(5.75%)	11.63%	27.27%	34.85%
<b>Base Revenue Requirement</b>								
Year over year change (\$)		(72,157)	312,826	559,541	225,394	192,145	4,580,743	5,798,492
Year over year change (%)		(0.72%)	3.17%	5.49%	2.10%	1.75%	41.00%	58.25%

2 As can be seen from Table 7 - Trend in Revenue Requirement and

1 Table 8 - Variance Analysis of Revenue Requirement above, the proposed revenue  
2 requirement for the test year is 56.20% higher than the 2016 Cost of Service Approved Revenue  
3 Requirement. The revenue requirement increased moderately in 2017 and again in 2018 and 2019.  
4 The increase in 2020 Bridge Year and 2021 Test Year is mostly due to the effects on OM&A related  
5 to interest expense (MTS1) and depreciation. Year over year variances in OM&A are explained in  
6 Exhibit 4 and Revenue Offsets are explained in detail in Exhibit 3.

## 6.3 REVENUE DEFICIENCY OR SURPLUS

### 6.3.1 CALCULATION OF REVENUE DEFICIENCY OR SURPLUS

HHHI's base revenue deficiency under the proposed rates is \$5,442,387. This deficiency is calculated as the difference between the 2021 Test Year Revenue Requirement and the Forecast Test Year Revenue Requirement at HHHI's 2020 approved distribution rates.

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

**Table 9 - Summary Table of Revenue Requirement and Revenue Deficiency/Sufficiency (RRWF)**

<i>Service Revenue Requirement</i>	\$17,045,865
<i>Grossed-Up Revenue Deficiency/(Sufficiency)</i>	\$7,377,397
<i>Base Revenue Requirement (to be recovered from Distribution Rates)</i>	\$15,752,482
<i>Revenue Deficiency/(Sufficiency) Associated with Base Revenue Requirement</i>	\$5,422,387

The Revenue Deficiency sheet presented at the next page is an excerpt from the Revenue Requirement Work Form. The drivers of the revenue deficiency are detailed in Table 10 - Revenue Deficiency (RRWF) at the next page.

1

**Table 10 - Revenue Deficiency (RRWF)<sup>3</sup>**

Initial Application			
Particulars		At Current Approved Rates	At Proposed Rates
Revenue Deficiency from Below			\$7,377,397
Distribution Revenue		\$10,330,095	\$8,375,085
Other Operating Revenue Offsets - net		\$1,293,382	\$1,293,382
Total Revenue		\$11,623,478	\$17,045,865
Operating Expenses		\$11,349,150	\$11,349,150
Deemed Interest Expense		\$2,143,902	\$2,143,902
Total Cost and Expenses		\$13,493,052	\$13,493,052
Utility Income Before Income Taxes		(\$1,869,574)	\$3,552,813
Tax Adjustments to Accounting	Income per	(\$6,080,230)	(\$6,080,230)
2021 PILs model			
Taxable Income		(\$7,949,803)	(\$2,527,416)
Income Tax Rate		26.50%	26.50%
Income Tax on Taxable Income		\$ -	\$ -
Income Tax Credits		\$ -	\$ -
Utility Net Income		(\$1,869,574)	\$3,552,813
Utility Rate Base		\$104,249,216	\$104,249,216
Deemed Equity Portion of Rate Base		\$41,699,686	\$41,699,686
Income/(Equity Portion of Rate Base)		(4.48%)	8.52%
Target Return - Equity on Rate Base		8.52%	8.52%
Deficiency/Sufficiency in Return on Equity		(13.00%)	0.00%
Indicated Rate of Return		0.26%	5.46%
Requested Rate of Return on Rate Base		5.46%	5.46%
Deficiency/Sufficiency in Rate of Return		(5.20%)	0.00%
Target Return on Equity		\$3,552,813	\$3,552,813
Revenue Deficiency/(Sufficiency)		\$5,422,387	\$ -
Gross Revenue Deficiency/(Sufficiency)		\$7,377,397	(1)

2

<sup>3</sup> MFR - 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 and other DVA balances).

#### 46.3.2 CAUSES OF REVENUE DEFICIENCY OR SURPLUS

HHHI's existing rates are based on the Board-approved rates in 2016 following a cost of service rate application, and adjustments to its base distribution rates in 2017 through 2020 under the Board's third Generation Incentive Regulation Mechanism.

As shown in Table 10 - Revenue Deficiency (RRWF) in the previous section, the Revenue Deficiency is determined to be \$5,422,387. The deficiency is for the most part due to the increase in the Rate Base, Depreciation Expenses, and OM&A.

Table 11 - Revenue Deficiency by Revenue Requirement Component below shows that the causes for the revenue deficiency stem from an increase in Rate Base of \$42,826,661 higher than the 2016 Board-approved amount which was discussed in detail at Exhibit 2. Based on a 5.46% overall cost of capital, the increase in the rate base drives an increase in the revenue requirement.

The revenue deficiency of \$5,422,387 for the 2021 Test Year is primarily a result of increases in the following components:

- **Increased depreciation:** Depreciation has increased as a result of the increase in net fixed assets in service. The 2016 Board Approved average net fixed assets was \$55,575,587 compared to \$99,356,973 in the 2021 Test Year. Details with respect to the increases in the net fixed assets is provided in evidence in Exhibit 2, Table 1-Test Year Rate Base.
- **Increase in deemed interest expense:** The increase in rate base is also the reason for the increase in deemed interest expense. Details of the increase is presented Exhibit 5, Table 1 - Overview of Capital Structure.
- **Return on rate base due to increased rate base:** The return on rate base has increased as a result of a \$42,826,661 increase in total Rate Base.

---

<sup>4</sup> MFR - Summary of drivers for test year deficiency/sufficiency, how much each driver contributes; references in application evidence mapped to drivers

- **Increase in OM&A expenses:** Increase in OM&A including LEAP is detailed in Exhibit 4. Please refer to Exhibit 4 for Overall Cost Trends - 2021 Test Year OM&A.

Table 11 - Revenue Deficiency by Revenue Requirement Component below summarizes the contributors to the revenue deficiency by revenue requirement component. Column A lists the 2016 Board Approved amounts (Refer to Exhibit 5 for the computation of the 2016 Board Approved). Column B lists the 2021 revenue at existing rates shown in Table 11 - Revenue Deficiency by Revenue Requirement Component allocated to revenue requirement component based on the proportions in Column A. It is HHHI's view that Column B estimates the revenue requirement components for revenue at existing rates based on the components assumed in existing rates. Column C lists HHHI's proposed components. Finally, Column D represents the difference between Column C and Column B which provides an estimate of the revenue requirement components for the revenue deficiency of \$5,422,387.

**Table 11 - Revenue Deficiency by Revenue Requirement Component**

<i>Service Revenue Requirement</i>	<b>2016 Board Approved</b>	<b>2021 Revenue at Existing Rate Rates Allocated in Proportion to 2016 Board Approved</b>	<b>2021 Test Year Proposed</b>	<b>Revenue Deficiency</b>
	<b>(A)</b>	<b>(B)</b>	<b>(C)</b>	<b>D= (C) - (B)</b>
<b>OM&amp;A, including LEAP</b>	6,007,592	6,398,630	7,580,262	1,181,632
<b>Property Tax</b>	104,440	111,238	157,546	46,308
<b>Depreciation</b>	1,508,054	1,606,214	3,611,342	2,005,128
<b>Return on Equity</b>	2,257,893	2,404,861	3,552,813	1,147,953
<b>Deemed Interest</b>	1,035,156	1,102,535	2,143,902	1,041,367
<b>Service Revenue Requirement</b>	<b>10,913,135</b>	<b>11,623,478</b>	<b>17,045,865</b>	<b>5,422,387</b>
				<b>Rate Base Difference</b>
				<b>E = (C) - (A)</b>
<b>Rate Base</b>	<b>61,422,556</b>		<b>104,249,216</b>	<b>42,826,661</b>

**Table 12 – Differences in Revenue Requirement from 2016 Cost of Service**

<i>Particular</i>	MIFRS	MIFRS	<b>Diff</b>
	<b>2016 Board Approved (EB-2015-0074)</b>	<b>2021 Test Year</b>	
<i>Long Term Debt</i>	\$34,396,631	\$58,379,561	\$23,982,930
<i>Short Term Debt</i>	\$2,456,902	\$4,169,969	\$1,713,067
<i>Return on Equity</i>	\$1,035,157	\$2,143,948	\$1,108,791
<i>Weighted Debt Rate</i>	\$0	\$0	\$0
<b><i>Regulated Rate of Return</i></b>			<b>\$0</b>
<i>Controllable Expenses</i>	\$5,938,452	\$7,432,968	\$1,494,516
<i>Power Supply Expense</i>	\$69,594,450	\$57,796,943	(\$11,797,507)
<i>Total Eligible Distribution Expenses</i>	\$75,532,902	\$65,229,911	(\$10,302,991)
<i>Working Capital Allowance Rate</i>	\$5,664,968	\$4,892,243	(\$772,725)
<b><i>Total Working Capital Allowance ("WCA")</i></b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<i>Fixed Asset Opening Bal Bridge Year</i>	\$52,744,103	\$98,406,693	\$45,662,590
<i>Fixed Asset Opening Bal Test Year</i>	\$58,771,072	\$100,307,252	\$41,536,180
<i>Average Fixed Asset</i>	\$55,757,588	\$99,356,973	\$43,599,385
<i>Working Capital Allowance</i>	\$5,664,968	\$4,892,243	(\$772,725)
<b><i>Rate Base</i></b>	<b>\$61,422,556</b>	<b>\$104,249,216</b>	<b>\$42,826,660</b>
<i>Regulated Rate of Return</i>	\$0	\$0	\$0
<b><i>Regulated Return on Capital</i></b>			
<i>Deemed Interest Expense</i>	\$1,035,157	\$2,143,902	\$1,108,745
<i>Deemed Return on Equity</i>	\$2,257,893	\$3,552,813	\$1,294,920
<i>OM&amp;A</i>	\$5,995,565	\$7,561,371	\$1,565,806
<i>Property Taxes</i>	\$104,440	\$157,546	\$53,106
<i>Depreciation Expense</i>	\$1,508,054	\$3,611,342	\$2,103,288
<i>LEAP</i>	\$12,027	\$18,890	\$6,863
<i>PILs</i>	\$0	\$0	\$0
<i>Revenue Offset</i>	(\$959,144)	(\$1,293,382)	(\$334,238)
<b><i>Base Revenue Requirement</i></b>	<b>\$9,953,992</b>	<b>\$15,752,482</b>	<b>\$5,798,490</b>

A summary of recoverable OM&A expenses, cost drivers and programs is shown below in Table 13 – OEB Appendix 2-JA – Summary of Recoverable OM&A Expenses,

1 Table 14 – OEB Appendix 2-JA – Summary of Recoverable OM&A Expenses (Cont'd) and

1

2 Table 15 – OEB Appendix 2-JB – Recoverable OM&A Cost Driver Table respectively. Additional

3 details can be found in Exhibit 4.

4 **Table 13 – OEB Appendix 2-JA – Summary of Recoverable OM&A Expenses<sup>5</sup>**

	2016 Last Rebasing Year OEB Approved	2016 Last Rebasing Year Actuals	2017 Actuals	2018 Actuals	2019 Actuals	2020 Bridge Year	2021 Test Year
<b>Reporting Basis</b>	<i>MIFRS</i>	<i>MIFRS</i>	<i>MIFRS</i>	<i>MIFRS</i>	<i>MIFRS</i>	<i>MIFRS</i>	<i>MIFRS</i>
<i>Operations</i>	\$1,355,647	\$1,412,667	\$1,374,606	\$1,283,640	\$1,264,254	\$1,211,047	\$1,440,803
<i>Maintenance</i>	\$374,125	\$444,659	\$283,003	\$317,433	\$305,637	\$415,550	\$458,000
<b>Subtotal</b>	<b>\$1,729,772</b>	<b>\$1,857,325</b>	<b>\$1,657,609</b>	<b>\$1,601,073</b>	<b>\$1,569,890</b>	<b>\$1,626,597</b>	<b>\$1,898,803</b>
%Change (year over year)		\$0	\$0	\$0	\$0	\$0	\$0
%Change (Test Year vs Last Rebasing Year - Actual)							\$0
<i>Billing and Collecting</i>	\$1,559,240	\$1,097,634	\$1,130,882	\$1,148,642	\$1,125,654	\$1,171,162	\$1,177,856
<i>Community Relations</i>							
<i>Administrative and General</i>	\$2,706,553	\$3,057,180	\$3,187,856	\$3,302,510	\$3,592,639	\$3,608,611	\$4,484,712
<b>Subtotal</b>	<b>\$4,265,793</b>	<b>\$4,154,814</b>	<b>\$4,318,737</b>	<b>\$4,451,152</b>	<b>\$4,718,293</b>	<b>\$4,779,773</b>	<b>\$5,662,569</b>
%Change (year over year)		(2.60%)	3.95%	3.07%	6.00%	1.30%	18.47%
%Change (Test Year vs Last Rebasing Year - Actual)							36.29%
<b>Total</b>	<b>\$5,995,565</b>	<b>\$6,012,140</b>	<b>\$5,976,346</b>	<b>\$6,052,225</b>	<b>\$6,288,183</b>	<b>\$6,406,370</b>	<b>\$7,561,372</b>
%Change (year over year)		0.28%	(0.60%)	1.27%	3.90%	1.88%	18.03%

5

---

<sup>5</sup> MFR - Summary of recoverable OM&A expenses; Appendix 2-JA

**Table 14 – OEB Appendix 2-JA – Summary of Recoverable OM&A Expenses<sup>6</sup> (Cont'd)**

	Last Rebasings Year 2016 OEB Approved	Last Rebasings Year 2016 Actuals	Variance 2016 OEB Approved - 2016 Actuals	Last Rebasings Year 2016 Actuals	2017 Actuals	2018 Actuals	2019 Actuals	2020 Bridge Year	Variance 2020 Bridge vs. 2019 Actuals	2021 Test Year	Variance 2021 Test vs. 2020 Bridge
Operations	\$1,355,647	\$1,412,667	(\$57,020)	\$1,211,047	\$1,374,606	\$1,283,640	\$1,264,254	\$1,211,047	(\$53,207)	\$1,440,803	\$229,756
Maintenance	\$374,125	\$444,659	(\$70,534)	\$415,550	\$283,003	\$317,433	\$305,637	\$415,550	\$109,913	\$458,000	\$42,450
Billing and Collecting	\$1,559,240	\$1,097,634	\$461,606	\$0	\$1,130,882	\$1,148,642	\$1,125,654	\$1,171,162	\$45,508	\$1,177,856	\$6,694
Community Relations	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Administrative and General	\$2,706,553	\$3,057,180	(\$350,627)	\$0	\$3,187,856	\$3,302,510	\$3,592,639	\$3,608,611	\$15,972	\$4,484,712	\$876,101
<b>Total OM&amp;A Expenses</b>	<b>\$5,995,565</b>	<b>\$6,012,140</b>	<b>(\$16,574)</b>	<b>\$0</b>	<b>\$5,976,346</b>	<b>\$6,052,225</b>	<b>\$6,288,183</b>	<b>\$6,406,370</b>	<b>\$118,187</b>	<b>\$7,561,372</b>	<b>\$1,155,002</b>
Adjustments for Total non-recoverable items											
<b>Total Recoverable OM&amp;A Expenses</b>	<b>\$5,995,565</b>	<b>\$6,012,140</b>	<b>(\$16,574)</b>	<b>\$0</b>	<b>\$5,976,346</b>	<b>\$6,052,225</b>	<b>\$6,288,183</b>	<b>\$6,406,370</b>	<b>\$118,187</b>	<b>\$7,561,372</b>	<b>\$1,155,002</b>
Variance from previous year				\$0	(\$35,793)	\$75,879	\$235,958	\$118,187		\$1,155,002	
Percent change (year over year)				0.00%	0.00%	1.27%	3.90%	1.88%		18.03%	
Percent Change: Test year vs. Most Current Actual										20.25%	
Simple average of % variance for all years										6.27%	
Compound Annual Growth Rate for all years											4.69%
Compound Growth Rate (2019 vs. 2016 Actuals)										1.51%	

<sup>6</sup> MFR - Summary of recoverable OM&A expenses; Appendix 2-JA

1

2 **Table 15 – OEB Appendix 2-JB – Recoverable OM&A Cost Driver Table<sup>7</sup>**

<i>Description</i>	<b>2016 Actual</b>	<b>2017 Actual</b>	<b>2018 Actual</b>	<b>2019 Actual</b>	<b>2020 Bridge Year</b>	<b>2021 Test Year</b>	
<b>Opening Balance (Excluding LEAP &amp; Property Taxes)</b>	<b>\$5,995,565</b>	<b>\$ 6,012,139</b>	<b>\$ 5,976,346</b>	<b>\$ 6,052,225</b>	<b>\$ 6,288,183</b>	<b>\$ 6,406,370</b>	<b>\$ 5,995,565</b>
Salaries and benefits							
Pay Equity Adjustment			181,775				181,775
Increase in FTE				53,750	65,373	250,324	369,447
Increase in wages and staff progressions						103,906	103,906
Increase in benefit costs						82,967	82,967
Change in labour burden allocation						120,698	120,698
Training and staff development				58,645	(5,658)		52,987
Professional Service			38,500		(115,655)		(77,155)
Bad Debt expense	(114,548)	107,007	(12,500)				(20,041)
Climate Change (Admin)						279,700	279,700
Cybersecurity and IT Training			13,142	36,706	71,293	91,300	212,441
Transformer Station (Insurance, Control Room)				1,086	138,680	50,586	190,352
Mtce Operations (Switch Mtce)						23,535	23,535
Trucking costs				65,730	(20,891)	37,608	82,447
Underground cable testing (ENG)					(39,940)	25,000	(14,940)
Metering (wireless communication costs)						24,680	24,680
Regulatory						16,000	16,000
Materials and other cost increases					31,357	7,138	38,495
Vegetation Management	84,855	(181,855)	6,567	(34,174)	72,259	25,000	(27,348)
Other	46,267	39,055	(151,605)	54,215	(78,631)	16,560	(74,139)
<b>Closing Balance (Excluding LEAP &amp; Property Taxes)</b>	<b>\$ 6,012,139</b>	<b>\$ 5,976,346</b>	<b>\$ 6,052,225</b>	<b>\$ 6,288,183</b>	<b>\$ 6,406,370</b>	<b>\$ 7,561,372</b>	<b>\$ 7,561,372</b>

3

4

---

<sup>7</sup> MFR - Recoverable OM&A cost drivers; Appendix 2-JB

**Table 16 - OEB Appendix 2-JC – OM&A Programs Table<sup>8</sup>**

<i>Programs</i>	<b>2016 Board Approved</b>	<b>2016 Actual</b>	<b>2017 Actual</b>	<b>2018 Actual</b>	<b>2019 Actual</b>	<b>2020 Bridge Year</b>	<b>2021 Test Year</b>	<b>Variance (Test Year vs. 2019 Actual)</b>	<b>Variance (Test Year vs. 2016 Board Approved)</b>
<b>Reporting Basis</b>	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS		
<b>Distribution Expenses - Operation</b>	\$1,355,647	\$1,412,667	\$1,374,606	\$1,283,640	\$1,264,254	\$1,211,047	\$1,440,803	\$176,550	\$85,157
<b>Sub-Total</b>	<b>\$1,355,647</b>	<b>\$1,412,667</b>	<b>\$1,374,606</b>	<b>\$1,283,640</b>	<b>\$1,264,254</b>	<b>\$1,211,047</b>	<b>\$1,440,803</b>	<b>\$176,550</b>	<b>\$85,157</b>
<b>Distribution Expenses - Maintenance</b>	\$374,125	\$444,659	\$283,003	\$317,433	\$305,637	\$415,550	\$458,000	\$152,363	\$83,875
<b>Sub-Total</b>	<b>\$374,125</b>	<b>\$444,659</b>	<b>\$283,003</b>	<b>\$317,433</b>	<b>\$305,637</b>	<b>\$415,550</b>	<b>\$458,000</b>	<b>\$152,363</b>	<b>\$83,875</b>
<b>Billing and Collecting</b>	\$1,559,240	\$1,097,634	\$1,130,882	\$1,148,642	\$1,125,654	\$1,171,162	\$1,177,856	\$52,202	-\$381,384
<b>Sub-Total</b>	<b>\$1,559,240</b>	<b>\$1,097,634</b>	<b>\$1,130,882</b>	<b>\$1,148,642</b>	<b>\$1,125,654</b>	<b>\$1,171,162</b>	<b>\$1,177,856</b>	<b>\$52,202</b>	<b>-\$381,384</b>
<b>Administrative and General Expenses</b>	\$3,122,070	\$3,057,180	\$3,187,856	\$3,302,510	\$3,592,639	\$3,608,611	\$4,484,712	\$892,074	\$1,362,642
<b>Reduction in OM&amp;A as Settlement Agreement (Envelope approach reduction) and Interrogatory</b>	-\$450,000							\$0	\$450,000
<b>Future Employee Benefits</b>	\$34,483							\$0	-\$34,483
<b>Sub-Total</b>	<b>\$2,706,553</b>	<b>\$3,057,180</b>	<b>\$3,187,856</b>	<b>\$3,302,510</b>	<b>\$3,592,639</b>	<b>\$3,608,611</b>	<b>\$4,484,712</b>	<b>\$892,074</b>	<b>\$1,778,159</b>
<b>LEAP</b>	\$12,027						\$18,890	\$18,890	\$6,863
<b>Sub-Total</b>	<b>\$12,027</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$18,890</b>	<b>\$18,890</b>	<b>\$6,863</b>
<b>Miscellaneous</b>								\$0	\$0
<b>Total</b>	<b>\$6,007,592</b>	<b>\$6,012,140</b>	<b>\$5,976,346</b>	<b>\$6,052,225</b>	<b>\$6,288,183</b>	<b>\$6,406,370</b>	<b>\$7,580,262</b>	<b>\$1,292,079</b>	<b>\$1,572,670</b>

<sup>8</sup> MFR - 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

1

## **Appendix 6-1 – Revenue Requirement Work Form**



Ontario Energy Board

# Revenue Requirement Workform (RRWF) for 2021 Filers



Version 1.00

Utility Name	Halton Hills Hydro Inc.
Service Territory	Town of Halton Hills
Assigned EB Number	EB-2020-0026
Name and Title	David J. Smelsky, Chief Financial Officer
Phone Number	519-853-3700 ext 208
Email Address	<a href="mailto:dsmelsky@haltonhillshydro.com">dsmelsky@haltonhillshydro.com</a>
Test Year	<a href="#">2021</a>
Bridge Year	<a href="#">2020</a>
Last Rebasing Year	<a href="#">2016</a>

The RRWF has been enhanced commencing with 2017 rate applications to provide estimated base distribution rates. The enhanced RRWF is not intended to replace a utility's formal rate generator model which should continue to be the source of the proposed rates as well as the final ones at the conclusion of the proceeding. The load forecasting addition made to this model is intended to be demonstrative only and does not replace the information filed in the utility's application. In an effort to minimize the incremental work required from utilities, the cost allocation and rate design additions to this model do in fact replace former appendices that were required to be filed as part of the cost of service (Chapter 2) filing requirements.

*This Workbook Model is protected by copyright and is being made available to you solely for the purpose of filing your application. You may use and copy this model for that purpose, and provide a copy of this model to any person that is advising or assisting you in that regard. Except as indicated above, any copying, reproduction, publication, sale, adaptation, translation, modification, reverse engineering or other use or dissemination of this model without the express written consent of the Ontario Energy Board is prohibited. If you provide a copy of this model to a person that is advising or assisting you in preparing the application or reviewing your draft rate order, you must ensure that the person understands and agrees to the restrictions noted above.*

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



Ontario Energy Board

# Revenue Requirement Workform (RRWF) for 2021 Filers

[1. Info](#)

[2. Table of Contents](#)

[3. Data Input Sheet](#)

[4. Rate Base](#)

[5. Utility Income](#)

[6. Taxes PILs](#)

[7. Cost of Capital](#)

[8. Rev Def Suff](#)

[9. Rev Regt](#)

[10. Load Forecast](#)

[11. Cost Allocation](#)

[12. Residential Rate Design](#)

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

[14. Tracking Sheet](#)

## Notes:

- (1) Pale green cells represent inputs
- (2) Pale green boxes at the bottom of each page are for additional notes
- (3) Pale yellow cells represent drop-down lists

- (4) **Please note that this model uses MACROS. Before starting, please ensure that macros have been enabled.**
- (5) **Completed versions of the Revenue Requirement Work Form are required to be filed in working Microsoft Excel format.**



# Revenue Requirement Workform (RRWF) for 2021 Filers

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

	Initial Application	(2)		(6)	Per Board Decision
<b>1 Rate Base</b>					
Gross Fixed Assets (average)	\$117,939,104		\$ 117,939,104		\$117,939,104
Accumulated Depreciation (average)	(\$18,582,131)	(5)	(\$18,582,131)		(\$18,582,131)
<b>Allowance for Working Capital:</b>					
Controllable Expenses	\$7,432,968		\$ 7,432,968		\$7,432,968
Cost of Power	\$57,796,943		\$ 57,796,943		\$57,796,943
Working Capital Rate (%)	7.50%	(9)	7.50%	(9)	7.50% (9)
<b>2 Utility Income</b>					
Operating Revenues:					
Distribution Revenue at Current Rates	\$10,330,095		\$10,330,095		
Distribution Revenue at Proposed Rates	\$15,752,482		\$15,752,482		
<b>Other Revenue:</b>					
Specific Service Charges	\$266,651		\$266,651		
Late Payment Charges	\$145,000		\$145,000		
Other Distribution Revenue	\$715,865		\$715,865		
Other Income and Deductions	\$165,866		\$165,866		
Total Revenue Offsets	\$1,293,382	(7)	\$1,293,382		
Operating Expenses:					
OM+A Expenses	\$7,580,262		\$ 7,580,262		\$7,580,262
Depreciation/Amortization	\$3,611,342		\$ 3,611,342		\$3,611,342
Property taxes	\$157,546		\$ 157,546		\$157,546
Other expenses					
<b>3 Taxes/PILs</b>					
Taxable Income:					
Adjustments required to arrive at taxable income	(\$6,080,230)	(3)	(\$6,080,230)		
<b>Utility Income Taxes and Rates:</b>					
Income taxes (not grossed up)	\$ -		\$ -		
Income taxes (grossed up)	\$ -		\$ -		
Federal tax (%)	11.50%		11.50%		
Provincial tax (%)	15.00%		15.00%		
Income Tax Credits					
<b>4 Capitalization/Cost of Capital</b>					
Capital Structure:					
Long-term debt Capitalization Ratio (%)	56.0%		56.0%		
Short-term debt Capitalization Ratio (%)	4.0%	(8)	4.0%	(8)	(8)
Common Equity Capitalization Ratio (%)	40.0%		40.0%		
Preferred Shares Capitalization Ratio (%)					
	100.0%		100.0%		
<b>Cost of Capital</b>					
Long-term debt Cost Rate (%)	3.48%		3.48%		
Short-term debt Cost Rate (%)	2.75%		2.75%		
Common Equity Cost Rate (%)	8.52%		8.52%		
Preferred Shares Cost Rate (%)					

### Notes:

**General** Data inputs are required on Sheets 3. Data from Sheet 3 will automatically complete calculations on sheets 4 through 9 (Rate Base through Revenue Requirement). Sheets 4 through 9 do not require any inputs except for notes that the Applicant may wish to enter to support the results. Pale green cells are available on sheets 4 through 9 to enter both footnotes beside key cells and the related text for the notes at the bottom of each sheet.

- (1) All inputs are in dollars (\$) except where inputs are individually identified as percentages (%)
- (2) Data in column E is for Application as originally filed. For updated revenue requirement as a result of interrogatory responses, technical or settlement conferences, etc., use column M and Adjustments in column I
- (3) Net of addbacks and deductions to arrive at taxable income.
- (4) Average of Gross Fixed Assets at beginning and end of the Test Year
- (5) Average of Accumulated Depreciation at the beginning and end of the Test Year. Enter as a negative amount.
- (6) Select option from drop-down list by clicking on cell M12. This column allows for the application update reflecting the end of discovery or Argument-in-Chief. Also, the outcome of any Settlement Process can be reflected.
- (7) Input total revenue offsets for deriving the base revenue requirement from the service revenue requirement
- (8) 4.0% unless an Applicant has proposed or been approved for another amount.
- (9) The default Working Capital Allowance factor is **7.5%** (of Cost of Power plus controllable expenses), per the letter issued by the Board on June 3, 2015. Alternatively, a WCA factor based on lead-lag study, with supporting rationale could be provided.



# Revenue Requirement Workform (RRWF) for 2021 Filers

## Rate Base and Working Capital

Rate Base										
Line No.	Particulars		Initial Application						Per Board Decision	
1	Gross Fixed Assets (average) <sup>(2)</sup>		\$117,939,104		\$ -		\$117,939,104		\$ -	\$117,939,104
2	Accumulated Depreciation (average) <sup>(2)</sup>		(\$18,582,131)		\$ -		(\$18,582,131)		\$ -	(\$18,582,131)
3	Net Fixed Assets (average) <sup>(2)</sup>		\$99,356,973		\$ -		\$99,356,973		\$ -	\$99,356,973
4	Allowance for Working Capital <sup>(1)</sup>		\$4,892,243		\$ -		\$4,892,243		\$ -	\$4,892,243
5	Total Rate Base		\$104,249,216		\$ -		\$104,249,216		\$ -	\$104,249,216

### (1) Allowance for Working Capital - Derivation

6	Controllable Expenses	\$7,432,968	\$ -	\$7,432,968	\$ -	\$7,432,968
7	Cost of Power	\$57,796,943	\$ -	\$57,796,943	\$ -	\$57,796,943
8	Working Capital Base	\$65,229,911	\$ -	\$65,229,911	\$ -	\$65,229,911
9	Working Capital Rate % <sup>(1)</sup>	7.50%	0.00%	7.50%	0.00%	7.50%
10	Working Capital Allowance	\$4,892,243	\$ -	\$4,892,243	\$ -	\$4,892,243

### Notes

(1) Some Applicants may have a unique rate as a result of a lead-lag study. The default rate for 2021 cost of service applications is 7.5%, per the letter issued by the Board on June 3, 2015.

(2) Average of opening and closing balances for the year.



Ontario Energy Board

# Revenue Requirement Workform (RRWF) for 2021 Filers

## Utility Income

Line No.	Particulars	Initial Application				Per Board Decision				
<b>Operating Revenues:</b>										
1	Distribution Revenue (at Proposed Rates)	\$15,752,482		\$ -		\$15,752,482		\$ -		\$15,752,482
2	Other Revenue	(1) \$1,293,382		\$ -		\$1,293,382		\$ -		\$1,293,382
3	Total Operating Revenues	\$17,045,864		\$ -		\$17,045,864		\$ -		\$17,045,864
<b>Operating Expenses:</b>										
4	OM+A Expenses	\$7,580,262		\$ -		\$7,580,262		\$ -		\$7,580,262
5	Depreciation/Amortization	\$3,611,342		\$ -		\$3,611,342		\$ -		\$3,611,342
6	Property taxes	\$157,546		\$ -		\$157,546		\$ -		\$157,546
7	Capital taxes	\$ -		\$ -		\$ -		\$ -		\$ -
8	Other expense	\$ -		\$ -		\$ -		\$ -		\$ -
9	Subtotal (lines 4 to 8)	\$11,349,150		\$ -		\$11,349,150		\$ -		\$11,349,150
10	Deemed Interest Expense	\$2,143,902		\$ -		\$2,143,902		\$ -		\$2,143,902
11	Total Expenses (lines 9 to 10)	\$13,493,052		\$ -		\$13,493,052		\$ -		\$13,493,052
12	Utility income before income taxes	\$3,552,813		\$ -		\$3,552,813		\$ -		\$3,552,813
13	Income taxes (grossed-up)	\$ -		\$ -		\$ -		\$ -		\$ -
14	Utility net income	\$3,552,813		\$ -		\$3,552,813		\$ -		\$3,552,813

## Notes

### Other Revenues / Revenue Offsets

<sup>(1)</sup>	Specific Service Charges	\$266,651		\$ -		\$266,651		\$266,651
	Late Payment Charges	\$145,000		\$ -		\$145,000		\$145,000
	Other Distribution Revenue	\$715,865		\$ -		\$715,865		\$715,865
	Other Income and Deductions	\$165,866		\$ -		\$165,866		\$165,866
	Total Revenue Offsets	\$1,293,382		\$ -		\$1,293,382		\$1,293,382



# Revenue Requirement Workform (RRWF) for 2021 Filers

## Taxes/PILs

Line No.	Particulars	Application		Per Board Decision	
<u>Determination of Taxable Income</u>					
1	Utility net income before taxes	\$3,552,813		\$3,552,813	
2	Adjustments required to arrive at taxable utility income	(\$6,080,230)		(\$6,080,230)	
3	Taxable income	(\$2,527,416)		(\$2,527,416)	
<u>Calculation of Utility income Taxes</u>					
4	Income taxes	\$ -		\$ -	
6	Total taxes	\$ -		\$ -	
7	Gross-up of Income Taxes	\$ -		\$ -	
8	Grossed-up Income Taxes	\$ -		\$ -	
9	PILs / tax Allowance (Grossed-up Income taxes + Capital taxes)	\$ -		\$ -	
10	Other tax Credits	\$ -		\$ -	
<u>Tax Rates</u>					
11	Federal tax (%)	11.50%		11.50%	
12	Provincial tax (%)	15.00%		15.00%	
13	Total tax rate (%)	26.50%		26.50%	

## Notes



# Revenue Requirement Workform (RRWF) for 2021 Filers

## Capitalization/Cost of Capital

Line No.	Particulars	Capitalization Ratio		Cost Rate		Return
		Initial Application				
		(%)		(\$)	(%)	(\$)
	Debt					
1	Long-term Debt	56.00%		\$58,379,561	3.48%	\$2,029,228
2	Short-term Debt	4.00%		\$4,169,969	2.75%	\$114,674
3	Total Debt	60.00%		\$62,549,530	3.43%	\$2,143,902
	Equity					
4	Common Equity	40.00%		\$41,699,686	8.52%	\$3,552,813
5	Preferred Shares	0.00%		\$ -	0.00%	\$ -
6	Total Equity	40.00%		\$41,699,686	8.52%	\$3,552,813
7	Total	100.00%		\$104,249,216	5.46%	\$5,696,715
		Per Board Decision				
		(%)		(\$)	(%)	(\$)
	Debt					
8	Long-term Debt	56.00%		\$58,379,561	3.48%	\$2,029,228
9	Short-term Debt	4.00%		\$4,169,969	2.75%	\$114,674
10	Total Debt	60.00%		\$62,549,530	3.43%	\$2,143,902
	Equity					
11	Common Equity	40.00%		\$41,699,686	8.52%	\$3,552,813
12	Preferred Shares	0.00%		\$ -	0.00%	\$ -
13	Total Equity	40.00%		\$41,699,686	8.52%	\$3,552,813
14	Total	100.00%		\$104,249,216	5.46%	\$5,696,715

### Notes



# Revenue Requirement Workform (RRWF) for 2021 Filers

## Revenue Deficiency/Sufficiency

Line No.	Particulars	Initial Application		Per Board Decision	
		At Current Approved Rates	At Proposed Rates	At Current Approved Rates	At Proposed Rates
1	Revenue Deficiency from Below		\$7,377,398		\$7,377,398
2	Distribution Revenue	\$10,330,095	\$8,375,084	\$10,330,095	\$8,375,084
3	Other Operating Revenue	\$1,293,382	\$1,293,382	\$1,293,382	\$1,293,382
	Offsets - net				
4	<b>Total Revenue</b>	<b>\$11,623,477</b>	<b>\$17,045,864</b>	<b>\$11,623,477</b>	<b>\$17,045,864</b>
5	Operating Expenses	\$11,349,150	\$11,349,150	\$11,349,150	\$11,349,150
6	Deemed Interest Expense	\$2,143,902	\$2,143,902	\$2,143,902	\$2,143,902
8	<b>Total Cost and Expenses</b>	<b>\$13,493,052</b>	<b>\$13,493,052</b>	<b>\$13,493,052</b>	<b>\$13,493,052</b>
9	<b>Utility Income Before Income Taxes</b>	<b>(\$1,869,574)</b>	<b>\$3,552,813</b>	<b>(\$1,869,574)</b>	<b>\$3,552,813</b>
10	Tax Adjustments to Accounting Income per 2013 PILs model	(\$6,080,230)	(\$6,080,230)	(\$6,080,230)	(\$6,080,230)
11	<b>Taxable Income</b>	<b>(\$7,949,804)</b>	<b>(\$2,527,417)</b>	<b>(\$7,949,804)</b>	<b>(\$2,527,417)</b>
12	Income Tax Rate	26.50%	26.50%	26.50%	26.50%
13	<b>Income Tax on Taxable Income</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
14	<b>Income Tax Credits</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
15	<b>Utility Net Income</b>	<b>(\$1,869,574)</b>	<b>\$3,552,813</b>	<b>(\$1,869,574)</b>	<b>\$3,552,813</b>
16	<b>Utility Rate Base</b>	<b>\$104,249,216</b>	<b>\$104,249,216</b>	<b>\$104,249,216</b>	<b>\$104,249,216</b>
17	Deemed Equity Portion of Rate Base	\$41,699,686	\$41,699,686	\$41,699,686	\$41,699,686
18	Income/(Equity Portion of Rate Base)	-4.48%	8.52%	-4.48%	8.52%
19	Target Return - Equity on Rate Base	8.52%	8.52%	8.52%	8.52%
20	Deficiency/Sufficiency in Return on Equity	-13.00%	0.00%	-13.00%	0.00%
21	Indicated Rate of Return	0.26%	5.46%	0.26%	5.46%
22	Requested Rate of Return on Rate Base	5.46%	5.46%	5.46%	5.46%
23	Deficiency/Sufficiency in Rate of Return	-5.20%	0.00%	-5.20%	0.00%
24	Target Return on Equity	\$3,552,813	\$3,552,813	\$3,552,813	\$3,552,813
25	Revenue Deficiency/(Sufficiency)	\$5,422,388	(\$1)	\$5,422,388	(\$1)
26	<b>Gross Revenue Deficiency/(Sufficiency)</b>	<b>\$7,377,398 <sup>(1)</sup></b>	<b>\$7,377,398 <sup>(1)</sup></b>	<b>\$7,377,398 <sup>(1)</sup></b>	<b>\$7,377,398 <sup>(1)</sup></b>

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



Ontario Energy Board

# Revenue Requirement Workform (RRWF) for 2021 Filers

## Revenue Requirement

Line No.	Particulars	Application				Per Board Decision	
1	OM&A Expenses	\$7,580,262		\$7,580,262		\$7,580,262	
2	Amortization/Depreciation	\$3,611,342		\$3,611,342		\$3,611,342	
3	Property Taxes	\$157,546		\$157,546		\$157,546	
5	Income Taxes (Grossed up)	\$ -		\$ -		\$ -	
6	Other Expenses	\$ -					
7	Return						
	Deemed Interest Expense	\$2,143,902		\$2,143,902		\$2,143,902	
	Return on Deemed Equity	\$3,552,813		\$3,552,813		\$3,552,813	
8	<b>Service Revenue Requirement (before Revenues)</b>	<u>\$17,045,865</u>		<u>\$17,045,865</u>		<u>\$17,045,865</u>	
9	Revenue Offsets	\$1,293,382		\$1,293,382		\$ -	
10	<b>Base Revenue Requirement (excluding Tranformer Owership Allowance credit adjustment)</b>	<u>\$15,752,483</u>		<u>\$15,752,483</u>		<u>\$17,045,865</u>	
11	Distribution revenue	\$15,752,482		\$15,752,482		\$15,752,482	
12	Other revenue	\$1,293,382		\$1,293,382		\$1,293,382	
13	<b>Total revenue</b>	<u>\$17,045,864</u>		<u>\$17,045,864</u>		<u>\$17,045,864</u>	
14	<b>Difference (Total Revenue Less Distribution Revenue Requirement before Revenues)</b>	<u>(\$1)</u>	(1)	<u>(\$1)</u>	(1)	<u>(\$1)</u>	(1)

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

	Application		Δ% (2)	Per Board Decision	Δ% (2)
<b>Service Revenue Requirement</b>	\$17,045,865	\$17,045,865	\$0	\$17,045,865	(\$1)
<b>Grossed-Up Revenue</b>					
<b>Deficiency/(Sufficiency)</b>	\$7,377,398	\$7,377,398	\$0	\$7,377,398	(\$1)
<b>Base Revenue Requirement (to be recovered from Distribution Rates)</b>	\$15,752,483	\$15,752,483	\$0	\$17,045,865	(\$1)
<b>Revenue Deficiency/(Sufficiency) Associated with Base Revenue Requirement</b>	\$5,422,387	\$5,422,387	\$0	\$ -	(\$1)

### Notes

(1) Line 11 - Line 8

(2) Percentage Change Relative to Initial Application



Ontario Energy Board

# Revenue Requirement Workform (RRWF) for 2021 Filers

## Load Forecast Summary

This spreadsheet provides a summary of the customer and load forecast on which the test year revenue requirement is derived. The amounts serve as the denominators for deriving the rates to recover the test year revenue requirement for purposes of this RRWF.

The information to be input is inclusive of any adjustments to kWh and kW to reflect the impacts of CDM programs up to and including CDM programs planned to be executed in the test year. i.e., the load forecast adjustments determined in **Appendix 2-I** should be incorporated into the entries. The inputs should correspond with the summary of the Load Forecast for the Test Year in **Appendix 2-IB** and in Exhibit 3 of the application.

**Appendix 2-IB** is still required to be filled out, as it also provides a year-over-year variance analysis of demand growth and trends from historical actuals to the Bridge and Test Year forecasts.

Stage in Process:		Initial Application			Per Board Decision		
Customer Class		Initial Application			Per Board Decision		
Input the name of each customer class.		Customer / Connections	kWh	kW/kVA <sup>(1)</sup>	Customer / Connections	kWh	kW/kVA <sup>(1)</sup>
		Test Year average or mid-year	Annual	Annual	Test Year average or mid-year	Annual	Annual
1	Residential	20,758	207,178,634				
2	GS < 50 kW	1,863	46,722,885				
3	GS >50 to 999 kW	219	132,955,988	371,084			
4	GS >1000 to 4999 kW	9	70,322,012	168,373			
5	Sentinels	175	251,879	680			
6	Street Lighting	4,833	979,604	3,105			
7	Unmetered and Scattered	183	962,029				
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							
Total			459,373,031	543,241		-	-

### Notes:

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



# Revenue Requirement Workform (RRWF) for 2021 Filers

## Cost Allocation and Rate Design

This spreadsheet replaces **Appendix 2-P** and provides a summary of the results from the Cost Allocation spreadsheet, and is used in the determination of the class revenue requirement and, hence, ultimately, the determination of rates from customers in all classes to recover the revenue requirement.

Stage in Application Process: *Initial Application*

### A) Allocated Costs

Name of Customer Class <sup>(3)</sup>	Costs Allocated from Previous Study <sup>(1)</sup>	%	Allocated Class Revenue Requirement <sup>(1)</sup>	%
From Sheet 10. Load Forecast				
(7A)				
1 Residential	\$ 7,154,916	65.56%	\$ 10,644,454	62.45%
2 GS < 50 kW	\$ 1,161,172	10.64%	\$ 1,684,188	9.88%
3 GS >50 to 999 kW	\$ 1,646,916	15.09%	\$ 3,246,944	19.05%
4 GS >1000 to 4999 kW	\$ 750,536	6.88%	\$ 1,169,371	6.86%
5 Sentinels	\$ 47,084	0.43%	\$ 55,226	0.32%
6 Street Lighting	\$ 131,959	1.21%	\$ 170,312	1.00%
7 Unmetered and Scattered	\$ 20,552	0.19%	\$ 75,371	0.44%
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
<b>Total</b>	<b>\$ 10,913,135</b>	<b>100.00%</b>	<b>\$ 17,045,865</b>	<b>100.00%</b>
Service Revenue Requirement (from Sheet 9)			<b>\$ 17,045,864.96</b>	

- (1) Class Allocated Revenue Requirement, from Sheet O-1, Revenue to Cost || RR, row 40, from the Cost Allocation Study in this application. This excludes costs in deferral and variance accounts. For Embedded Distributors, Account 4750 - Low Voltage (LV) Costs are also excluded.
- (2) Host Distributors - Provide information on any embedded distributor(s) as a separate class, if applicable. If embedded distributors are billed in a General Service class, include the allocated costs and revenues of the embedded distributor(s) in the applicable class, and also complete Appendix 2-Q.
- (3) Customer Classes - If these differ from those in place in the previous cost allocation study, modify the customer classes to match the proposal in the current application as closely as possible.

**B) Calculated Class Revenues**

Name of Customer Class		Load Forecast (LF) X current approved rates (7B)	LF X current approved rates X (1+d) (7C)	LF X Proposed Rates (7D)	Miscellaneous Revenues (7E)
1	Residential	\$ 6,810,124	\$ -	\$ 9,292,387	\$ 863,681
2	GS < 50 kW	\$ 656,908	\$ 495,263	\$ 1,899,419	\$ 121,606
3	GS >50 to 999 kW	\$ 236,231	\$ 1,417,735	\$ 2,952,052	\$ 184,495
4	GS >1000 to 4999 kW	\$ 20,747	\$ 480,716	\$ 1,333,596	\$ 69,649
5	Sentinels	\$ 20,580	\$ 25,268	\$ 47,966	\$ 4,727
6	Street Lighting	\$ 138,030	\$ 4,990	\$ 161,526	\$ 42,848
7	Unmetered and Scattered	\$ 18,117	\$ 5,387	\$ 65,536	\$ 6,377
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
<b>Total</b>		\$ 7,900,737	\$ 2,429,359	\$ 15,752,482	\$ 1,293,383

- (4) In columns 7B to 7D, LF means Load Forecast of Annual Billing Quantities (i.e., customers or connections, as applicable X 12 months, and kWh, kW or kVA as applicable. Revenue quantities should be net of the Transformer Ownership Allowance for applicable customer classes. Exclude revenues from rate adders and rate riders.
- (5) Columns 7C and 7D - Column Total should equal the Base Revenue Requirement for each.
- (6) Column 7C - The OEB-issued cost allocation model calculates "1+d" on worksheet O-1, cell C22. "d" is defined as Revenue Deficiency/Revenue at Current Rates.
- (7) Column 7E - If using the OEB-issued cost allocation model, enter Miscellaneous Revenues as it appears on worksheet O-1, row 19,

C) **Rebalancing Revenue-to-Cost Ratios**

	Name of Customer Class	Previously Approved Ratios	Status Quo Ratios	Proposed Ratios	Policy Range
		Most Recent Year:	(7C + 7E) / (7A)	(7D + 7E) / (7A)	
		2016			
		%	%	%	%
1	Residential	95.09%	8.11%	95.41%	85 - 115
2	GS < 50 kW	120.00%	36.63%	120.00%	80 - 120
3	GS >50 to 999 kW	96.60%	49.35%	96.60%	80 - 120
4	GS >1000 to 4999 kW	120.00%	47.07%	120.00%	80 - 120
5	Sentinels	95.09%	54.31%	95.41%	80 - 120
6	Street Lighting	120.00%	28.09%	120.00%	80 - 120
7	Unmetered and Scattered	95.09%	15.61%	95.41%	80 - 120
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					

- (8) Previously Approved Revenue-to-Cost (R/C) Ratios - For most applicants, the most recent year would be the third year (at the latest) of the Price Cap IR period. For example, if the applicant, rebased in 2012 with further adjustments to move within the range over two years, the Most Recent Year would be 2015. However, the ratios in 2015 would be equal to those after the adjustment in 2014.
- (9) Status Quo Ratios - The OEB-issued cost allocation model provides the Status Quo Ratios on Worksheet O-1. The Status Quo means "Before Rebalancing".
- (10) Ratios shown in red are outside of the allowed range. Applies to both Tables C and D.

(D) **Proposed Revenue-to-Cost Ratios** <sup>(11)</sup>

Name of Customer Class		Proposed Revenue-to-Cost Ratio			Policy Range
		Test Year	Price Cap IR Period		
		2021	2022	2023	
1	Residential	95.41%	95.41%	95.41%	85 - 115
2	GS < 50 kW	120.00%	120.00%	120.00%	80 - 120
3	GS >50 to 999 kW	96.60%	96.60%	96.60%	80 - 120
4	GS >1000 to 4999 kW	120.00%	120.00%	120.00%	80 - 120
5	Sentinels	95.41%	95.41%	95.41%	80 - 120
6	Street Lighting	120.00%	120.00%	120.00%	80 - 120
7	Unmetered and Scattered	95.41%	95.41%	95.41%	80 - 120
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					

(11) The applicant should complete Table D if it is applying for approval of a revenue-to-cost ratio in 2021 that is outside of the OEB's policy range for any customer class. Table D will show that the distributor is likely to enter into the 2022 and 2023 Price Cap IR models, as necessary. For 2022 and 2023, enter the planned revenue-to-cost ratios that will be "Change" or "No Change" in 2019 (in the current Revenue/Cost Ratio Adjustment Workform, Worksheet C1.1 'Decision - Cost Revenue Adjustment, column d), and enter TBD for class(es) that will be entered as 'Rebalance'.

This sheet replaces Appendix 2-V, and provides a simplified model for calculating the standard monthly and volumetric rates based on the allocated class revenues and fixed/variable split resulting from the cost allocation study and rate design and as proposed by the applicant. However, the RRRWF does not replace the rate generator model that an applicant distributor may use in support of its application. The RRRWF provides a demonstrative check on the derivation of the revenue requirement and on the proposed base distribution rates to recover the revenue requirement, based on summary information from a more detailed rate generator model and other models that applicants use for cost allocation, load forecasting, taxes/PLS, etc.

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

<sup>2</sup> The Fixed/Variable split, for each customer class, drives the "rate generator" portion of this sheet of the RRWF. Only the "fixed" fraction is entered, as the sum of the "fixed" and "variable" portions must sum to 100%. For a distributor that may set the Monthly Service Charge, the "fixed" ratio is calculated as:  $\text{IMSC} \times (\text{average number of customers or connections}) \times 12 \text{ months}) / (\text{Class Allocated Revenue Requirement})$ .



Ontario Energy Board

## Revenue Requirement Workform (RRWF) for 2021 Filers

### Tracking Form

The first row shown, labelled "Original Application", summarizes key statistics based on the data inputs into the RRWF. After the original application filing, the applicant provides key changes in capital and operating expenses, load forecasts, cost of capital, etc., as revised through the processing of the application. This could be due to revisions or responses to interrogatories. The last row shown is the most current estimate of the cost of service data reflecting the original application and any updates provided by the applicant distributor (for updated evidence, responses to interrogatories, undertakings, etc.)

Please ensure a Reference (Column B) and/or Item Description (Column C) is entered. Please note that unused rows will automatically be hidden and the PRINT AREA set when the PRINT BUTTON on Sheet 1 is activated.

<sup>(1)</sup> Short reference to evidence material (interrogatory response, undertaking, exhibit number, Board Decision, Code, Guideline, Report of the Board, etc.)

<sup>(2)</sup> Short description of change, issue, etc.

### Summary of Proposed Changes

Reference <sup>(1)</sup>	Item / Description <sup>(2)</sup>	Cost of Capital		Rate Base and Capital Expenditures			Operating Expenses			Revenue Requirement			
		Regulated Return on Capital	Regulated Rate of Return	Rate Base	Working Capital	Working Capital Allowance (\$)	Amortization / Depreciation	Taxes/PILs	OM&A	Service Revenue Requirement	Other Revenues	Base Revenue Requirement	Grossed up Revenue Deficiency / Sufficiency
	Original Application	\$ 5,696,715	5.46%	\$ 104,249,216	\$ 65,229,911	\$ 4,892,243	\$ 3,611,342	\$ -	\$ 7,580,262	\$ 17,045,865	\$ 1,293,382	\$ 15,752,483	\$ 7,377,398

1