

EXHIBIT 6:
CALCULATION OF
REVENUE DEFICIENCY
OR SUFFICIENCY

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2.6 Calculation of Revenue Deficiency or Sufficiency

ERHDC revenue deficiency is \$449,736. This deficiency is calculated as the difference between the 2021 Test Year Revenue Requirement of \$2,272,419 and the Forecast 2021 Test Year Revenue, based on the 2020 approved rates, at \$1,822,683. Table 6-1 on the following page provides the revenue deficiency calculations. The table also includes the determination of net utility income, statement of rate base, the utility return on rate base at existing rates and the requested rate of return on rate base, deficiency or sufficiency in revenue and gross deficiency or sufficiency in revenue in this application. Further details on these items are provided in the pdf version of the Revenue Requirement Work Form (“RRWF”) filed as part of this Exhibit 6 at Appendix 6-1. A live Microsoft Excel version of the RRWF has also been filed with this Application.

2.6.1 Revenue Requirement

ERHDC’s Revenue Requirement consists of the following:

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

ERHDC’s revenue requirement is primarily received through electricity distribution rates with supplemental revenue from Board-approved specific service charges such as late payment charges and other miscellaneous charges.

The revenue deficiency calculated in Table 6-1 below includes only the delivery-related deficiency and is net of electricity price differentials captured in the Retail Settlement Variance Accounts and costs associated with low voltage charges or DVA balances.

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

Line No.	Particulars	Initial Application	
		At Current Approved Rates	At Proposed Rates
1	Revenue Deficiency from Below		\$449,736
2	Distribution Revenue	\$1,621,267	\$1,621,267
3	Other Operating Revenue Offsets - net	\$201,416	\$201,416
4	Total Revenue	\$1,822,683	\$2,272,419
5	Operating Expenses	\$1,884,820	\$1,884,820
6	Deemed Interest Expense	\$134,095	\$134,095
8	Total Cost and Expenses	\$2,018,915	\$2,018,915
9	Utility Income Before Income Taxes	(\$196,232)	\$253,504
10	Tax Adjustments to Accounting Income per 2013 PILs model	(\$317,522)	(\$317,522)
11	Taxable Income	(\$513,754)	(\$64,018)
12	Income Tax Rate	0.00%	0.00%
13		\$ -	\$ -
	Income Tax on Taxable Income		
14	Income Tax Credits	\$ -	\$ -
15	Utility Net Income	(\$196,232)	\$253,504
16	Utility Rate Base	\$7,599,049	\$7,599,049
17	Deemed Equity Portion of Rate Base	\$3,039,619	\$3,039,619
18	Income/(Equity Portion of Rate Base)	-6.46%	8.34%
19	Target Return - Equity on Rate Base	8.34%	8.34%
20	Deficiency/Sufficiency in Return on Equity	-14.80%	0.00%
21	Indicated Rate of Return	-0.82%	5.10%
22	Requested Rate of Return on Rate Base	5.10%	5.10%
23	Deficiency/Sufficiency in Rate of Return	-5.92%	0.00%
24	Target Return on Equity	\$253,504	\$253,504
25	Revenue Deficiency/(Sufficiency)	\$449,736	(\$0)
26	Gross Revenue Deficiency/(Sufficiency)	\$449,736 ⁽¹⁾	

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2.6.1.1 Cost Drivers on Revenue Deficiency

Table 6-2 below outlines the contributors to the revenue deficiency by revenue requirement component. Column A lists ERHDC's 2012 approved amounts. Column B lists the ERHDC revenue at existing rates shown in Table 6-1 allocated to revenue requirement component based on the proportions in Column A. It is ERHDC'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 the ERHDC'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 \$449,736.

Table 6- 2 Revenue Deficiency by Revenue Requirement Component

Service Revenue Requirement	2012 Approved (A)	2021 Revenue at Existing Rates Allocated in Proportion to 2012 Approved (B)	2021 Proposed (C)	Revenue Deficiency (D) = (C) - (B)
OM&A	1,350,727	1,384,123	1,649,371	265,248
LEAP	2,000	2,049	2,000	(\$49)
Property Tax	7,400	7,583	4,060	(\$3,523)
Depreciation	146,055	149,666	229,389	79,723
Return on Rate Base	263,208	269,716	387,599	117,883
PILs	9,316	9,546	0	(\$9,546)
Total	1,778,706	1,822,683	2,272,419	449,736
				Difference (D) = (C) - (A)
Rate Base	4,244,736		7,599,049	3,354,313

The majority of the revenue deficiency of \$449,736 for the 2021 Test Year relates to increases to OM&A (\$265,000) which are explained in detail in Exhibit 4. In summary, the main contributors to the increases in OM&A are:

- The increase in rate base from \$4,244,736 in the 2012 approved to the proposed Test Year of \$7,599,049 is a result of annual capital expenditures since 2012 and the inclusion of the new distribution station which was subject to the ICM process in 2014 as described in Exhibit 2. ERHDC did not change any methodologies in determining its revenue deficiency/sufficiency.

Appendix 6-A
Revenue Requirement Work Form

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Revenue Requirement Workform (RRWF) for 2021 Filers



Version

Utility Name North Bay Hydro Distribution Limited - Espanola service territory

Service Territory Espanola

Assigned EB Number EB-2020-0020

Name and Title Tyler Kasubeck, Regulatory Financial Analyst

Phone Number 705-759-3006

Email Address tyler.kasubeck@ssmpuc.com

Test Year [2021](#)

Bridge Year [2020](#)

Last Rebasing Year [2012](#)



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Revenue Requirement Workform (RRWF) for 2021 Filers

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Revenue Requirement Workform (RRWF) for 2021 Filers

Data Input ⁽¹⁾

	Initial Application	(2)	(6)	Per Board Decision
1 Rate Base				
Gross Fixed Assets (average)	\$13,138,830		\$ 13,138,830	\$13,138,830
Accumulated Depreciation (average)	(\$6,187,071)	(5)	(\$6,187,071)	(\$6,187,071)
Allowance for Working Capital				
Controllable Expenses	\$1,628,151		\$ 1,628,151	\$1,628,151
Cost of Power	\$7,002,367		\$ 7,002,367	\$7,002,367
Working Capital Rate (%)	7.50%	(9)	(9)	
2 Utility Income				
Operating Revenues:				
Distribution Revenue at Current Rates	\$1,621,267			
Distribution Revenue at Proposed Rates	\$2,071,003			
Other Revenue:				
Specific Service Charges	\$15,050			
Late Payment Charges	\$10,000			
Other Distribution Revenue	\$105,166			
Other Income and Deductions	\$71,200			
Total Revenue Offsets	\$201,416	(7)		
Operating Expenses:				
OM+A Expenses	\$1,653,431		\$ 1,653,431	\$1,653,431
Depreciation/Amortization	\$229,389		\$ 229,389	\$229,389
Property taxes				
Other expenses	\$2,000		2000	\$2,000
3 Taxes/PILs				
Taxable Income:	(\$317,522)	(3)		
Adjustments required to arrive at taxable income				
Utility Income Taxes and Rates:				
Income taxes (not grossed up)	\$ -			
Income taxes (grossed up)	\$ -			
Federal tax (%)	0.00%			
Provincial tax (%)	0.00%			
Income Tax Credits				
4 Capitalization/Cost of Capital				
Capital Structure:				
Long-term debt Capitalization Ratio (%)	56.0%			
Short-term debt Capitalization Ratio (%)	4.0%	(8)	(8)	
Common Equity Capitalization Ratio (%)	40.0%			
Preferred Shares Capitalization Ratio (%)				
	100.0%		0.0%	0.0%
Cost of Capital				
Long-term debt Cost Rate (%)	3.03%			
Short-term debt Cost Rate (%)	1.75%			
Common Equity Cost Rate (%)	8.34%			
Preferred Shares Cost Rate (%)				



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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) ⁽²⁾	\$13,138,830		\$ -	\$13,138,830		\$ -		\$13,138,830
2	Accumulated Depreciation (average) ⁽²⁾	(\$6,187,071)		\$ -	(\$6,187,071)		\$ -		(\$6,187,071)
3	Net Fixed Assets (average) ⁽²⁾	\$6,951,760		\$ -	\$6,951,760		\$ -		\$6,951,760
4	Allowance for Working Capital ⁽¹⁾	\$647,289		(\$647,289)	\$ -		\$ -		\$ -
5	Total Rate Base	\$7,599,049		(\$647,289)	\$6,951,760		\$ -		\$6,951,760

(1) Allowance for Working Capital - Derivation

6	Controllable Expenses	\$1,628,151	\$ -	\$1,628,151	\$ -	\$1,628,151
7	Cost of Power	\$7,002,367	\$ -	\$7,002,367	\$ -	\$7,002,367
8	Working Capital Base	\$8,630,518	\$ -	\$8,630,518	\$ -	\$8,630,518
9	Working Capital Rate % ⁽¹⁾	7.50%	-7.50%	0.00%	0.00%	0.00%
10	Working Capital Allowance	\$647,289	(\$647,289)	\$ -	\$ -	\$ -



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Revenue Requirement Workform (RRWF) for 2021 Filers

Utility Income

Line No.	Particulars	Initial Application				Per Board Decision			
Operating Revenues:									
1	Distribution Revenue (at Proposed Rates)	\$2,071,003		(\$2,071,003)		\$ -		\$ -	
2	Other Revenue	(1) \$201,416		(\$201,416)		\$ -		\$ -	
3	Total Operating Revenues	\$2,272,419		(\$2,272,419)		\$ -		\$ -	
Operating Expenses:									
4	OM+A Expenses	\$1,653,431		\$ -		\$1,653,431		\$ -	
5	Depreciation/Amortization	\$229,389		\$ -		\$229,389		\$ -	
6	Property taxes	\$ -		\$ -		\$ -		\$ -	
7	Capital taxes	\$ -		\$ -		\$ -		\$ -	
8	Other expense	\$2,000		\$ -		\$2,000		\$ -	
9	Subtotal (lines 4 to 8)	\$1,884,820		\$ -		\$1,884,820		\$ -	
10	Deemed Interest Expense	\$134,095		(\$134,095)		\$ -		\$ -	
11	Total Expenses (lines 9 to 10)	\$2,018,915		(\$134,095)		\$1,884,820		\$ -	
12	Utility income before income taxes	\$253,504		(\$2,138,324)		(\$1,884,820)		\$ -	
13	Income taxes (grossed-up)	\$ -		\$ -		\$ -		\$ -	
14	Utility net income	\$253,504		(\$2,138,324)		(\$1,884,820)		\$ -	

Notes

Other Revenues / Revenue Offsets

(1)	Specific Service Charges	\$15,050		\$ -		\$ -	
	Late Payment Charges	\$10,000		\$ -		\$ -	
	Other Distribution Revenue	\$105,166		\$ -		\$ -	
	Other Income and Deductions	\$71,200		\$ -		\$ -	
	Total Revenue Offsets	\$201,416		\$ -		\$ -	



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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	\$253,504		\$ -	
2	Adjustments required to arrive at taxable utility income	(\$317,522)		\$ -	
3	Taxable income	(\$64,018)		\$ -	
<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 (%)	0.00%		0.00%	
12	Provincial tax (%)	0.00%		0.00%	
13	Total tax rate (%)	0.00%		0.00%	



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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%	\$4,255,467	3.03%	\$128,776
2	Short-term Debt	4.00%	\$303,962	1.75%	\$5,319
3	Total Debt	60.00%	\$4,559,429	2.94%	\$134,095
	Equity				
4	Common Equity	40.00%	\$3,039,619	8.34%	\$253,504
5	Preferred Shares	0.00%	\$ -	0.00%	\$ -
6	Total Equity	40.00%	\$3,039,619	8.34%	\$253,504
7	Total	100.00%	\$7,599,049	5.10%	\$387,599
Per Board Decision					
		(%)	(\$)	(%)	(\$)
	Debt				
1	Long-term Debt	0.00%	\$ -	0.00%	\$ -
2	Short-term Debt	0.00%	\$ -	0.00%	\$ -
3	Total Debt	0.00%	\$ -	0.00%	\$ -
	Equity				
4	Common Equity	0.00%	\$ -	0.00%	\$ -
5	Preferred Shares	0.00%	\$ -	0.00%	\$ -
6	Total Equity	0.00%	\$ -	0.00%	\$ -
7	Total	0.00%	\$6,951,760	0.00%	\$ -
		(%)	(\$)	(%)	(\$)
	Debt				
8	Long-term Debt	0.00%	\$ -	3.03%	\$ -
9	Short-term Debt	0.00%	\$ -	1.75%	\$ -
10	Total Debt	0.00%	\$ -	0.00%	\$ -
	Equity				
11	Common Equity	0.00%	\$ -	8.34%	\$ -
12	Preferred Shares	0.00%	\$ -	0.00%	\$ -
13	Total Equity	0.00%	\$ -	0.00%	\$ -
14	Total	0.00%	\$6,951,760	0.00%	\$ -



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Revenue Requirement Workform (RRWF) for 2021 Filers

Revenue Deficiency/Sufficiency

Line No.	Particulars	Initial Application		Per Board Decision		Per Board Decision	
		At Current Approved Rates	At Proposed Rates	At Current Approved Rates	At Proposed Rates	At Current Approved Rates	At Proposed Rates
1	Revenue Deficiency from Below		\$449,736		\$263,553		\$1,884,820
2	Distribution Revenue	\$1,621,267	\$1,621,267	\$1,621,267	\$1,807,450	\$ -	(\$1,884,820)
3	Other Operating Revenue Offsets - net	\$201,416	\$201,416	\$ -	\$ -	\$ -	\$ -
4	Total Revenue	\$1,822,683	\$2,272,419	\$1,621,267	\$2,071,003	\$ -	\$ -
5	Operating Expenses	\$1,884,820	\$1,884,820	\$1,884,820	\$1,884,820	\$1,884,820	\$1,884,820
6	Deemed Interest Expense	\$134,095	\$134,095	\$ -	\$ -	\$ -	\$ -
8	Total Cost and Expenses	\$2,018,915	\$2,018,915	\$1,884,820	\$1,884,820	\$1,884,820	\$1,884,820
9	Utility Income Before Income Taxes	(\$196,232)	\$253,504	(\$263,553)	\$186,183	(\$1,884,820)	(\$1,884,820)
10	Tax Adjustments to Accounting Income per 2013 PILs model	(\$317,522)	(\$317,522)	(\$317,522)	(\$317,522)	\$ -	\$ -
11	Taxable Income	(\$513,754)	(\$64,018)	(\$581,075)	(\$131,339)	(\$1,884,820)	(\$1,884,820)
12	Income Tax Rate	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
13		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
14	Income Tax on Taxable Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
15	Utility Net Income	(\$196,232)	\$253,504	(\$263,553)	(\$1,884,820)	(\$1,884,820)	(\$1,884,820)
16	Utility Rate Base	\$7,599,049	\$7,599,049	\$6,951,760	\$6,951,760	\$6,951,760	\$6,951,760
17	Deemed Equity Portion of Rate Base	\$3,039,619	\$3,039,619	\$ -	\$ -	\$ -	\$ -
18	Income/(Equity Portion of Rate Base)	-6.46%	8.34%	0.00%	0.00%	0.00%	0.00%
19	Target Return - Equity on Rate Base	8.34%	8.34%	0.00%	0.00%	0.00%	0.00%
20	Deficiency/Sufficiency in Return on Equity	-14.80%	0.00%	0.00%	0.00%	0.00%	0.00%
21	Indicated Rate of Return	-0.82%	5.10%	-3.79%	0.00%	-27.11%	0.00%
22	Requested Rate of Return on Rate Base	5.10%	5.10%	0.00%	0.00%	0.00%	0.00%
23	Deficiency/Sufficiency in Rate of Return	-5.92%	0.00%	-3.79%	0.00%	-27.11%	0.00%
24	Target Return on Equity	\$253,504	\$253,504	\$ -	\$ -	\$ -	\$ -
25	Revenue Deficiency/(Sufficiency)	\$449,736	(\$0)	\$263,553	\$ -	\$1,884,820	\$ -
26	Gross Revenue Deficiency/(Sufficiency)	\$449,736 ⁽¹⁾		\$263,553 ⁽¹⁾		\$1,884,820 ⁽¹⁾	



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Revenue Requirement Workform (RRWF) for 2021 Filers

Revenue Requirement

Line No.	Particulars	Application				Per Board Decision	
1	OM&A Expenses	\$1,653,431		\$1,653,431		\$1,653,431	
2	Amortization/Depreciation	\$229,389		\$229,389		\$229,389	
3	Property Taxes	\$ -					
5	Income Taxes (Grossed up)	\$ -		\$ -		\$ -	
6	Other Expenses	\$2,000		\$2,000		\$2,000	
7	Return						
	Deemed Interest Expense	\$134,095		\$ -		\$ -	
	Return on Deemed Equity	\$253,504		\$ -		\$ -	
8	Service Revenue Requirement (before Revenues)	<u>\$2,272,419</u>		<u>\$1,884,820</u>		<u>\$1,884,820</u>	
9	Revenue Offsets	\$201,416		\$ -		\$ -	
10	Base Revenue Requirement (excluding Transformer Ownership Allowance credit adjustment)	<u>\$2,071,003</u>		<u>\$1,884,820</u>		<u>\$1,884,820</u>	
11	Distribution revenue	\$2,071,003		\$ -		\$ -	
12	Other revenue	\$201,416		\$ -		\$ -	
13	Total revenue	<u>\$2,272,419</u>		<u>\$ -</u>		<u>\$ -</u>	
14	Difference (Total Revenue Less Distribution Revenue Requirement before Revenues)	<u>(\$0)</u>	(1)	<u>(\$1,884,820)</u>	(1)	<u>(\$1,884,820)</u>	(1)

Summary Table of Revenue Requirement and Revenue Deficiency/Sufficiency

	Application		Δ% ⁽²⁾	Per Board Decision	Δ% (2)
Service Revenue Requirement	\$2,272,419	\$1,884,820	(\$0)	\$1,884,820	(\$1)
Grossed-Up Revenue					
Deficiency/(Sufficiency)	\$449,736	\$263,553	(\$0)	\$1,884,820	(\$1)
Base Revenue Requirement (to be recovered from Distribution Rates)	\$2,071,003	\$1,884,820	(\$0)	\$1,884,820	(\$1)
Revenue Deficiency/(Sufficiency)					
Associated with Base Revenue Requirement	\$449,736	\$ -	(\$1)	\$ -	(\$1)



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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

Customer Class		Initial Application			Per Board Decision		
Input the name of each customer class.		Customer / Connections Test Year average or mid-year	kWh Annual	kW/kVA ⁽¹⁾ Annual	Customer / Connections Test Year average or mid-year	kWh Annual	kW/kVA ⁽¹⁾ Annual
1	Residential	2,910	32,639,692				
2	GS<50	369	10,191,190				
3	GS>50	30	15,482,365	38,559			
4	Sentinel Light	25	24,258	67			
5	Street Light	799	224,919	660			
6	USL	21	115,182				
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							
Total			58,677,605	39,286		-	-



Ontario Energy Board

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 ⁽³⁾	Costs Allocated from Previous Study ⁽¹⁾	%	Allocated Class Revenue Requirement ⁽¹⁾ (7A)	%
From Sheet 10, Load Forecast				
1 Residential	\$ 1,151,305	64.73%	\$ 1,644,390	72.36%
2 GS<50	\$ 320,982	18.05%	\$ 371,655	16.36%
3 GS>50	\$ 186,181	10.47%	\$ 219,021	9.64%
4 Sentinel Light	\$ 2,492	0.14%	\$ 4,131	0.18%
5 Street Light	\$ 110,488	6.21%	\$ 26,813	1.18%
6 USL	\$ 7,256	0.41%	\$ 6,409	0.28%
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
Total	\$ 1,778,704	100.00%	\$ 2,272,418	100.00%
Service Revenue Requirement (from Sheet 9)			\$ 2,272,419.36	

(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	\$ 1,046,199	\$ 1,336,412	\$ 1,381,388	\$ 141,405
2 GS<50	\$ 322,632	\$ 412,129	\$ 412,129	\$ 32,342
3 GS>50	\$ 210,101	\$ 268,382	\$ 245,332	\$ 17,493
4 Sentinel Light	\$ 1,805	\$ 2,305	\$ 2,869	\$ 436
5 Street Light	\$ 35,633	\$ 45,517	\$ 23,029	\$ 9,146
6 USL	\$ 4,898	\$ 6,257	\$ 6,257	\$ 593
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
Total	\$ 1,621,267	\$ 2,071,002	\$ 2,071,003	\$ 201,416

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)	
	2012			
	%	%	%	%
1 Residential	93.33%	89.87%	92.61%	85 - 115
2 GS<50	114.16%	119.59%	119.59%	80 - 120
3 GS>50	135.39%	130.52%	120.00%	80 - 120
4 Sentinell Light	68.22%	66.35%	80.00%	80 - 120
5 Street Light	68.51%	203.87%	120.00%	80 - 120
6 USL	114.31%	106.87%	106.87%	80 - 120
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(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** ⁽¹¹⁾

Name of Customer Class		Proposed Revenue-to-Cost Ratio			Policy Range
		Test Year	Price Cap IR Period		
		2021	2022	2023	
1	Residential	92.61%	92.61%	92.61%	85 - 115
2	GS<50	119.59%	119.59%	119.59%	80 - 120
3	GS>50	120.00%	120.00%	120.00%	80 - 120
4	Sentinell Light	80.00%	80.00%	80.00%	80 - 120
5	Street Light	120.00%	120.00%	120.00%	80 - 120
6	USL	106.87%	106.87%	106.87%	80 - 120
7					
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(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'.



Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2021 Filers

New Rate Design Policy For Residential Customers

Please complete the following tables.

A Data Inputs (from Sheet 10. Load Forecast)

Test Year Billing Determinants for Residential Class	
Customers	2,910
kWh	32,639,692

Proposed Residential Class Specific Revenue Requirement ¹	\$ 1,381,388.04
--	-----------------

Residential Base Rates on Current Tariff	
Monthly Fixed Charge (\$)	\$ 14.07
Distribution Volumetric Rate (\$/kWh)	\$ 0.0170

B Current Fixed/Variable Split

	Base Rates	Billing Determinants	Revenue	% of Total Revenue
Fixed	14.07	2,910	\$ 491,324.40	46.96%
Variable	0.017	32,639,692	\$ 554,874.76	53.04%
TOTAL	-	-	\$ 1,046,199.16	-

C Calculating Test Year Base Rates

Number of Remaining Rate Design Policy Transition Years ²	5
--	---

	Test Year Revenue @ Current F/V Split	Test Year Base Rates @ Current F/V Split	Reconciliation - Test Year Base Rates @ Current F/V Split
Fixed	\$ 648,738.48	18.58	\$ 648,813.60
Variable	\$ 732,649.56	0.0224	\$ 731,129.10
TOTAL	\$ 1,381,388.04	-	\$ 1,379,942.70

	New F/V Split	Revenue @ new F/V Split	Final Adjusted Base Rates	Revenue Reconciliation @ Adjusted Rates
Fixed	57.57%	\$ 795,268.39	\$ 22.77	\$ 795,128.40
Variable	42.43%	\$ 586,119.65	\$ 0.0180	\$ 587,514.45
TOTAL	-	\$ 1,381,388.04	-	\$ 1,382,642.85

Checks ³	
Change in Fixed Rate	\$ 4.19
Difference Between Revenues @ Proposed Rates and Class Specific Revenue Requirement	\$1,254.81 0.09%



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.

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

⁽²⁾ Short description of change, issue, etc.

Summary of Proposed Changes

Reference ⁽¹⁾	Item / Description ⁽²⁾	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	\$ 387,599	5.10%	\$ 7,599,049	\$ 8,630,518	\$ 647,289	\$ 229,389	\$ -	\$ 1,653,431	\$ 2,272,419	\$ 201,416	\$ 2,071,003	\$ 449,736
	Change												

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