



Renfrew Hydro Inc.
2024 Cost of Service Application
EB – 2023 – 0049

Exhibit 7: Cost Allocation

Rates Effective: January 1, 2024

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Renfrew Hydro Inc.
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2.7.0 Cost Allocation Study Requirements

2.7.1 Overview of Cost Allocation

Renfrew Hydro inc. (RHI) has prepared and is filing a cost allocation informational filing consistent with its understanding of the Directions and Policies in the Board’s reports of November 28, 2007, Application of Cost Allocation for Electricity Distributors, and March 31, 2011 Review of Electricity Distribution Cost Allocation Policy (EB-2010-0219) (the “Cost Allocation Reports”) and all subsequent updates.

In accordance with the filing requirements, this section details the following:

1. Cost Allocation Study
2. Weighting Factors
3. Load Profiles
4. Demand Data
5. Sheets I-6, I-8, O-1 and O-2

Cost Allocation Study

As part of its 2017 Cost of Service Rate Application, RHI updated the cost allocation revenue to cost ratios with 2017 base revenue requirement information. The revenue to cost ratios from the 2017 application are presented below.

Table 7.1: Previously Approved Ratios (2017 COS)

Customer Class Name	2017 Approved Revenue to Cost Ratio
Residential	95.63%
General Service < 50 kW	120.07%
General Service > 50 to 4999 kW	92.69%
Unmetered Scattered Load	220.09%
Street Lighting	160.00%

1 Note that the following ratios were phased in over 2018 and 2019 as follows:

2 General Service < 50 to 4,999 kW:

3 • 2017 – 92.69%

4 • 2018 – 96.70%

5 • 2019 – 97.30%

6 Unmetered Scattered Load:

7 • 2017 – 220.09%

8 • 2018 – 160.00%

9 • 2019 – 120.00%

10 Street Lighting:

11 • 2017 – 160.00%

12 • 2018 – 120.00%

13 • 2019 – 120.00%

14 The Cost Allocation Study for 2024 allocates the 2024 test year costs (i.e., the 2024 forecast revenue
15 requirement) to the various customer classes using allocators that are based on the forecast class loads
16 (kW and kWh) by class, customer counts, etc.

17 RHI has used the most up to date OEB-approved Cost Allocation Model (issued May 27, 2022) and followed
18 the instructions and guidelines issued by the OEB to enter the 2024 data into this model.

19 RHI populated the information on Sheet I3, Trial Balance Data with the 2024 forecasted data, Target Net
20 Income, PILs, Deemed interest on long term debt, and the targeted Revenue Requirement and Rate Base.

21 On Sheet I4, Break-out of Assets, RHI updated the allocation of the accounts based on 2024 values.

1 In Sheet I5.1, Miscellaneous data, RHI updated the deemed equity component of rate base, kilometer of
 2 roads in the service area, working capital allowance, the proportion of pole rental revenue from secondary
 3 poles, and the monthly service charges.

4 As instructed by the Board, in Sheet I5.2, Weighting Factors, RHI has used LDC specific factors rather than
 5 continue to use OEB approved default factors. The utility has applied service and billing & collecting
 6 weightings for each customer classification.

7 These weightings are based on a review of time and costs incurred in servicing its customer classes; they
 8 are discussed further below:

9 **Table 7.2: Weighting Factors**

	Residential	General Service < 50 kW	General Service > 50 to 1499 kW	Street Lighting	Unmetered Scattered Load
Insert Weighting Factor for Services Account 1855	1.00	2.00	5.00	0.00	0.00
Insert Weighting Factor for Billing and Collecting	1.00	2.00	2.00	2.00	1.50

10

11 ***Proposed Weighting Factors***

12 **Proposed Services Weighting Factors**

13 **Residential:** the Services weighting factor was set to “1”, per Cost Allocation instruction sheet.

14 **General Service less than 50 kW General Service greater than 50 kW:** The proposed Services weighting
 15 factor of 2.0 and 5.0 reflects that these customers require greater capacity than do residential customers
 16 as well increased levels of engineering and planning.

17 **Street Lighting and Unmetered Scattered Load:** A Services weighting factor of 0 is proposed for both
 18 customer classes as the costs incurred to provide Services for either of these customer classes are the
 19 responsibility of the Town of Renfrew and other non-associated businesses.

20

1 **Proposed Billing and Collecting Weighting Factors**

2 **Residential:** The Billing weighting factor is set at “1”, per Cost Allocation instruction sheet.

3 **General Service less than 50 kW:** the proposed Billing and Collecting weighting factor is 2.0 versus that of
4 the residential customer class, RHI spends more time for collections for GS < 50 customers as moratorium
5 on disconnections is not applicable to this rate class.

6 **General Service greater than 50 kW:** The proposed billing and collecting weighting factor is 2.0 as there
7 is additional staff time is required to prepare and finalize the bill. Staff also review each and every invoice
8 issued in this customer class.

9 **Street Lighting:** The proposed weighting factor is 2.0. Tracking and calculating Load and kWh used requires
10 more time at RHI as this is inclusive of Billing Supervisor’s duties.

11 **Unmetered Scattered Load:** The proposed weighting factor is 1.50. Like Street Lighting, this class does not
12 give rise to Collecting costs. The weighting factor reflects that relatively fewer calculations and tracking
13 are required compared to that of street lighting.

14 In Sheet I6.1 Revenue has been populated with the 2024 Test Year forecast data as well as existing rates.

15 Sheet I6.2 has been updated with the required Bad Debt and Late Payment revenue data as well as
16 customer/connection number information devices.

17 RHI updated the capital cost meter information on Sheet I7.1 and the meter reading information on I7.2
18 to reflect its recently completed upgrades to become MIST compliant.

19 The data entered on sheet I8 reflects the findings of the 2022 hour by hour load data being scaled to be
20 consistent with the 2024 load forecast and the inspection of the scaled data to identify the system peaks
21 and class specific peaks.

22 No Direct Allocations were entered on Sheet I9.

23

1 2.7.1.1 Load Profiles & Demand Allocators

2 *Load Profiles*

3 In the following tables 7.3 and 7.4, RHI is presenting the load profiles from its 2017 CoS application and
4 updated hourly profile from the 2022 Load forecast model. RHI is currently working with Metersense in
5 order to update and correct some data for its Residential and GS<50 customers as approximately 30% of
6 GS<50 data is currently being reported as Residential load in Metersense. RHI has adjusted this data to
7 agree to RHI's billing statistic totals by keeping the hourly load profile of GS<50 customers consistent with
8 the 70% appropriately classified GS<50 customers, while removing the same data, on an hourly basis,
9 from the Residential load.

10 For previous Cost of Service Applications RHI relied on its load profile prepared by Hydro One Networks
11 Inc., (HONI) based on sample data from 2004. In a letter dated June 12, 2015, the OEB requested
12 distributors to be mindful of material changes to load profiles and propose updates, as appropriate, in
13 COS rate applications. Current filing requirements require Distributors to have updated load profiles
14 across all classes and produce updated demand allocators in their cost-of-service applications. In
15 preparation of this Application RHI undertook a project to update its load profile utilizing the same
16 methodology as proposed by Wellington North Power (WNP) in its 2021 rate application (EB-2020-0061)
17 and Brantford Power Inc. (BPI) (EB-2021-009) in its 2022 rate application.

18 RHI has used the "USF Demand Profile Working Groups" methodology as previously submitted by WNP
19 and BPI to prepare a load profile to match the load forecast as it relates to the respective rate classes.
20 RHI, with the assistance of Hydro Ottawa staff, have adjusted the formula in column E of HDD and CDD
21 sorted tabs in the forecast model to normalize very small and/or very large discrepancies in HDD and CDD
22 observations based on the 10-year average. The new formula eliminates the large adjustments for days
23 when the temperature is very close to the baseline of 18 degrees. The results created co-incident peak
24 and non-coincident peak which are typical of RHI's loads, prior to adjustments for weather. Without these
25 adjustments, certain days created factors exceeding 10 and skewed results showing, in some cases,
26 Residential and GS<50 load being greater than GS > 50 load.

1
 2
 3

Demand Data

Table 7.3: Load Profiles from 2017 CoS

Customer Classes		Residential	GS<50kW	GS>50kW	Street Lighting	GS<50 kW
CO-INCIDENT PEAK (kW)						
1 CP						
Total Sytem CP	DCP1	5,293	2,782	7,958	0	20
4 CP						
Total Sytem CP	DCP4	20,911	9,468	31,239	261	83
12 CP						
Total Sytem CP	DCP12	54,229	25,481	88,125	522	237
NON CO_INCIDENT PEAK (kW)						
1 NCP						
Classification NCP from Load Data Provider	DNCP1	6,985	3,234	8,147	261	25
4 NCP						
Classification NCP from Load Data Provider	DNCP4	27,984	12,164	32,908	1,044	111
12 NCP						
Classification NCP from Load Data Provider	DNCP12	70,107	30,469	92,255	3,133	305

4
 5

Table 7.4: Demand Data for 2024 Test Year (adjusted for 2024 Load Forecast)

Customer Classes		Residential	GS<50kW	GS>50kW	Sentinel Lighting	Intermediate Use
CO-INCIDENT PEAK (kW)						
1 CP						
Total System CP	DCP1	6,025	1,909	6,998	0	29
4 CP						
Total System CP	DCP4	23,266	8,431	26,941	0	120
12 CP						
Total System CP	DCP12	64,300	22,271	75,217	179	358
NON CO-INCIDENT PEAK (kW)						
1 NCP						
Classification NCP from Load Data Provider	DNCP1	7,415	2,617	7,253	90	33
4 NCP						
Classification NCP from Load Data Provider	DNCP4	29,065	9,872	28,632	359	127
12 NCP						
Classification NCP from Load Data Provider	DNCP12	75,788	27,107	83,226	1,076	368

6

1 ***Sheets I-6, I-8, O-1 and O-2***

2 In accordance with the Filing Requirements, distributors using the OEB-issued model must file a hard copy
3 of input sheets I6 and I8, and output sheets O1 and O2.

4 The required information is included as Appendix A to this Exhibit and a live Microsoft Excel cost allocation
5 model has been filed with the OEB.

6

1 **2.7.2 Class Revenue Requirements**

2 To support a proposal to rebalance rates, the distributor must provide information on the revenue by
 3 class that would apply if all rates were changed by a uniform percentage. Ratios must be compared with
 4 the ratios that will result from the rates being proposed by the distributor.

5 Table 7.5 shows the results of the 2024 cost allocation study.

6 **Table 7.5: Previously Approved Ratios (2017 COS)**

Customer Class Name	Service Rev Req (row40)		Misc. Revenue (mi) (row19)		Base Rev Req		Rev2Cost Expenses %
Residential	1,596,629	58.76%	113,675	60.00%	1,482,954	58.67%	102.27%
General Service < 50 kW	394,931	14.53%	26,095	13.77%	368,836	14.59%	122.02%
General Service > 50 to 4999 kW	661,234	24.34%	38,613	20.38%	622,622	24.63%	81.12%
Unmetered Scattered Load	12,575	0.46%	967	0.51%	11,607	0.46%	107.48%
Street Lighting	51,743	1.90%	10,105	5.33%	41,638	1.65%	101.29%
TOTAL	2,717,112	100.00%	189,455	100.00%	2,527,657	100.00%	

7
 8 The table below shows the allocation percentage and base revenue requirement allocation under existing
 9 rates, cost allocation results and proposed 2024 proposed allocation.

10 **Table 7.6: Base Revenue Requirement Under 3 Scenarios**

Customer Class Name	Proposed Base Revenue Requirement %					
	Cost Allocation Results		Existing Rates		Proposed Allocation	
Residential	58.67%	1,482,954	60.10%	1,519,228	58.67%	1,482,954
General Service < 50 kW	14.59%	368,836	18.03%	455,784	16.77%	423,836
General Service > 50 to 4999 kW	24.63%	622,622	19.69%	497,792	22.26%	562,622
Unmetered Scattered Load	0.46%	11,607	0.50%	12,548	0.50%	12,607
Street Lighting	1.65%	41,638	1.67%	42,304	1.81%	45,638
TOTAL	100.00%	2,527,657	100.00%	2,527,657	100.00%	2,527,657

11
 12 Table 7.7 below shows the revenue offset allocation which resulted from Cost Allocation Study (Sheet
 13 O1).

14

1

Table 7.7: Revenue Offset Allocation as per Cost Allocation Study

Customer Class Name	Revenue Offsets	
	%	\$
Residential	60.00%	113,675
General Service < 50 kW	13.77%	26,095
General Service > 50 to 4999 kW	20.38%	38,613
Unmetered Scattered Load	0.51%	967
Street Lighting	5.33%	10,105
TOTAL	100.00%	189,455

2

3 Table 7.8 shows the allocation of the service revenue requirement under the same 3 scenarios.

4

Table 7.8: Service Revenue Requirement Under 3 Scenarios

Customer Class Name	Service Revenue Requirement \$		
	Existing Rates	Cost Allocation	Rate Application
Residential	1,632,903	1,596,629	1,596,629
General Service < 50 kW	481,880	394,931	449,931
General Service > 50 to 4999 kW	536,405	661,234	601,235
Unmetered Scattered Load	13,516	12,575	13,574
Street Lighting	52,409	51,743	55,743
TOTAL	2,717,112	2,717,112	2,717,112

5

6

1 **2.7.3 Revenue-to-Cost Ratios**

2 **2.7.3.1- Cost Allocation Results and Analysis**

3 If R:C ratios outside dead band based on model - distributors must include cost allocation proposal to
 4 bring them within the OEB-approved ranges. In making any such adjustments, distributors should address
 5 potential mitigation measures if the impact of the adjustments on the rates of any particular class or
 6 classes is significant.

7 RHI confirms that it is not using any other Cost Allocation Model other than OEB model and has excluded
 8 charges such as low voltage and deferral and variance accounts.

9 **Table 7.9: RRWF Sheet 11**

A) *Allocated Costs*

Name of Customer Class ⁽³⁾	Costs Allocated from Previous Study ⁽¹⁾	%	Allocated Class Revenue Requirement ⁽¹⁾ <i>(7A)</i>	%
<i>From Sheet 10. Load Forecast</i>				
1 Residential	\$ 1,265,175	59.78%	\$ 1,596,629	58.76%
2 GS <50	\$ 296,709	14.02%	\$ 394,931	14.53%
3 GS>50-Regular	\$ 507,593	23.98%	\$ 661,234	24.34%
4 Unmetered Scattered Load	\$ 7,644	0.36%	\$ 12,575	0.46%
5 Street Lighting	\$ 39,322	1.86%	\$ 51,743	1.90%
20 Total	\$ 2,116,443	100.00%	\$ 2,717,112	100.00%
			Service Revenue Requirement (from Sheet 9)	\$ 2,717,112.08

10

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	\$ 1,314,498	\$ 1,519,228	\$ 1,482,954	\$ 113,675
2 GS <50	\$ 394,363	\$ 455,785	\$ 423,836	\$ 26,095
3 GS>50-Regular	\$ 430,710	\$ 497,792	\$ 562,622	\$ 38,613
4 Unmetered Scattered Load	\$ 10,857	\$ 12,548	\$ 12,607	\$ 967
5 Street Lighting	\$ 36,603	\$ 42,304	\$ 45,638	\$ 10,105
20				
Total	\$ 2,187,031	\$ 2,527,657	\$ 2,527,657	\$ 189,455

1

C) Rebalancing Revenue-to-Cost Ratios

Name of Customer Class	Previously Approved Ratios Most Recent Year: 2017 %	Status Quo Ratios (7C + 7E) / (7A) %	Proposed Ratios (7D + 7E) / (7A) %	Policy Range %
1 Residential	95.63%	102.27%	100.00%	85 - 115
2 GS <50	120.07%	122.02%	113.93%	80 - 120
3 GS>50-Regular	97.30%	81.12%	90.93%	80 - 120
4 Unmetered Scattered Load	120.00%	107.48%	107.95%	80 - 120
5 Street Lighting	120.00%	101.29%	107.73%	80 - 120
20				

2

(D) Proposed Revenue-to-Cost Ratios

Name of Customer Class	Proposed Revenue-to-Cost Ratio	Policy Range
	Test Year 1	Price Cap IR Period 2
1 Residential	100.00%	100.00%
2 GS <50	113.93%	113.93%
3 GS>50-Regular	90.93%	90.93%
4 Unmetered Scattered Load	107.95%	107.95%
5 Street Lighting	107.73%	107.73%
20		

3

1 The table below shows the utility’s proposed Revenue to Cost reallocation based on an analysis of the
 2 proposed results from the Cost Allocation Study vs the Board imposed floor and ceiling ranges.

3 **Table 7.9: Proposed Allocation**

Revenue to Cost Ratio Allocation

Customer Class Name	Calculated R/C Ratio	Proposed R/C Ratio	Variance	Target Range	
				Floor	Ceiling
Residential	102.27%	100.00%	0.02	0.85	1.15
General Service < 50 kW	122.02%	113.93%	0.08	0.80	1.20
General Service > 50 to 4999 kW	81.12%	90.93%	-0.10	0.80	1.20
Unmetered Scattered Load	107.48%	107.95%	-0.00	0.80	1.20
Street Lighting	101.29%	107.73%	-0.06	0.80	1.20

4
 5 The proposed Revenue to Cost ratio is adjusted by changing the allocation percentage for each class. The
 6 utility reviews and assesses the bill impacts for each class before adjusting the Revenue to Cost ratios.

7 RHI proposes to decrease the ratio for the Residential class from 102.27% to 100%. This places this class
 8 at 100% of its allocated costs.

9 The General Service < 50kW class has been adjusted downwards to move closer towards 100% of costs
 10 when compared to the 2017 Cost of service ratio of 120.07%, but also absorbing some of the loss of load
 11 at the GS > 50 Class of customers, which moved to GS>50 rate class.

12 At its current rates, the General Service > 50kW is under-recovering revenues in comparison to its
 13 allocated costs. At the proposed ratio, the class would be recovering 90.93% of its allocated costs. Load
 14 loss is a significant factor as the load in this category has declined approximately 14% and customer
 15 numbers decreased by 31% since the last rate application in 2017 vs 2024 load forecast.

16 The calculated ratio for the Streetlights and Unmetered Scattered Load were adjusted to reflect
 17 movement to towards 100% ratio when compared to cost allocation from previous rate application in
 18 which both were at 120% after rate mitigation between 2017-2019.

1 Overall, the adjustments made were to ensure consistent bill impacts across all rate groups, with the
2 exception of Street lighting, as the Town of Renfrew has enjoyed a significant reduction in its charges due
3 to reduced load requirements after changing lighting to LED lights. Unmetered Scattered load also was
4 adjusted due to regularly not receiving an increase on its volumetric charge due to the rate being so low,
5 it does not get adjusted if the Incentive Rate Mechanism is below 3% after stretch factor.

6 Also, RHI notes that in determining the proposed cost-to-revenue ratio adjustments, the LDC has
7 considered the bill impact for each rate class. The only class that fell outside of the 10% impact threshold
8 is the Street Lighting class, which was expected and has been communicated to the Town of Renfrew. For
9 further details about the class specific bill impacts, please refer to Exhibit 8.

10

1 **2.7.3.2- Specific Customer Class(es)**

2 In accordance with the filing requirements, this section details the following:

3 1. Host Distributor

4 2. Unmetered Loads

5 3. microFIT

6 4. Standby Rates

7 **Host Distributor**

8 RHI is not a host to any distributor.

9 **Unmetered Loads**

10 RHI communicates with unmetered load customers and street lighting customers to assist them in
11 understanding the regulatory requirements in which RHI operates. Since RHI's largest customer in the
12 above categories is the Town of Renfrew, RHI confirms load and rate impact whenever increases are
13 completed. RHI also communicated the rate increase forecasted for this rate application and the impacts
14 to RHI customers as documented in Exhibit 1. RHI acknowledges the OEB's change in cost allocation policy
15 for the Street Lighting rate class and confirms that the street lighting adjustment factor has been
16 appropriately calculated by the OEB cost allocation model and reflected in other aspects of its 2024 cost
17 allocation study, such as determining the appropriate factor for direct allocation of a portion of RHI's
18 service areas costs to the Street Lighting rate class.

19 **microFIT**

20 RHI obtained approval for microFIT connections at a rate of \$10.00 per month in its previous Cost of
21 service rate application and is not seeking to adjust this rate.

22 **Standby Rates**

23 RHI is not seeking to propose standby charges in this rate application.

1 **2.7.3.3- New Customer Class(es)**

2 RHI is not proposing to include a new customer class from the previous Cost of Service.

3

1 **2.7.3.4- Eliminated Customer Class(es)**

2 RHI is not proposing to eliminate any customer class from the previous Cost of Service.

3

1 **Appendix**

2 **List of Appendices**

Appendix A	Cost Application Model - Sheets I-6, I-8, O-1 and O-2

3

4

Appendix A



2023 Cost Allocation Model

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Sheet I6.2 Customer Data Worksheet - 45016

			1	2	3	7	9
	ID	Total	Residential	GS <50	GS>50-Regular	Street Light	Unmetered Scattered Load
Billing Data							
Bad Debt 3 Year Historical Average	BDHA	\$14,275	\$15,242	(\$565)	(\$402)	\$0	\$0
Late Payment 3 Year Historical Average	LPHA	\$16,755	\$10,364	\$2,089	\$4,292		\$10
Number of Bills	CNB	53,544	47,064	5,496	516	24	444
Number of Devices	CDEV					1,197	
Number of Connections (Unmetered)	CCON	1,197				1,197	
Total Number of Customers	CCA	4,460	3,922	458	42	1	37
Bulk Customer Base	CCB	-					
Primary Customer Base	CCP	4,507	3,922	458	42	48	37
Line Transformer Customer Base	CCLT	4,507	3,922	458	42	48	37
Secondary Customer Base	CCS	4,460	3,922	458	42	1	37
Weighted - Services	CWCS	5,048	3,922	916	210	-	-
Weighted Meter -Capital	CWMC	781,020	567,870	165,650	47,500	-	-
Weighted Meter Reading	CWMR	6,122	3,902	501	1,635	84	-
Weighted Bills	CWNB	59,802	47,064	10,992	1,032	48	666

Bad Debt Data

Historic Year:	2020	11,286	11,930	562	-	1,206		
Historic Year:	2021	12,367	12,439	-	72			
Historic Year:	2022	19,171	21,356	-	2,185			
Three-year average		14,275	15,242	-	565	-	402	-

2023 Cost Allocation Model

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Sheet 18 Demand Data Worksheet - 45016

This is an input sheet for demand allocators.

CP TEST RESULTS	12 CP
NCP TEST RESULTS	4 NCP

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

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

Customer Classes	Total	1	2	3	7	9	
		Residential	GS <50	GS>50-Regular	Street Light	Unmetered Scattered Load	
		CP Sanity Check	Pass	Pass	Pass	Pass	Pass
CO-INCIDENT PEAK							
1 CP							
Transformation CP	TCP1	14,961	6,025	1,909	6,998	-	29
Bulk Delivery CP	BCP1	14,961	6,025	1,909	6,998	-	29
Total Sytem CP	DCP1	14,961	6,025	1,909	6,998	-	29
4 CP							
Transformation CP	TCP4	58,759	23,266	8,431	26,941	-	120
Bulk Delivery CP	BCP4	58,759	23,266	8,431	26,941	-	120
Total Sytem CP	DCP4	58,759	23,266	8,431	26,941	-	120
12 CP							
Transformation CP	TCP12	162,326	64,300	22,271	75,217	179	358
Bulk Delivery CP	BCP12	162,326	64,300	22,271	75,217	179	358
Total Sytem CP	DCP12	162,326	64,300	22,271	75,217	179	358
NON CO INCIDENT PEAK							
1 NCP							
Classification NCP from Load Data Provider							
Load Data Provider	DNCP1	17,409	7,415	2,617	7,253	90	33
Primary NCP	PNCP1	17,409	7,415	2,617	7,253	90	33
Line Transformer NCP	LTNCP1	17,409	7,415	2,617	7,253	90	33
Secondary NCP	SNCP1	17,409	7,415	2,617	7,253	90	33
4 NCP							
Classification NCP from Load Data Provider							
Load Data Provider	DNCP4	68,054	29,065	9,872	28,632	359	127
Primary NCP	PNCP4	68,054	29,065	9,872	28,632	359	127
Line Transformer NCP	LTNCP4	68,054	29,065	9,872	28,632	359	127
Secondary NCP	SNCP4	68,054	29,065	9,872	28,632	359	127
12 NCP							
Classification NCP from Load Data Provider							
Load Data Provider	DNCP12	187,565	75,788	27,107	83,226	1,076	368
Primary NCP	PNCP12	187,565	75,788	27,107	83,226	1,076	368
Line Transformer NCP	LTNCP12	187,565	75,788	27,107	83,226	1,076	368
Secondary NCP	SNCP12	187,565	75,788	27,107	83,226	1,076	368

2023 Cost Allocation Model

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Sheet 01 Revenue to Cost Summary Worksheet - 45016

Instructions:

Please see the first tab in this workbook for detailed instructions

Class Revenue, Cost Analysis, and Return on Rate Base

Rate Base		Total	1	2	3	7	9
Assets		Residential	GS <50	GS>50-Regular	Street Light	Unmetered Scattered Load	
crow	Distribution Revenue at Existing Rates	\$2,187,031	\$1,314,498	\$394,363	\$430,710	\$36,603	\$10,857
mi	Miscellaneous Revenue (mi)	\$189,455	\$113,675	\$26,095	\$38,613	\$10,105	\$967
		Miscellaneous Revenue Input equals Output					
Total Revenue at Existing Rates		\$2,376,486	\$1,428,173	\$420,459	\$469,322	\$46,708	\$11,825
Factor required to recover deficiency (1 + D)		1.1557					
Distribution Revenue at Status Quo Rates		\$2,527,657	\$1,519,228	\$455,785	\$497,792	\$42,304	\$12,548
Miscellaneous Revenue (mi)		\$189,455	\$113,675	\$26,095	\$38,613	\$10,105	\$967
Total Revenue at Status Quo Rates		\$2,717,112	\$1,632,903	\$481,880	\$536,405	\$52,409	\$13,515
Expenses							
di	Distribution Costs (di)	\$568,970	\$292,739	\$77,182	\$185,192	\$12,212	\$1,645
cu	Customer Related Costs (cu)	\$561,330	\$437,379	\$89,437	\$17,517	\$11,837	\$5,160
ad	General and Administration (ad)	\$534,565	\$343,358	\$78,698	\$98,019	\$11,315	\$3,176
dep	Depreciation and Amortization (dep)	\$388,351	\$200,462	\$57,331	\$124,220	\$5,439	\$879
INPUT	FILs (INPUT)	\$34,347	\$16,694	\$4,774	\$12,224	\$566	\$89
INT	Interest	\$276,086	\$134,186	\$38,377	\$98,262	\$4,549	\$713
Total Expenses		\$2,363,650	\$1,424,836	\$345,799	\$536,434	\$45,919	\$11,662
Direct Allocation		\$0	\$0	\$0	\$0	\$0	\$0
NI	Allocated Net Income (NI)	\$353,463	\$171,793	\$49,132	\$125,801	\$5,824	\$913
Revenue Requirement (includes NI)		\$2,717,112	\$1,596,629	\$394,931	\$661,234	\$51,743	\$12,575
		Revenue Requirement Input equals Output					
Rate Base Calculation							
Net Assets							
dp	Distribution Plant - Gross	\$10,464,075	\$5,240,899	\$1,492,385	\$3,542,801	\$162,287	\$25,703
gp	General Plant - Gross	\$2,231,797	\$1,088,856	\$310,316	\$790,110	\$36,739	\$5,776
accum dep	Accumulated Depreciation	(\$3,515,809)	(\$1,848,906)	(\$525,930)	(\$1,085,152)	(\$48,039)	(\$7,723)
co	Capital Contribution	(\$627,103)	(\$321,914)	(\$87,845)	(\$205,604)	(\$10,081)	(\$1,659)
Total Net Plant		\$8,552,960	\$4,158,875	\$1,188,925	\$3,042,155	\$140,907	\$22,098
Directly Allocated Net Fixed Assets		\$0	\$0	\$0	\$0	\$0	\$0
COP	Cost of Power (COP)	\$10,172,608	\$3,647,947	\$1,349,950	\$5,099,021	\$44,998	\$30,692
OM&A Expenses		\$1,664,865	\$1,073,475	\$245,317	\$300,728	\$35,365	\$9,981
Directly Allocated Expenses		\$0	\$0	\$0	\$0	\$0	\$0
Subtotal		\$11,837,473	\$4,721,422	\$1,595,266	\$5,399,749	\$80,363	\$40,673
Working Capital		\$887,811	\$354,107	\$119,645	\$404,981	\$6,027	\$3,050
Total Rate Base		\$9,440,770	\$4,512,981	\$1,308,570	\$3,447,136	\$146,934	\$25,148
		Rate Base Input equals Output					
Equity Component of Rate Base		\$3,776,308	\$1,805,192	\$523,428	\$1,378,855	\$58,774	\$10,059
Net Income on Allocated Assets		\$353,463	\$208,067	\$136,081	\$971	\$6,490	\$1,854
Net Income on Direct Allocation Assets		\$0	\$0	\$0	\$0	\$0	\$0
Net Income		\$353,463	\$208,067	\$136,081	\$971	\$6,490	\$1,854
RATIOS ANALYSIS							
REVENUE TO EXPENSES STATUS QUO%		100.00%	102.27%	122.02%	81.12%	101.29%	107.48%
EXISTING REVENUE MINUS ALLOCATED COSTS		(\$340,626)	(\$168,457)	\$25,527	(\$191,912)	(\$5,035)	(\$750)
		Deficiency Input equals Output					
STATUS QUO REVENUE MINUS ALLOCATED COSTS		\$0	\$36,274	\$86,949	(\$124,830)	\$666	\$941
RETURN ON EQUITY COMPONENT OF RATE BASE		9.36%	11.53%	26.00%	0.07%	11.04%	18.43%