



# Combined Table of Contents

2023 Cost of Service Rate Application



# EXHIBIT 1

## ADMINISTRATIVE DOCUMENTS

1 **EXHIBIT 1 – ADMINISTRATIVE DOCUMENTS**

2 **TABLE OF CONTENTS**

3 Exhibit 1 – Administrative Documents..... 1

4 1.1 Application ..... 5

5 1.2 Application Summary and Business Plan ..... 7

6 A. Revenue Requirement ..... 9

7 B. Load Forecast Summary..... 10

8 C. Rate Base and Distribution System Plan (DSP) ..... 11

9 D. Operations, Maintenance and Administration Expense ..... 14

10 E. Cost of Capital ..... 15

11 F. Cost Allocation and Rate Design ..... 16

12 G. Deferral and Variance Accounts ..... 17

13 H. Bill Impacts ..... 18

14 1.3 Administration ..... 19

15 1.3.1 Certification of Evidence ..... 20

16 1.3.2 Primary Contact Information ..... 20

17 1.3.3 Applicant Legal Counsel ..... 21

18 1.3.4 Internet Address and Social Media Accounts ..... 21

19 1.3.5 Statement of Publication ..... 21

20 1.3.6 Materiality Threshold..... 21

21 1.3.7 Requested Form of Hearing ..... 22

22 1.3.8 Requested Effective Date of Rate Order ..... 22

23 1.3.9 Changes to Methodologies used in Previous Applications ..... 22

24 1.3.10 OEB Directions from previous Decisions and/or Orders..... 23

25 1.3.11 Conditions of Service ..... 24

26 1.3.12 Corporate and Utility Organizational Structure ..... 26

27 1.3.13 List of Specific Approvals Requested ..... 30

28 1.4 Distribution System Overview ..... 31

29 1.5 Customer Engagement..... 33

30 1.5.1 Regular Communications ..... 34

1	Website and Social Media.....	34
2	Community Outreach.....	36
3	Telephone Customer Satisfaction Surveys.....	37
4	1.5.2 Rate Application-Related Communications.....	37
5	Survey Development.....	38
6	Methodology.....	39
7	Survey, Lunch and Learn Feedback.....	40
8	1.6 Performance Measurement.....	48
9	1.6.1 Distributor Scorecard.....	48
10	1.6.1.1 Customer Focus.....	48
11	1.6.1.2 Operational Effectiveness.....	50
12	1.6.1.3 Public Policy Responsiveness.....	54
13	1.6.1.4 Financial Ratios.....	54
14	1.6.2 Activity and Program-Based Benchmarking (APB).....	55
15	1.6.3 Performance Measurement - Conclusion.....	60
16	1.7 Facilitating Innovation.....	62
17	1.8 Financial Information.....	65
18	1.8.1 Audited Financial Statements.....	65
19	1.8.2 Existing Accounting Orders.....	66
20	1.8.3 Uniform System of Accounts (USoA).....	66
21	1.8.4 Confirmation of Accounting Treatment for Non-Distribution Businesses.....	67
22	1.9 Distributor Consolidation.....	68
23	1.10 Impacts of COVID.....	68
24	Attachment 1-1 - Business Plan.....	69
25	Attachment 1-2 – Certification of Evidence.....	70
26	Attachment 1-3 – Financial Statements.....	71
27	Attachment 1-4 – Customer Engagement Survey, Results, and Presentation.....	72
28	Attachment 1-5 – OraclePoll Customer Satisfaction Survey Report, 2021.....	73
29	Attachment 1-6 – Unmetered Scattered Load and Sentinel Letters.....	74
30		
31		
32		

1	<b>TABLE of TABLES</b>	
2	Table 1: Bluewater Objectives and Outcomes (Reproduced from Business Plan) .....	8
3	Table 2: Service Revenue Requirement .....	9
4	Table 3: Forecasted Customer Growth: 2013 compared to 2023 .....	10
5	Table 4: Forecasted kWh: 2013 compared to 2023.....	11
6	Table 5: Forecasted kW: 2013 compared to 2023.....	11
7	Table 6: Rate Base – 2023 Test Year vs 2013 OEB Approved .....	12
8	Table 7: 2023 Capital Expenditures with Comparison to 2013 Approved:.....	13
9	Table 8: OM&A Expenses Increase – Major Cost Drivers .....	14
10	Table 9: Proposed Capital Structure and Cost of Capital .....	16
11	Table 10: Revenue to Cost Ratios .....	17
12	Table 11: Deferral and Variance Account Balances for Recovery.....	18
13	Table 12: Monthly Bill Impacts .....	19
14	Table 13: Bill Impacts – Notice of Application .....	19
15	Table 14: Materiality Threshold.....	22
16	Table 15: Customer Engagement by Rate Class.....	38
17	Table 16: Satisfaction with Service .....	42
18	Table 17: Feedback on Overall DSP Spending.....	42
19	Table 18: Feedback on Spending by Category .....	43
20	Table 19: Customer Feedback on Reliability.....	43
21	Table 20: Feedback on Outage Communication.....	45
22	Table 21: Other Customer Feedback .....	46
23	Table 22: Efficiency Assessment Results – Historical and Forecast .....	53
24	Table 23: Historical Cost per Customer .....	54
25	Table 24: Total Meter Costs per Customer Comparison.....	56
26	Table 25: Distributor Scorecard – Historical Results and Future Targets .....	61

1 **TABLE of FIGURES**

2 Figure 1: Bluewater Power Group of Companies - Corporate Structure..... 27

3 Figure 2: Bluewater Organizational Structure ..... 29

4 Figure 3: Map of Bluewater Service Territory..... 32

5

6

7



# EXHIBIT 2

## RATE BASE

1	<b>TABLE OF CONTENTS</b>	
2	2 RATE BASE .....	5
3	2.1 Rate Base Overview .....	5
4	2.1.1 Addition of Smart Grid Fixed Assets .....	7
5	2.1.2 Variance Analysis of Rate Base .....	8
6	2.2 Fixed Asset Continuity Schedules .....	14
7	2.2.1 Overview .....	14
8	2.2.2 Two Appendix 2-BAs for 2014 – CGAAP and MIFRS .....	14
9	2.2.3 Capital Cost Allowance (“CCA”) Classes .....	15
10	2.2.4 Customer Contributions – Accounts 2440 and 1995 .....	15
11	2.2.5 Customer Contributions – Correction to Amortization Calculation .....	16
12	2.2.6 Fixed Asset Continuity Tables – OEB Appendix 2-BA .....	16
13	2.3 Gross Assets – Property Plant and Equipment and Accumulated Depreciation .....	40
14	2.3.1 Breakdown by Function .....	40
15	2.3.2 Breakdown by Major Plant Account .....	41
16	2.3.3 Variance Analysis on Gross Assets .....	51
17	2.4 Depreciation.....	72
18	2.4.1 Overview of Depreciation .....	72
19	2.4.2 Depreciation by Asset Group .....	72
20	2.4.3 Depreciation Policy .....	72
21	2.4.4 Changes to Depreciation Policy or Asset Service Life .....	73
22	2.4.5 Asset Retirement Obligations .....	73
23	2.4.6 Half-Year Rule .....	73
24	2.5 Allowance for Working Capital .....	87
25	2.5.1 Overview of Working Capital Allowance (WCA) .....	87
26	2.5.2 Working Capital.....	88
27	2.5.3 Eligible Distribution Expenses .....	89
28	2.5.4 Cost of Power (COP) Calculations .....	89
29	2.5.5 Power Purchased .....	94
30	2.5.6 Regulatory Charges .....	100
31	2.5.7 Network and Connection Charges .....	100
32	2.5.8 Low Voltage Charges.....	100



1	2.5.9 Smart Meter Entity Charges.....	100
2	2.6 Distribution System Plan.....	101
3	2.7 Policy Options for the Funding of Capital .....	101
4	2.7.1 Advanced Capital Module (ACM) or Incremental Capital Module (ICM) Projects.....	101
5	2.8 Addition of Previously Approved ACM and ICM Project Assets to Rate Base .....	101
6	2.9 Capitalization .....	101
7	2.9.1 Confirmation of MIFRS Accounting Standard .....	101
8	2.9.2 Capitalization Policy .....	102
9	2.9.3 Overhead Costs.....	102
10	2.9.4 Burden Rates.....	105
11	2.9.5 Contributed Capital.....	106
12	2.9.6 Construction Work in Progress (CWIP) .....	107
13	2.9.7 Allowance for Funds Used During Construction (“AFUDC”).....	107
14	2.10 Costs of Eligible Investments for the Connection of Qualifying Generation Facilities .....	107

15

16 **TABLE OF TABLES**

17	Table 1: Summary of Rate Base .....	6
18	Table 2: Reconciliation of 2022 Closing Balance and the 2023 Opening Balance of Fixed Assets .....	7
19	Table 3: Rate Base.....	8
20	Table 4: 2023 Test Year vs. 2022 Bridge Year .....	9
21	Table 5: 2022 Bridge Year vs. 2021 Actual.....	9
22	Table 6: 2021 Actual vs. 2020 Actual .....	10
23	Table 7: 2020 Actual vs. 2019 Actual .....	10
24	Table 8: 2019 Actual vs. 2018 Actual .....	11
25	Table 9: 2018 Actual vs. 2017 Actual .....	11
26	Table 10: 2017 Actual vs. 2016 Actual .....	12
27	Table 11: 2016 Actual vs. 2015 Actual .....	12
28	Table 12: 2015 Actual (MIFRS) vs. 2014 Actual (MIFRS).....	13
29	Table 13: 2014 Actual (CGAAP) vs. 2013 Actual (CGAAP).....	13
30	Table 14: 2013 Actual (CGAAP) vs. 2013 OEB Approved (MIFRS).....	14
31	Table 15: Appendix 2-BA 2013 OEB Approved .....	17
32	Table 16: Appendix 2-BA 2013 Actual - CGAAP .....	18

1	Table 17: Appendix 2-BA 2014 Actual - CGAAP .....	20
2	Table 18: Appendix 2-BA 2014 Actual - MIFRS .....	22
3	Table 19: Appendix 2-BA 2015 Actual.....	24
4	Table 20: Appendix 2-BA 2016 Actual.....	26
5	Table 21: Appendix 2-BA 2017 Actual.....	28
6	Table 22: Appendix 2-BA 2018 Actual.....	30
7	Table 23: Appendix 2-BA 2019 Actual.....	32
8	Table 24: Appendix 2-BA 2020 Actual.....	34
9	Table 25: Appendix 2-BA 2021 Actual.....	36
10	Table 26: Appendix 2-BA 2022 Bridge Year .....	38
11	Table 27: Appendix 2-BA 2023 Test Year .....	39
12	Table 28: Gross Assets Breakdown by Function .....	41
13	Table 29: Gross Asset Detailed Breakdown by Function .....	42
14	Table 30: Accumulated Depreciation Detailed Breakdown by Function .....	45
15	Table 31: Net Book Value Detailed Breakdown by Function .....	48
16	Table 32: Gross Assets – 2013 OEB Approved (MIFRS) vs. 2013 Actual (CGAAP).....	52
17	Table 33: Gross Assets – 2014 Actual (CGAAP) vs. 2013 Actual (CGAAP).....	53
18	Table 34: Gross Assets – 2015 Actual (MIFRS) vs. 2014 (MIFRS) .....	55
19	Table 35: Gross Assets – 2016 Actual vs. 2015 Actual .....	57
20	Table 36: Gross Assets – 2017 Actual vs. 2016 Actual .....	59
21	Table 37: Gross Assets – 2018 Actual vs. 2017 Actual .....	61
22	Table 38: Gross Assets – 2019 Actual vs. 2018 Actual .....	63
23	Table 39: Gross Assets – 2020 Actual vs. 2019 Actual .....	65
24	Table 40: Gross Assets – 2021 Actual vs. 2020 Actual .....	67
25	Table 41: Gross Assets – 2022 Bridge Year vs. 2021 Actual.....	69
26	Table 42: Gross Assets – 2023 Test Year vs. 2022 Bridge Year .....	71
27	Table 43: OEB Appendix 2-BB - Service Life Comparison.....	74
28	Table 44: OEB Appendix 2-C – Depreciation and Amortization Expense – 2013 CGAAP.....	76
29	Table 45: OEB Appendix 2-C – Depreciation and Amortization Expense – 2014 CGAAP.....	77
30	Table 46: OEB Appendix 2-C – Depreciation and Amortization Expense – 2015 MIFRS.....	78

1	Table 47: OEB Appendix 2-C – Depreciation and Amortization Expense - 2016 .....	79
2	Table 48: OEB Appendix 2-C – Depreciation and Amortization Expense - 2017 .....	80
3	Table 49: OEB Appendix 2-C – Depreciation and Amortization Expense - 2018 .....	81
4	Table 50: OEB Appendix 2-C – Depreciation and Amortization Expense - 2019 .....	82
5	Table 51: OEB Appendix 2-C – Depreciation and Amortization Expense - 2020 .....	83
6	Table 52: OEB Appendix 2-C – Depreciation and Amortization Expense - 2021 .....	84
7	Table 53: OEB Appendix 2-C – Depreciation and Amortization Expense – 2022 Bridge Year .....	85
8	Table 54: OEB Appendix 2-C – Depreciation and Amortization Expense – 2023 Test Year .....	86
9	Table 55: Summary of Working Capital Allowance by Year .....	87
10	Table 56: Summary of Working Capital .....	88
11	Table 57: Cost of Power Summary by Year .....	90
12	Table 58: OEB Appendix 2-ZB ‘Cost of Power’ .....	92
13	Table 59: OEB Appendix 2-ZA ‘Commodity Expense’ .....	95
14	Table 60: OEB Appendix 2-D ‘Overhead Expense’ .....	104
15	Table 61: Burden Rates .....	106

16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29



# EXHIBIT 3

## LOAD FORECAST

1 **Table of Contents**

2 3.1 Load Forecasts ..... 2  
3 Population and Load Trends ..... 2  
4 3.1.1 Multivariate Regression Model..... 4  
5 3.2 Accuracy of Load Forecast and Variance Analyses ..... 5  
6 ATTACHMENT 3 – 1: Load Forecast Report ..... 15

7  
8

9 **Table of Tables**

10 Table 1: Customer Locations..... 2  
11 Table 2: Census Population Data ..... 3  
12 Table 3: 2013 Board Approved vs. 2013 Actual..... 6  
13 Table 4: 2013 Actual vs. 2014 Actual..... 7  
14 Table 5: 2014 Actual vs. 2015 Actual..... 8  
15 Table 6: 2015 Actual vs. 2016 Actual..... 8  
16 Table 7: 2016 Actual vs. 2017 Actual..... 9  
17 Table 8: 2017 Actual vs. 2018 Actual..... 10  
18 Table 9: 2018 Actual vs. 2019 Actual..... 11  
19 Table 10: 2019 Actual vs. 2020 Actual..... 11  
20 Table 11: 2020 Actual vs. 2021 Actual..... 12  
21 Table 12: 2021 Actual vs. 2022 Bridge Year..... 13  
22 Table 13: 2022 Bridge Year vs. 2023 Test Year ..... 13

23



# EXHIBIT 4

## OPERATING EXPENSES

1	<b>TABLE OF CONTENTS</b>	
2	4	Operating expenses ..... 6
3	4.1	Overview ..... 6
4	4.1.1	OM&A Test Year Levels..... 8
5	4.1.2	Materiality Threshold..... 10
6	4.1.3	Budget Process..... 10
7	4.1.4	Inflation ..... 11
8	4.1.4.1	Inflation Rate Assumed ..... 11
9	4.1.4.2	Current Inflation Rates..... 12
10	4.1.5	Overall Cost drivers..... 12
11	4.1.6	OM&A Trends ..... 17
12	4.1.7	The Increase in OM&A from 2021 Actual to 2023 Test Year ..... 22
13	4.1.8	Cost Efficiencies ..... 24
14	4.1.9	Business Environment Changes ..... 28
15	4.2	OM&A Summary and Cost Driver Tables ..... 29
16	4.2.1	Summary of Recoverable OM&A Expenses (Appendix 2-JA)..... 29
17	4.2.2	Recoverable OM&A Cost Drivers (Appendix 2-JB) ..... 31
18	4.2.3	OM&A Programs Table (Appendix 2-JC) ..... 34
19	4.2.4	Recoverable OM&A Cost per Customer and FTE (Appendix 2-L) ..... 38
20	4.2.5	Capitalized OM&A..... 41
21	4.3	OM&A Variance Analysis ..... 44
22	4.3.1	Variance Analysis on Cost Drivers (OEB Appendix 2-JB) ..... 44
23	4.3.2	Variance Analysis on OM&A Programs (OEB Appendix 2-JC) ..... 59
24	4.4	Workforce Planning and Employee Compensation ..... 68
25	4.4.1	OEB Appendix 2-K – Employee Costs..... 68
26	4.4.2	Human Resources Strategy ..... 70
27	4.4.2.1	Introduction to Workforce and Succession Planning..... 70
28	4.4.2.2	Challenges in the Workforce..... 72
29	4.4.2.3	Demands on Our Workforce ..... 77
30	4.4.2.4	Strategies to Attract and Retain Workers..... 85
31	4.4.2.5	FTE Variance Analysis..... 95
32	4.4.3	Benefits and Pension..... 109

1	4.4.3.1	Statutory and Extended Benefits .....	109
2	4.4.3.2	OMERS Pension Plan .....	109
3	4.4.3.3	Other Post-Employment Benefits (OPEB) – Cost Accrual .....	110
4	4.4.3.4	Summary of Benefits and Pension .....	112
5	4.5	Shared Services and Corporate Cost Allocation.....	116
6	4.5.1	Overview .....	116
7	4.5.2	Affiliate Transactions .....	118
8	4.5.2.1	Background and Allocation approach .....	119
9	4.5.2.2	Appendix 2-N Introduction .....	123
10	4.5.2.3	Reconciliation between 2-N and Other Revenue .....	124
11	4.5.3	Variance Analysis for Shared Services.....	126
12	4.5.3.1	Management Services.....	129
13	4.5.3.2	Building Rent .....	130
14	4.5.3.3	Vehicle Rent .....	130
15	4.5.3.4	Water – Return on Invested Capital (ROIC) .....	131
16	4.5.3.5	Water Billing Costs .....	131
17	4.5.3.6	Make Ready Work & Joint Pole.....	132
18	4.5.3.7	Pass Through Costs .....	132
19	4.5.3.8	Shared Staff.....	132
20	4.5.4	Variance Analysis for Purchased Services .....	133
21	4.5.4.1	Variance Analysis of Purchased Services from BPSC .....	134
22	4.5.4.2	Variance Analysis of Purchased Services from Electek .....	136
23	4.5.4.3	Variance Analysis of Purchased Services from BRNi.....	137
24	4.5.5	Corporate Cost Allocation for Board of Directors Costs .....	137
25	4.5.6	Non-Affiliate, One-Time, Regulatory Costs.....	138
26	4.5.7	Purchases of Non-Affiliate Services .....	138
27	4.5.8	One-Time Costs .....	140
28	4.5.9	Regulatory Costs .....	140
29	4.5.10	Low-income Energy Assistance Program (LEAP).....	142
30	4.5.11	Charitable Donations .....	142
31	4.6	Conservation and Demand Management.....	142
32		Attachment 4-1 – Actuarial Report (Redacted) .....	144
33		Attachment 4-2 – Electek_Distco Management Agreement.....	161



1 Attachment 4-3 – Electeck\_Distco Cost Sharing Agreement..... 178  
2 Attachment 4-4 – Servco\_Distco Management Agreement..... 193  
3 Attachment 4-5 – Servco\_Distco Cost Sharing Agreement ..... 211  
4 Attachment 4-6 – BRNi\_Distco Management Agreement..... 226  
5 Attachment 4-7 – BRNi\_Distco Cost Sharing Agreement ..... 244  
6 Attachment 4-8 – BPREI\_Distco Management Agreement ..... 259  
7 Attachment 4-9 – BPREI\_Distco Cost Sharing Agreement..... 277  
8 Attachment 4-10 – Distco\_Servco Cost Sharing Agreement ..... 292  
9 Attachment 4-11 – Procurement Manual..... 306

10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31

**1 TABLE OF TABLES**

2	Table 1: Summary of Total OM&A Expenses .....	9
3	Table 2: Overall Cost Drivers.....	13
4	Table 3: Payroll and Benefit Changes 2013 Approved to 2023 Test Year.....	14
5	Table 4: Gross vs. Net OM&A.....	18
6	Table 5: Oversized Load Corridor Billable Revenue .....	21
7	Table 6: OEB Chapter 2 Appendix 2-JA .....	30
8	Table 7: OEB Appendix 2-JB OM&A Cost Drivers .....	33
9	Table 8: OEB Appendix 2-JC OM&A Programs .....	35
10	Table 9: OEB Accounts for OM&A Programs .....	38
11	Table 10: OEB Chapter 2 Appendix 2-L .....	40
12	Table 11: OEB Appendix 2-D ‘Overhead Expense’ .....	41
13	Table 12: OEB Appendix 2-JC Variance: 2013 Actuals vs. 2013 OEB Approved.....	61
14	Table 13: OEB Appendix 2-JC Variance: 2023 Test Year vs. 2013 OEB Approved.....	63
15	Table 14: OEB Appendix 2-JC Variance: 2023 Test Year vs. 2022 Bridge Year.....	67
16	Table 15: OEB Appendix 2-K.....	69
17	Table 16 – Turnover Analysis .....	75
18	Table 17 – Retirement Eligibility 2022 – 2026 .....	76
19	Table 18 – Employees Tenure in Skilled Trades Positions .....	78
20	Table 19 – Capital Spending.....	80
21	Table 20 – DSP Forecast Spending .....	81
22	Table 21 – Retiree Schedule of Premiums .....	91
23	Table 22 – OMERS Funding Requirements .....	92
24	Table 23 - FTE Variance Analysis 2013 to 2023.....	95
25	Table 24 – Allocation of FTE’s to Affiliate, Billable and Capital .....	96
26	Table 25 – FTE Equivalent for Overtime and Outside Contractors .....	97
27	Table 26: OPEB Expense Accrual Amounts .....	111
28	Table 27: Benefits and Pension Cost Summary .....	113
29	Table 28: ES:1 Services Provided by BPDC to Affiliates.....	120
30	Table 29: ES:2 Services Procured by BPDC from Affiliates.....	123

1 Table 30: Reconciliation between 2-N and Other Revenue..... 125

2 Table 31 : Variance Analysis for Shared Services..... 127

3 Table 32: Board of Director Costs ..... 138

4 Table 33: OEB Appendix 2-M Regulatory Costs ..... 141

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

29

30



# EXHIBIT 5

## COST OF CAPITAL AND CAPITAL STRUCTURE

EB-2022-0016

1 **TABLE OF CONTENTS**

2 5 Cost of Capital and Capital Structure ..... 2

3 5.0 Overview ..... 2

4 5.1 Capital Structure ..... 2

5 5.2 Cost of Capital (Return on Equity and Cost of Debt) ..... 7

6 5.2.1 Return on Equity ..... 7

7 5.2.2 Cost of Debt ..... 7

8 5.2.2.1 Short-Term Debt ..... 7

9 5.2.2.2 Long-Term Debt ..... 8

10 5.3 Historical Return on equity (ROE) Achieved ..... 10

11 5.4 Not-For-Profit Corporations..... 10

12 ATTACHMENT 5-1 Promissory Notes ..... 11

13  
14

15 **TABLE OF TABLES**

16 Table 1: OEB Appendix 2-OA 'Capital Structure and Cost of Capital' ..... 3

17 Table 2: OEB Appendix 2-OB 'Debt Instruments' ..... 4

18 Table 3: Historical ROE Achieved ..... 10

19  
20



# EXHIBIT 6

## REVENUE REQUIREMENT AND REVENUE DEFICIENCY OR SUFFICIENCY

1	<b>TABLE OF CONTENTS</b>	
2	6 Revenue Requirement and Revenue deficiency or sufficiency.....	4
3	6.1 Revenue Deficiency – Overview.....	4
4	6.1.1 Determination of Net Income.....	4
5	6.1.2 Statement of Rate Base .....	5
6	6.1.3 Actual Return on Equity portion of Rate Base .....	6
7	6.1.4 Indicated Return on Rate Base.....	6
8	6.1.5 Requested Return on Rate Base .....	7
9	6.1.6 Deficiency or Sufficiency in Revenue .....	8
10	6.1.7 Gross Deficiency or sufficiency in Revenue .....	8
11	6.1.8 Summary of Drivers of Revenue Deficiency.....	8
12	6.1.9 Revenue Requirement Workform (“RRWF”) .....	11
13	6.2 Payments in Lieu of Taxes (“PILs”) and Property Taxes.....	13
14	6.2.1 Overview of Provision in Lieu of Taxes (PILs).....	13
15	6.2.1.1 2023 PILS Model.....	13
16	6.2.2 Historical PILs .....	13
17	6.2.2.1 Latest Filed Corporate PILS Return .....	13
18	6.2.2.2 Tax Assessments and Correspondence.....	14
19	6.2.2.3 Capital Cost Allowance (CCA).....	15
20	6.2.3 Other Additions and Deductions to Determine Taxable Income.....	26
21	6.2.4 Tax Credits.....	28
22	6.2.5 Integrity Checks.....	28
23	6.2.6 Accelerated CCA (Bill C-97) .....	28
24	6.2.7 Taxes Other Than Income Taxes (Property Tax) .....	29
25	6.2.8 Non-Recoverable and Disallowed Expenses .....	30
26	6.3 Other Revenue .....	31
27	6.3.1 Overview of Other Revenue.....	31
28	6.3.2 Other Revenue Variance Analysis .....	33
29	6.3.2.1 Miscellaneous Service Charges (Account 4235) .....	33
30	6.3.2.2 Late Payment Charges (Account 4225).....	36
31	6.3.2.3 Retailer Service Charges (Accounts 4082 and 4084) .....	37
32	6.3.2.4 Other Distribution Revenue (Accounts 4086, 4210, 4220, 4245).....	39

1	6.3.2.5	Other Income and Expenses (Accounts 4325, 4330, 4355, 4360, 4390, 4405) .....	43
2	6.3.3	Revenue from Affiliates, Shared Services or Corporate Cost Allocation .....	46
3	6.3.3.1	Building Rent .....	47
4	6.3.3.2	Vehicle Rent .....	47
5	6.3.3.3	Water Billing – Return on Invested Capital.....	47
6	6.3.3.4	Joint Pole Rent .....	47
7	6.3.3.5	Billable Revenue - Make Ready Work.....	47
8	6.3.4	Non Rate-Regulated Utility Operations Revenue and Expenses (Accounts 4375 & 4380). 47	
9	6.3.4.1	CDM Programs .....	48
10	6.3.4.2	Streetlight Installations .....	48
11	6.3.4.3	microFit Generation.....	48
12	6.3.4.4	Reconciliation to OEB Appendix 2-N ‘Shared Services and Corporate Cost Allocation’ . 49	
13	6.3.5	No Cross-Subsidization.....	49
14	6.3.6	No Discrete Customer Groups .....	49
15		Attachment 6-1 – Bluewater Power Distribution Corporation Exempt & pils redacted .....	50
16		Attachment 6-2 – Notices of Assessments 2013 to 2021.....	247
17		Attachment 6-3 – Notices of Reassessments 2014 to 2017 .....	257
18		Attachment 6-4 – 2013 to 2021 – Original Filed Schedule 8 (CCA) .....	266
19		Attachment 6-5 – 2013 to 2016 – Original Filed Schedule 10 (CEC).....	279
20		Attachment 6-6 – UCC Balances from 2014 to 2023 .....	284
21		Attachment 6-7 – 2022 Actual Property Taxes.....	289

22  
23

24 **TABLE OF TABLES**

25	Table 1: Determination of 2023 Proposed Net Income.....	5
26	Table 2: Calculation of Rate Base.....	6
27	Table 3: Actual Return on Equity Portion of Rate Base .....	6
28	Table 4: Indicated Return on Rate Base.....	7
29	Table 5: Requested Return on Rate Base.....	7
30	Table 6: Deficiency in Revenue .....	8
31	Table 7: Revenue Deficiency Components.....	9
32	Table 8: Calculation of 2022 (Bridge Year) forecast of revenue at existing rates.....	11



1	Table 9: Calculation of 2023 Test Year Forecast at Existing rates.....	12
2	Table 10: Calculation of Proposed 2023 Revenue at Proposed Rates.....	12
3	Table 11: 2014 CCA/CEC Reconciliation.....	17
4	Table 12: 2015 CCA/CEC Reconciliation.....	18
5	Table 13: 2016 CCA/CEC Reconciliation.....	19
6	Table 14: 2017 CCA Reconciliation .....	20
7	Table 15: 2018 CCA Reconciliation (based on expected reassessment).....	21
8	Table 16: 2019 CCA Reconciliation .....	21
9	Table 17: 2020 CCA Reconciliation.....	22
10	Table 18: 2021 CCA Reconciliation.....	23
11	Table 19: 2022 Schedule 8 Reconciliation of Capital Additions.....	24
12	Table 20: 2023 Schedule 8 Reconciliation of Capital Additions.....	26
13	Table 21: Taxes Other Than Income Taxes .....	30
14	Table 22: OEB Account Grouping.....	31
15	Table 23: Summary of Other Revenue.....	32
16	Table 24: Miscellaneous Service Charges .....	34
17	Table 25: Late Payment Fees .....	37
18	Table 26: Retailer Service Charge Revenue .....	38
19	Table 27: Other Distribution Revenue .....	41
20	Table 28: Other Income and Expenses.....	44
21		
22		
23		
24		
25		
26		
27		
28		
29		
30		



# EXHIBIT 7

## COST ALLOCATION

EB-2022-0016

1 **TABLE OF CONTENTS**

2 7 Cost Allocation ..... 2

3 7.1 Cost Allocation Overview ..... 2

4 Load Profiles and Demand Allocators ..... 5

5 7.1.1 Hourly Load Profile..... 5

6 7.1.2 Derivation of Daily Temperatures..... 6

7 7.1.3 Impact of HDD and CDD on Hourly Load ..... 8

8 7.1.4 Adjust Actual Load to Typical Load ..... 9

9 7.1.5 Demand Allocators..... 11

10 7.1.6 2023 Demand Data ..... 12

11 Weighting Factors ..... 12

12 Specific Customer Classes ..... 14

13 Class Revenue Requirements..... 15

14 Revenue-to-Cost Ratios ..... 17

15  
16

17 **TABLE OF TABLES**

18 Table 1: Account 1830 Allocation ..... 3

19 Table 2: Allocation of accounts 1835, 1840 and 1845 ..... 4

20 Table 3: 10-Year Avg. Daily HDD and Actual January 2019 HDD by Rank..... 7

21 Table 4: 10-Year Avg. Daily HDD and Actual January 2019 HDD by Calendar Date..... 8

22 Table 5: January 1 Hour 1 Residential Example ..... 10

23 Table 6: Weighting Factor for Services Account 1855 ..... 13

24 Table 7: Weighting Factors for Billing and Collecting ..... 13

25 Table 8: Meter Capital Weighting Factors ..... 14

26 Table 9: Meter Reading Weighting Factors..... 14

27 Table 10: Allocated Revenue Requirement by Rate Class ..... 16

28 Table 11: Allocation of Revenue’s and Costs ..... 17

29 Table 12: Revenue to Cost Ratios ..... 18

30



# EXHIBIT 8

## RATE DESIGN

EB-2022-0016

1 **TABLE OF CONTENTS**

2 8 Rate Design ..... 3

3 8.1 Fixed/Variable Proportion..... 3

4 8.1.1 Proposed Monthly Service Charge..... 4

5 8.1.2 Proposed Volumetric Charges..... 5

6 8.1.3 Transformer Ownership Allowance ..... 8

7 8.2 Retail Transmission Service Rates (RTSR’s)..... 8

8 8.2.1 Overview ..... 8

9 8.2.2 Gross Load Billing ..... 11

10 8.3 Retail Service Charges ..... 12

11 8.4 Regulatory Charges ..... 13

12 8.5 Specific Service Charges..... 14

13 8.5.1 Customer Administration..... 14

14 8.5.2 Non-Payment of Account..... 14

15 8.5.3 Other (Pole attachment)..... 15

16 8.6 Low Voltage Service Rates ..... 15

17 8.7 Standby Charges ..... 17

18 8.8 Smart Meter Entity Charge ..... 18

19 8.9 Loss Adjustment Factors ..... 18

20 8.10 Tariff of Rates and Charges ..... 21

21 8.11 Revenue Reconciliation..... 22

22 8.12 Bill Impact Information ..... 24

23 8.13 Rate Mitigation ..... 25

24 Attachment 8-1 – 2022 OEB Approved Tariff of Rates and Charges ..... 26

25 Attachment 8-2 – 2023 Proposed Tariff of Rates and Charges ..... 42

26

27

28 **TABLE OF TABLES**

29 Table 1: Revenue Requirement..... 3

30 Table 2: 2023 Projected Distribution Revenue at Existing Rates ..... 4

31 Table 3: Cost Allocation Study Fixed Charge results, and Existing and Proposed Fixed Charges ..... 5

32 Table 4: Proposed Volumetric Revenue..... 6

1 Table 5: Derivation of Variable Rate ..... 6  
2 Table 6: Proposed Fixed/Variable Proportions and Resulting Revenue ..... 7  
3 Table 7: Summary of Current and Proposed Rates..... 7  
4 Table 8: Current and Proposed Transmission Network Rates ..... 10  
5 Table 9: Current and Proposed Transmission Connection Rates..... 10  
6 Table 10: Customer Administration Specific Service Charges ..... 14  
7 Table 11: Historical and Projected LV Charges ..... 16  
8 Table 12: Current and Proposed Low Voltage Rates ..... 16  
9 Table 13: Calculation of SFLF ..... 19  
10 Table 14: Calculation of DLF..... 19  
11 Table 15: Reconciliation to RRR ..... 20  
12 Table 16: Current and Proposed Loss Factors..... 21  
13 Table 17: Distribution Revenue at Current 2022 Rates and 2023 Load Forecast..... 23  
14 Table 18: 2023 Distribution Revenue at 2023 Proposed Rates and 2023 Load Forecast..... 24  
15 Table 19: Proposed Bill Impacts..... 25  
16  
17  
18



# EXHIBIT 9

## DEFERRAL ACCOUNTS AND VARIANCE ACCOUNTS

**1 TABLE OF CONTENTS**

2	9 Deferral and Variance Accounts .....	3
3	9.0 Deferral and Variance Accounts Overview .....	3
4	DVA Continuity Schedule .....	4
5	Carrying Charges .....	6
6	9.01 Reconciliation of Continuity Schedule with RRR Trial Balance .....	6
7	9.02 Group 2 Accounts to Continue/Discontinue .....	10
8	9.03 Request for New Deferral Accounts .....	10
9	9.04 Confirmation – Adjustments to DVA Balances .....	10
10	9.1 Disposition of Deferral and Variance Accounts – Group 1 .....	11
11	9.1.1 Disposition of Accounts 1588 and 1589.....	13
12	9.1.2 Disposition of CBR Class B Variance.....	17
13	9.1.3 Disposition of Account 1595 (2018).....	18
14	9.2 Disposition of Deferral And Variance Accounts - Group 2.....	18
15	9.2.1 – 1508 Other Regulatory Assets – Deferred IFRS Transition Costs.....	19
16	9.2.2 - 1508 Other Regulatory Assets – Pole Attachment Revenue .....	20
17	9.2.3 - 1508 Other Regulatory Assets, Retail Service Charge Incremental Revenue .....	21
18	9.2.4 - 1508 Other Regulatory Assets, OEB Cost Assessment.....	22
19	9.2.5 - 1509 Impacts Arising from the COVID-19 Emergency .....	23
20	9.2.6 - 1522 Pension & OPEB Cash / Accrual Differential Deferral Account – Carrying Charges.....	23
21	9.2.7 - 1534 Smart Grid Capital Deferral Account .....	24
22	9.2.8 - 1535 Smart Grid OM&A Deferral Account.....	24
23	9.2.9 - 1555 Smart Meter Capital and Recovery Offset – Stranded Meter Costs.....	25
24	9.2.10 - 1592 PILS and Tax Variance for 2006 and Subsequent Years – CCA Changes .....	26
25	9.3 Proposed Rate Riders.....	27
26	9.4 Lost Revenue Adjustment Mechanism Variance Account .....	27
27	9.4.1 Disposition of LRAMVA .....	27
28	9.4.2 Continuing Use of the LRAMVA for New CDM Activities.....	32
29	Attachment 9-1 – Account 1522 Supporting Calculations.....	33
30	Attachment 9-2 – Account 1592 Supporting Calculations.....	37



1	Attachment 9-3 – Smart Grid Deferred Revenue Supporting Calculations .....	40
2	Attachment 9-4 – MVR Customer 1 .....	44
3	Attachment 9-5 – MVR Customer 2 .....	53
4	Attachment 9-6 – MVR Customer 3 .....	62
5	Attachment 9-7 – MVR Customer 4 .....	73
6	Attachment 9-8 – MVR Customer 5 .....	82
7		
8	<b>TABLE OF TABLES</b>	
9	Table 1: Summary Table - Group 1 Outstanding DVA Balances.....	3
10	Table 2: Summary Table - Group 2 Outstanding DVA Balances.....	4
11	Table 3: Pole Attachment Revenue Variance and Reconciliation.....	7
12	Table 4: Summary of Changes to Account 1522 Carrying Charges.....	7
13	Table 5: Summary of Changes to Account 1592 .....	8
14	Table 6: Summary of Changes to Smart Grid Capital Deferral Account .....	9
15	Table 7: Summary of Changes to Smart Grid OM&A Deferral Account.....	9
16	Table 8: DVA Continue / Discontinue .....	10
17	Table 9: Class A Customers in the 2021 Calendar Year.....	12
18	Table 10: Account 1589 – RSVA – Global Adjustment; Non-RPP Class B GA Rate Rider .....	16
19	Table 11: Account 1580, Sub-Account CBR Class B; CBR Class B Rate Rider .....	18
20	Table 12: Account 1508 – Deferred IFRS Transition Costs.....	20
21	Table 13: Account 1508 Pole Attachment Revenue Variance .....	21
22	Table 14: Retail Service Charge Incremental Revenue by Category.....	22
23	Table 15: Account 1508 - OEB Cost Assessment Variance.....	22
24	Table 16: Account 1522 Pension & OPEB Cash/Accrual Differential Deferral Account - Carrying Charges	23
25	Table 17: Smart Grid OM&A Summary .....	25
26	Table 18: Stranded Meter Outstanding Balances and Proposed Rate Riders .....	25
27	Table 19: Principal Amounts of LRAMVA Claim .....	31
28	Table 20: LRAMVA Claim Summary – Total and Proposed Rate Rider .....	32
29		
30		