

EB-2024-0012

IN THE MATTER OF the Ontario Energy Board Act, 1998,
S.O. 1998, c.15 (Schedule B);

AND IN THE MATTER OF an application by
Centre Wellington Hydro Ltd.
For an order approving just and reasonable rates and
Other charges for electricity distribution beginning
January 1, 2025.

Centre Wellington Hydro Ltd.

Settlement Proposal

Filed: September 24, 2024

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LIST OF ATTACHMENTS

CWH has filed revised models as evidence to support this Settlement Proposal. The models have been filed through the OEB's e-filing service and include:

1. Load Forecast Model
2. Demand Profile Worksheets
3. RTSR Model
4. Income Tax PILs Model
5. Revenue Requirement Workform
6. Benchmarking
7. Cost Allocation Model
8. DVA Continuity Schedule
9. Tariff Schedule and Bill Impact Model
10. OEB Chapter 2 Appendices
11. 1595 Analysis Workform
12. ACM Model
13. GA Analysis
14. Proposed Tariff of Rates and Charges

SETTLEMENT PROPOSAL

Centre Wellington Hydro Ltd. (the Applicant or CWH) filed a Cost-of-Service application with the Ontario Energy Board (the OEB) on May 2, 2024, under section 78 of the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15 (Schedule B) (the Act), seeking approval for changes to the rates that CWH charges for electricity distribution, to be effective January 1, 2025 (OEB file number EB-2024-0012) (the Application).

The OEB issued a Letter of Direction and Notice of Application on May 22, 2024. In Procedural Order No. 1, dated June 17, 2024, the OEB approved the Vulnerable Energy Consumers Coalition (VECC) and the School Energy Coalition (SEC) as intervenors.

The Procedural Order also indicated the prescribed dates for the written interrogatories, CWH's responses to interrogatories, a Settlement Conference, and various other elements in the proceeding.

On June 24, 2024, OEB Staff, on behalf of all the parties, submitted a proposed issues list (the Issues List) to the OEB for approval. The OEB approved the Issues List on June 28, 2024 (the Approved Issues List).

CWH filed its interrogatory responses with the OEB on August 1, 2024.

The Settlement Conference was convened on August 19, 2024, in accordance with the OEB's Rules of Practice and Procedure (the Rules) and the OEB's Practice Direction on Settlement Conferences. SEC and VECC (the Intervenors) participated in the Settlement Conference.

Michelle Dagnino acted as the facilitator for the Settlement Conference.

CWH, VECC, and SEC (collectively referred to as the Parties), reached a full, comprehensive settlement regarding CWH's 2025 Cost of Service Application. The details and specific components of the settlement are detailed in this Settlement Proposal.

This document is called a Settlement Proposal because it is a proposal by the Parties presented to the OEB to settle the issues in this proceeding. It is termed a proposal as between the Parties and the OEB. However, as between the Parties, and subject only to the OEB's approval of this Settlement Proposal, this document is intended to be a legal agreement, creating mutual obligations, and binding and enforceable in accordance with its terms. In entering into this Settlement Proposal, the Parties understand and agree that pursuant to the Act, the OEB has exclusive jurisdiction with respect to the interpretation and enforcement of the terms hereof.

The Parties acknowledge that the Settlement Conference was confidential in accordance with the OEB's Practice Direction on Settlement Conferences. The Parties understand that confidentiality in that context does not have the same meaning as confidentiality in the OEB's Practice Direction on Confidential Filings, and the rules of that latter document do not apply. Instead, in this Settlement Conference, and in this Settlement Proposal, the specific rules with

respect to confidentiality and privilege are as set out in the Practice Direction on Settlement Conferences, as amended on February 17, 2021. The Parties have interpreted the revised Practice Direction on Settlement Conferences to mean that the documents and other information provided during the Settlement Conference itself, the discussion of each issue, the offers and counteroffers, and the negotiations leading to the settlement – or not – of each issue during the Settlement Conference are strictly privileged and without prejudice. None of the foregoing is admissible as evidence in this proceeding, or otherwise, with one exception, the need to resolve a subsequent dispute over the interpretation of any provision of this Settlement Proposal. Further, the Parties shall not disclose those documents or other information to persons who were not attendees at the Settlement Conference. However, the Parties agree that attendees are deemed to include, in this context, persons who were not in attendance at the Settlement Conference but were a) any persons or entities that the Parties engaged to assist them with the Settlement Conference, and b) any persons or entities from whom the attendees' sought instructions with respect to the negotiations, in each case provided those persons are subject to the same obligations of confidentiality and privilege as those persons actually in attendance.

OEB staff also participated in the Settlement Conference. The role adopted by OEB staff is set out at page 5 of the Practice Direction on Settlement Conferences. Although OEB staff is not a party to this Settlement Proposal, as noted in the Practice Direction on Settlement Conferences, OEB staff who did participate in the Settlement Conference are bound by the same confidentiality requirements that apply to the Parties to the proceeding.

This Settlement Proposal provides a brief description of each of the settled issues, as applicable, together with references to the evidence. The Parties agree that references to the evidence in this Settlement Proposal shall, unless the context otherwise requires, include, in addition to the Application, the responses to interrogatories, all other components of the record up to and including the date hereof, and the additional information included by the Parties in this Settlement Proposal and the attachments and appendices to this document.

Included with the Settlement Proposal are attachments that provide further support for the proposed settlement, including responses to Pre-Settlement Clarification questions (Clarification Responses). The Parties acknowledge that the attachments were prepared by CWH. The Parties have reviewed the attachments and are relying on the accuracy of the attachments and the underlying evidence in entering into this Settlement Proposal.

For ease of reference, this Settlement Proposal follows the format of the Approved Issues List.

According to section 6 of the Practice Direction on Settlement Conferences, the Parties must consider whether a Settlement Proposal should include an appropriate adjustment mechanism for any settled issue that may be affected by external factors. Any such adjustments are specifically set out in the text of the Settlement Proposal.

The Parties have settled the issues as a package, and none of the parts of this Settlement Proposal are severable. If the OEB does not accept this Settlement Proposal in its entirety, then there is no settlement (unless the Parties agree in writing that any part(s) of this Settlement Proposal that the OEB accepts may continue as a valid settlement without inclusion of any part(s) that the OEB does not accept).

If the OEB directs the Parties to make reasonable efforts to revise the Settlement Proposal, the Parties agree to use reasonable efforts to discuss any potential revisions, but no Party will be obligated to accept any proposed revision. The Parties agree that all the Parties must agree with any revised Settlement Proposal as it relates to that issue, or take no position, prior to its resubmission to the OEB.

Unless stated otherwise, the settlement of any particular issue in this proceeding and the positions of the Parties in this Settlement Proposal are without prejudice to the rights of the Parties to raise the same issue and/or to take any position thereon in any other proceeding, whether or not CWH is a party to such proceeding, provided that no Party shall take a position that would result in the Settlement Proposal not applying in accordance with the terms contained herein.

Where, in this Settlement Proposal, the Parties accept the evidence of CWH, or agree to any issue, term or condition, including a revised budget or forecast, then unless the Settlement Proposal expressly states to the contrary, the words “for the purpose of settlement of the issues herein” shall be deemed to qualify that acceptance or agreement.

SUMMARY

The Parties were able to reach agreement on all aspects of the Application with respect to capital costs, operations, maintenance & administration (OM&A) costs, revenue requirement-related issues, including the accuracy of the revenue requirement determination and the application of OEB policies and practices.

In reaching this Settlement Proposal, the Parties have been guided by the Filing Requirements for Electricity Distribution Rate Applications - 2023 Edition for 2024 Rate Applications, Chapter 2 Cost of Service, December 15, 2022, and the Approved Issues List.

The Parties have described below, in detail, areas where they have settled an issue by agreeing to adjustments to the Application as updated.

This Settlement Proposal will, if accepted, result in a total bill increase of \$0.04 or 0.03% per month for the typical residential customer consuming 750 kWh per month.

The financial impact of the Settlement Proposal is to reduce the base revenue requirement requested of \$4,827,272 by \$106,946 to \$4,720,325, subject to updates when certain parameters for the 2025 Test year such as the Deemed Cost of Capital Parameters are issued by the OEB prior to implementation of a final rate order.

A Revenue Requirement Work Form (RRWF) incorporating all terms that have been agreed to is filed with the Settlement Proposal. Through the settlement process, CWH has agreed to certain adjustments to its original Application. The changes are described in the following sections.

CWH has provided the following tables summarizing the Application and highlighting the changes to its Rate Base and Capital, Operating Expenses, and Revenue Requirement as between CWH's Application as filed, the interrogatory process and this Settlement Proposal.

Table 1 – Summary of 2025 Revenue Requirement

	Original Application May 2, 2024	Response to IRs August 1, 2024,	Variance over Original Application	Settlement Proposal September 20, 2024	Variance over IRs
Long Term Debt	4.58%	4.42%	-0.16%	3.86%	-0.56%
Short Term Debt	6.23%	6.23%	0.00%	6.23%	0.00%
Return on Equity	9.21%	9.21%	0.00%	9.21%	0.00%
Controllable Expenses	\$3,144,053	\$3,144,053	\$0	\$3,054,053	-\$90,000
Power Supply Expense	\$16,343,031	\$16,504,454	\$161,423	\$16,498,879	-\$5,575
Total Eligible Distribution Expenses	\$19,487,083	\$19,648,507	\$161,423	\$19,552,932	-\$95,575
Working Capital Allowance Rate	7.50%	7.50%	0.00%	7.50%	0.00%
Working Capital Allowance ("WCA")	\$1,461,531	\$1,473,638	\$12,107	\$1,466,470	-\$7,168
Gross Fixed Assets (avg)	\$34,029,887	\$34,685,611	\$655,724	\$34,398,261	-\$287,350
Accumulated Depreciation (avg)	-\$15,228,686	-\$15,255,897	-\$27,211	-\$15,302,523	-\$46,626
Net Fixed Assets (avg)	\$18,801,201	\$19,429,714	\$628,513	\$19,095,738	-\$333,976
Working Capital Allowance	\$1,461,531	\$1,473,638	\$12,107	\$1,466,470	-\$7,168
Rate Base	\$20,262,732	\$20,903,352	\$640,620	\$20,562,208	-\$341,144
Regulated Rate of Return	6.50%	6.41%	-0.09%	6.09%	-0.31%
Regulated Return on Capital	\$1,316,672	\$1,339,102	\$22,430	\$1,252,880	-\$86,222
OM&A Expenses	\$3,144,053	\$3,144,053	\$0	\$3,054,053	-\$90,000
Property Taxes	\$0	\$0	\$0	\$0	\$0
Depreciation Expense	\$722,029	\$747,071	\$25,042	\$741,474	-\$5,597
PILs	\$0	\$0	\$0	\$0	\$0
Revenue Offset	-\$355,482	-\$328,081	\$27,401	-\$328,081	\$0
Base Revenue Requirement	\$4,827,272	\$4,902,144	\$74,873	\$4,720,325	-\$181,819
Revenue Sufficiency/Deficiency	\$139,216	\$231,044	\$91,828	\$49,334	-\$181,710

Based on the foregoing, and the evidence and rationale provided below, the Parties accept this Settlement Proposal as appropriate and recommend its acceptance by the OEB. Table 2 below illustrates the updated bill impacts that would result from the acceptance of this Settlement Proposal.

Table 2 - Bill Impact Summary

RATE CLASSES / CATEGORIES (e.g.: Residential TOU, Residential Retailer)	Units	Sub-Total						Total	
		A		B		C		Total Bill	
		\$	%	\$	%	\$	%	\$	%
Residential - RPP	kWh	-\$1.04	-3.1%	-\$0.25	-0.6%	\$0.03	0.1%	\$0.04	0.0%
GS less than 50 kw - RPP	kWh	-\$6.07	-8.2%	-\$3.56	-3.5%	-\$3.03	-2.3%	-\$2.81	-0.8%
GS 50 to 2,999 kw - non- RPP (other)	kW	-\$205.46	-4.8%	-\$867.09	-13.3%	-\$788.97	-6.6%	-\$777.23	-1.5%
GS 3,000 to 4,999 kw - non- RPP (other)	kw	\$2,716.44	19.3%	-\$2,491.68	-9.5%	-\$5,502.72	-10.5%	-\$5,700.01	-2.5%
Unmetered scattered load - RPP	kWh	\$26.19	44.0%	\$29.27	27.6%	\$30.21	18.1%	\$28.37	5.1%
Sentinel lighting - RPP	kw	-\$0.01	-0.1%	-\$0.27	-2.1%	-\$0.25	-1.7%	-\$0.23	-0.9%
Street lighting - non- RPP (other)	kW	\$3,434.90	54.5%	\$3,323.86	49.9%	\$3,332.72	45.8%	\$3,777.76	31.3%
Residential - non- RPP (retailer)	kWh	-\$1.04	-3.1%	-\$0.08	-0.2%	\$0.20	0.4%	\$0.20	0.2%
GS less than 50 kw - non- RPP (retailer)	kWh	-\$6.07	-8.2%	-\$3.10	-3.2%	-\$2.58	-2.0%	-\$2.38	-0.8%
GS 50 to 2,999 kw - non- RPP (retailer)	kW	-\$205.46	-4.8%	-\$867.09	-13.3%	-\$788.97	-6.6%	-\$777.23	-1.5%
Sentinel lighting - non- RPP (retailer)	kW	-\$0.01	-0.1%	-\$0.25	-1.9%	-\$0.23	-1.5%	-\$0.21	-0.9%
GS 50 to 2,999 kw - non- RPP (other)	kw	-\$635.96	-5.0%	-\$2,667.10	-13.5%	-\$2,425.30	-6.7%	-\$2,367.60	-1.5%
GS 3,000 to 4,999 kw - non- RPP (other)	kw	\$2,439.84	18.8%	-\$2,334.27	-9.7%	-\$5,094.39	-10.6%	-\$5,331.76	-2.8%
GS 50 to 2,999 kw - non- RPP (other)	kw	-\$807.18	-5.0%	-\$3,427.50	-13.7%	-\$3,120.60	-6.8%	-\$3,101.37	-1.6%

The chart below outlines the rates that comprise the Sub-Totals 'A', 'B', 'C', and Total Bill in Table 2 above:

Subtotal A	Sub-Total B - Distribution (includes Sub-Total A)	Sub-Total C - Delivery (including Sub-Total B)	Total Bill - Sub-Total C and Items below
Monthly Service Charge	Line Losses on Cost of Power	RTSR - Network	Wholesale Market Service Charge (WMSC)
Distribution Volumetric Rate	Total Deferral/Variance Account Rate Riders	RTSR - Connection and/or Line and Transformation Connection	Rural and Remote Rate Protection (RRRP)
Fixed Rate Riders	CBR Class B Rate Riders		Standard Supply Service Charge
Volumetric Rate Riders	GA Rate Riders		Ontario Electricity Support Program (OESP) if applicable
	Low Voltage Service Charge		Commodity
	Smart Meter Entity Charge (if applicable)		HST
	Additional Fixed Rate Riders		OER (if applicable)
	Additional Volumetric Rate Riders		

SETTLEMENT PROPOSAL BY ISSUE NUMBER

1. Capital Spending and Rate Base

1.1 Are the proposed capital expenditures and in-service additions appropriate?

Full Settlement

The Parties agree to CWH's proposed 2025 capital expenditures and 2025 net capital additions for the purpose of setting rates, subject to the following adjustments:

- a) CWH will reduce its forecast System Renewal in-service addition forecast for 2024 by \$150,000, which will impact the average rate base for rate setting purposes as described under issue 1.2.
- b) CWH will add \$74,700 in forecast 2025 capital contributions related to its forecast 2025 System Access spending, and
- c) CWH will reduce its forecast System Renewal in-service addition forecast for 2025 by \$200,000 for the purposes of setting rates.

Table 3 - 2025 Capital Expenditures/In-Service Additions

Particulars	Original Application May 2, 2024	Response to IRs August 1, 2024,	Variance over Original Application	Settlement Proposal September 20, 2024	Variance over IRs
System Access	\$494,600	\$494,600	\$0	\$494,600	\$0
System Renewal	\$655,900	\$773,900	\$118,000	\$573,900	-\$200,000
System Service	\$24,900	\$24,900	\$0	\$24,900	\$0
General Plant	\$142,800	\$142,800	\$0	\$142,800	\$0
Total Expenditures	\$1,318,200	\$1,436,200	\$118,000	\$1,236,200	-\$200,000
Capital Contribution included in System Access	\$0	\$0	\$0	-\$74,700	-\$74,700
Total Expenditures	\$1,318,200	\$1,436,200	\$118,000	\$1,161,500	-\$274,700

The Parties acknowledge CWH's comprehensive business and investment planning efforts and accept the evidence of CWH that the level of planned capital expenditures over the course of its Distribution System Plan and the rationale for planning and pacing choices are appropriate to maintain system reliability, service quality objectives and the reliable and safe operation of the distribution system.

Evidence References

- EXHIBIT 1 – Administrative Documents
- EXHIBIT 2 – Rate Base
- EXHIBIT 2 – Distribution System Plan

IR and Clarification Responses

- 2 Staff-10 to 2-Staff-30
- 2-SEC-5 to -SEC-13
- 2-VECC-3 to 2-VECC-16
- Pre-settlement Clarification Question Staff 5
- Pre-settlement Clarification Question SEC-5

Supporting Parties

- VECC, SEC

Parties Taking No Position

- None

1.2 Are the proposed rate base and depreciation amounts appropriate?

Full Settlement

For the purpose of settlement, the Parties agree that CWH's proposed 2025 rate base and depreciation amounts are appropriate subject to the following adjustments:

- a) The Parties agree to a 2025 rate base of \$20,562,208 for the purposes of setting rates, which reflects CWH's updated forecast in-service additions for 2024, the reductions in 2025 Capital Budget as set out under issue 1.1, and the working capital amount as updated to reflect the terms of this Settlement Proposal. The Parties note that the updated forecast in-service additions for 2024 reflects the \$150,000 reduction to the forecast 2024 System Renewal budget as part of this Settlement Proposal under issue 1.1.
- b) The Parties agree to an updated depreciation expense of \$741,474, which reflects the update to the 2025 opening fixed assets based on CWH's updated forecast in-service additions for 2024 and the updated 2025 Capital Budget. **Table 1 – Summary of 2025 Revenue Requirement** above further outlines the updated depreciation expense values.

Table 4 – 2025 Rate Base

Particulars	Original Application May 2, 2024	Response to IRs August 1, 2024,	Variance over Original Application	Settlement Proposal September 20, 2024	Variance over IRs
Gross Fixed Assets (Avg)	\$34,029,887	\$34,685,611	\$655,724	\$34,398,261	-\$287,350
Accumulated Depreciation (Avg)	-\$15,228,686	-\$15,255,897	-\$27,211	-\$15,302,523	-\$46,626
Net Fixed Assets (Avg)	\$18,801,201	\$19,429,714	\$628,513	\$19,095,738	-\$333,976
Allowance for Working Capital	\$1,461,531	\$1,473,638	\$12,107	\$1,466,470	-\$7,168
Total Rate Base	\$20,262,732	\$20,903,352	\$640,620	\$20,562,208	-\$341,144

Table 5 – 2025 Working Capital

Particulars	Original Application May 2, 2024	Response to IRs August 1, 2024,	Variance over Original Application	Settlement Proposal September 20, 2024	Variance over IRs
Controllable Expenses	\$3,144,053	\$3,144,053	\$0	\$3,054,053	-\$90,000
Cost of Power	\$16,343,031	\$16,504,454	\$161,423	\$16,498,879	-\$5,575
Working Capital Base	\$19,487,083	\$19,648,507	\$161,423	\$19,552,932	-\$95,575
Working Capital Rate %	7.50%	7.50%	0.00%	7.50%	0.00%
Working Capital Allowance	\$1,461,531	\$1,473,638	\$12,107	\$1,466,470	-\$7,168

Evidence References

- EXHIBIT 1 – Administrative Documents
- EXHIBIT 2 – Rate Base
- EXHIBIT 2 – Distribution System Plan

IR and Clarification Responses

- 2 Staff-10 to 2-Staff-30
- 2-SEC-5 to -SEC-13
- 2-VECC-3 to 2-VECC-16

Supporting Parties

- VECC, SEC

Parties Taking No Position

- None

2. OM&A

2.1 Are the proposed OM&A expenditures appropriate?

Full Settlement

The Parties have agreed that CWH's proposed updated 2025 OM&A budget is appropriate, subject to a reduction of \$90,000, resulting in a 2025 Test Year OM&A Budget of \$3,040,127.

As shown in Table 6 the OM&A expenses have increased by 29.65% as compared to the last Board approved OM&A budget of \$2,344,300 in 2018. This represents an annual growth rate of approximately 3.78% per year. It is expected that CWH will remain in a Group 2 productivity rating during all years of its IRM term. The Parties believe that this 2.87% reduction to the updated budget results in an OM&A budget that will allow CWH to provide an appropriate level of service to its customers. For illustrative purposes only, in Table 6 CWH has allocated the reduction to specific OM&A categories.

Table 6 - 2025 Test Year OM&A Expenses

Particulars	2018 Last Rebasing Year OEB Approved	Application May 2, 2024	IRR Aug 1 2024	Variance over Original Filing	Settlement Proposal September 20, 2024	Variance over IRR
Operations	\$365,600	\$487,436	\$487,436	\$0	\$458,386	-\$29,050
Maintenance	\$319,700	\$467,974	\$467,974	\$0	\$412,031	-\$55,943
Billing and Collecting	\$520,700	\$713,824	\$713,824	\$0	\$713,824	\$0
Community Relations	\$39,500	\$46,162	\$46,162	\$0	\$46,162	\$0
Administration & General +LEAP	\$1,098,800	\$1,414,731	\$1,414,731	\$0	\$1,409,724	-\$5,007
Total	\$2,344,300	\$3,130,127	\$3,130,127	\$0	\$3,040,127	-\$90,000

Evidence References

- EXHIBIT 1 – Administrative Documents
- EXHIBIT 4 – OM&A

IR and Clarification Responses

- 4-Staff-35 to 4-Staff-43
- 4-SEC-15 to 4-SEC-20
- 4-VECC-27 to 4-VECC-31

Supporting Parties

- VECC, SEC

Parties Taking No Position

- None

2.2 Is the proposed shared services cost allocation methodology and the quantum appropriate?

Full Settlement

The Parties accept CWH's proposed shared services cost allocation methodology and quantum.

Evidence References

- EXHIBIT 1 – Administrative Documents
- EXHIBIT 4 – Operating Expenses

IR and Clarification Responses

- N/A

Supporting Parties

- VECC, SEC

Parties Taking No Position

- None

3. Cost of Capital, PILs, and Revenue Requirement

3.1 Is the proposed cost of capital (interest on debt, return on equity) and capital structure appropriate?

Full Settlement

The Parties agree to CWH's proposed cost of capital parameters as reflected in Table 7 below, which reflect the following adjustments:

- a) CWH will use the OEB's 2024 deemed long term debt rate of 4.58% for its proposed October 2024 Infrastructure Ontario loan of \$1,500,000, and
- b) CWH will use the OEB's 2025 deemed long term debt rate for its proposed July 1, 2025, Infrastructure Ontario loan of \$3,200,000, and reflect the fact that the proposed issuance will only be in place for 6 months of the Test Year when calculating the weighted average cost of debt.

The Parties also agree that the 2025 deemed short-term debt rate will be the deemed 2025 short-term debt rate determined by the OEB as part of the Cost of Capital parameters to be published in the fourth quarter of 2024 and will be implemented in accordance with the direction set out in the OEB's Letter and Accounting Order issued on July 26, 2024.

In addition, the Parties agree that Centre Wellington Hydro will comply with the outcomes of the cost of capital parameter update and the cost of capital generic proceeding insofar as they are applicable to Centre Wellington Hydro.

The Parties note that the settled cost of capital parameters will need to be updated once the OEB releases updated rates for 2025 Cost of Service Applications.

Table 7 - 2025 Cost of Capital Calculation

Particulars	Application May 2 2024	Application May 2 2024	IRR Aug 1 2024	IRR Aug 1 2024	Variance over Original Filing	Settlement Proposal September 20, 2024	Settlement Proposal September 20, 2024	Variance over IRR
Debt								
Long-term Debt	4.58%	\$519,699	4.42%	\$516,932	-\$2,767	3.86%	\$444,127	-\$72,805
Short-term Debt	6.23%	\$50,495	6.23%	\$52,091	\$1,596	6.23%	\$51,241	-\$850
Total Debt		\$570,193		\$569,023	-\$1,171		\$495,368	-\$73,655
Equity								
Common Equity	9.21%	\$746,479	9.21%	\$770,079	\$23,600	9.21%	\$757,512	-\$12,567
Preferred Shares	0.00%	0.00%	0.00%	\$0	\$0	0.00%	\$0	\$0
Total Equity		\$746,479		\$770,079	\$23,600		\$757,512	-\$12,567
Total	6.50%	\$1,316,672	6.41%	\$1,339,102	\$22,430	6.09%	\$1,252,880	-\$86,222
Rate Base		\$20,262,732		\$20,903,352			\$20,562,208	

Evidence References

- EXHIBIT 1 – Administrative Documents
- EXHIBIT 5 – Cost of Capital and Capital Structure

IR and Clarification Responses

- 5-Staff-44
- 6-Staff-49
- 6-SEC 21-22
- 6-VECC-32 to 34
- Pre-settlement Clarification Question Staff1

Supporting Parties

- VECC, SEC

Parties Taking No Position

- None

3.2 Is the proposed PILs (or Tax) amount appropriate?

Full Settlement

The Parties accept CWH’s calculations of forecast PILs in this Settlement Proposal, resulting in \$0.00 PILs embedded in rates.

The Parties accept CWH’s proposal to not use accelerated CCA for both the 2024 bridge year and the 2025 test year and to not use accelerated CCA in subsequent years given that the option to take accelerated CCA will be phased out entirely by 2028. Given that CWH is not proposing to claim accelerated CCA beginning in 2024, reverting back to the legacy CCA practice of the half-year rule, there is no need to either smooth the impact of the phase out of accelerated CCA or to capture the impact of the phase out of accelerated CCA in the existing 1592 sub-account related to accelerated CCA; however, the Parties agree that CWH will maintain the existing 1592 sub-account to capture any further changes in accelerated CCA related policy or changes in how CWH applies accelerated CCA policy.

The Parties note that as part of this Settlement Proposal CWH will refile with the Canada Revenue Agency to have its accelerated CCA deductions taken over the 2018 to 2023 period reversed; this proposal, resulting in no disposition of accelerated CCA related amounts through account 1592, is discussed in further detail under issue 6.1.

A summary of the PILs calculation is presented in Table 8 below.

Table 8 - 2025 Income Taxes

	Original Application May 2 2024	Response to IRs August 1, 2024	Variance over Original Application	Settlement Proposal September 20, 2024	Variance over IRs
Income Taxes (Grossed up)	\$0	\$0	\$0	\$0	\$0

An updated Income Tax/PILs Model has been submitted in Live Excel format as part of this Settlement Proposal.

Evidence References

- EXHIBIT 1 – Administrative Documents
- EXHIBIT 6 – Revenue Requirement and Revenue Deficiency or Sufficiency

IR and Clarification Responses

- Staff-46 to 6-Staff-48

Supporting Parties

- VECC, SEC

Parties Taking No Position

- None

3.3 Is the proposed Other Revenue forecast appropriate?

Full Settlement

The Parties agree that CWH's other revenue forecast is appropriate.

A summary of the updated Revenue Offsets is presented in Table 9 below.

Table 9 - 2025 Revenue Offsets

	Original Application May 2, 2024	Response to IRs August 1, 2024,	Variance over Original Application	Settlement Proposal September 20, 2024	Variance over IRs
Miscellaneous Service Revenues	-\$134,081	-\$29,792	\$104,289	-\$29,792	\$0
Late Payment Charges	-\$8,068	-\$8,068	\$0	-\$8,068	\$0
Other Operating Revenues	-\$150,246	-\$253,341	-\$103,095	-\$253,341	\$0
Other Income and Deductions	-\$63,087	-\$36,880	\$26,207	-\$36,880	\$0
Total	-\$355,482	-\$328,081	\$27,401	-\$328,081	\$0

Evidence References

- EXHIBIT 1 – Administrative Documents
- EXHIBIT 6 – Revenue Requirement and Revenue Deficiency or Sufficiency

IR and Clarification Responses

- 5-Staff 44 and 5-Staff-45

Supporting Parties

- VECC, SEC

Parties Taking No Position

- None

3.4 Have all impacts of any changes in accounting standards, policies, estimates and adjustments been properly identified and recorded, and is the rate-making treatment of each of these impacts appropriate?

Full Settlement

The Parties accept the evidence of CWH that all impacts of any changes to accounting standards, policies, estimates, and adjustments have been properly identified in the Application and the interrogatories and have been recorded and treated appropriately in the rate-making process.

Evidence References

- EXHIBIT 1 – Administrative Documents
- EXHIBIT 4 – Operating Expenses
- EXHIBIT 6 – Revenue Requirement and Revenue Deficiency or Sufficiency

IR and Clarification Responses

- None

Supporting Parties

- VECC, SEC

Parties Taking No Position

- None

3.5 Is the proposed calculation of the Revenue Requirement appropriate?

Full Settlement

The Parties agree that the methodology used by CWH to calculate the Revenue Requirement is appropriate.

A summary of the adjusted Base Revenue Requirement of \$4,720,325 reflecting adjustments and settled issues is presented in Table 10 - 2025 Revenue Requirement Summary below.

Table 10 - 2025 Revenue Requirement Summary

	Original Application May 2, 2024	Response to IRs August 1, 2024,	Variance over Original Application	Settlement Proposal September 20, 2024	Variance over IRs
OM&A Expenses	\$3,130,127	\$3,130,127	\$0	\$3,040,127	-\$90,000
Amortization/Depreciation	\$722,029	\$747,071	\$25,042	\$741,474	-\$5,597
Property Taxes	\$13,926	\$13,926	\$0	\$13,926	\$0
PILs	\$0	\$0	\$0	\$0	\$0
PILs (Grossed up)	\$0	\$0	\$0	\$0	\$0
Deemed Interest Expense	\$570,193	\$569,023	-\$1,171	\$495,368	-\$73,654
Return on Deemed Equity	\$746,479	\$770,079	\$23,600	\$757,512	\$12,568
Service Revenue Requirement (before Revenues)	\$5,182,754	\$5,230,226	\$47,472	\$5,048,406	-\$181,819
Revenue Offsets	-\$355,482	-\$328,081	\$27,401	-\$328,081	\$0
Base Revenue Requirement	\$4,827,272	\$4,902,144	\$74,873	\$4,720,325	-\$181,819
Revenue Sufficiency/Deficiency	\$139,216	\$231,044	\$91,828	\$49,334	-\$181,710

Evidence References

- EXHIBIT 1 – Administrative Documents
- EXHIBIT 4 – Operating Expenses
- EXHIBIT 6 – Revenue Requirement and Revenue Deficiency or Sufficiency

IR and Clarification Responses

- None

Supporting Parties

- VECC, SEC

Parties Taking No Position

- None

4. Load Forecast

4.1 Is the proposed load forecast methodologies and the resulting load forecasts appropriate?

Full Settlement

The Parties agree that the updated load forecast provided in response to interrogatories and Pre ADR-Clarification questions is appropriate for the purpose of setting rates; the details of the updates are provided in Table 11 and 12 below.

Table 11 – 2025 Test Year Billing Determinants

Particulars	Determinant	Application May 2 2024	IRR Aug 1 2024	Variance over Original Filing	Settlement Proposal September 20, 2024	Variance over IRR
Residential	kWh	46,859,680	47,392,023	532,343	47,392,023	0
General Service < 50 kW	kWh	23,066,635	23,327,957	261,322	23,327,957	0
General Service > 50 to 4999 kW	kWh	68,250,201	68,944,551	694,350	68,944,551	0
Unmetered Scattered Load	kWh	566,996	550,939	-16,058	550,939	0
Sentinel Lighting	kWh	33,332	33,332	0	33,332	0
Street Lighting	kWh	544,453	562,177	17,723	562,177	0
Total		139,321,298	140,810,978	1,489,680	140,810,978	0
Residential	kW	0	0	0	0	0
General Service < 50 kW	kW	0	0	0	0	0
General Service > 50 to 4999 kW	kW	189,552	190,648	1,096	190,648	0
Unmetered Scattered Load	kW	0	0	0	0	0
Sentinel Lighting	kW	92	92	0	92	0
Street Lighting	kW	1501	1,556	55	1,556	0
Total		191,145	192,296	1,152	192,296	0

Table 12 below details the number of customers and devices for the test year.

Table 12 – Number of Customers & Devices

Particulars	Application May 2, 2024	IRR Aug 1 2024	Variance over Original Filing	Settlement Proposal September 20, 2024	Variance over IRR
Residential	6794	6781	-13	6781	0
General Service < 50 kW	809	808	-1	808	0
General Service > 50 to 4999 kW	62	62	0	62	0
Unmetered Scattered Load	13	12	0	12	0
Sentinel Lighting	25	25	0	25	0
Street Lighting	1890	1890	0	1890	0
Total	9,593	9,579	-14	9,579	0

Evidence References

- EXHIBIT 3 – Load and Customer Forecast

IR and Clarification Responses

- 3-Staff-31-34
- 3-SEC-14
- 3-VECC-17 to 26
- Pre-settlement Clarification Question VECC-51-52-53-54-55
- Pre-settlement Clarification Question Staff 5
- Pre-settlement Clarification Question Staff 6
- Pre-settlement Clarification Question Staff 8

Supporting Parties

- VECC, SEC

Parties Taking No Position

- None

5. Cost Allocation, Rate Design, and Other Charges

5.1 Are the proposed cost allocation methodology, allocations, and revenue-to-cost ratios, appropriate?

Full Settlement

The Parties accept the results of CWH's cost allocation methodology and its proposed revenue-to-cost ratios, as updated through the interrogatory process, the clarification questions, and to reflect changes resulting from this Settlement Proposal that require an update to the allocation of costs. The updates to the Cost Allocation methodology include:

- a) The inclusion of CWH's market participant customer in the load profiles used in the cost allocation model.
- b) assurance that the customer numbers as proposed in the load forecast have been accurately represented in the meter-related allocation within the Cost Allocation model.

In accepting the results of the updated cost allocation Parties note that while they do not necessarily accept the new methodology used by CWH to produce the updated load profiles, they accept the load profiles produced by that methodology for the purposes of the 2025 cost allocation.

Table 13 – Summary of 2025 Revenue-to-Cost Ratios

Particulars	Original Application May 2, 2024			Response to IRs August 1, 2024			Settlement Proposal Sept 20, 2024		
	Calculated R/C Ratio	Proposed R/C Ratio	Var	Calculated R/C Ratio	Proposed R/C Ratio	Var	Calculated R/C Ratio	Proposed R/C Ratio	Var
Customer Class Name									
Residential	1.0494	1.0326	-0.0169	1.0003	0.9960	-0.0043	1.0003	1.0003	0.0000
General Service < 50 kW	0.9417	0.9417	0.0000	1.0442	1.0258	-0.0184	1.0677	1.0215	-0.0461
General Service > 50 to 4999 kW	0.9985	0.9980	-0.0005	1.0413	1.0261	-0.0152	1.0157	1.0157	0.0000
Unmetered Scattered Load	0.5334	0.7997	0.2664	0.5373	0.6975	-0.1602	0.5591	0.8000	0.2409
Sentinel Lighting	0.9431	0.9431	0.0000	0.9404	0.9406	0.0002	0.9564	0.9565	0.0001
Street Lighting	0.5343	0.7999	0.2656	0.5587	0.6976	0.1389	0.5855	0.8000	0.2145

Evidence References

- EXHIBIT 1 – Administrative Documents
- EXHIBIT 7 – Cost Allocation

IR and Clarification Responses

- 7-Staff-50 to 7-Staff-56 & 8-Staff-57 to 8-Staff-61
- 7-SEC-24
- 7-VECC-35 to 7-VECC-44
- Pre-settlement Clarification Question VECC-56-57-58-59
- Pre-settlement Clarification Question Staff 8
- Pre-settlement Clarification Question Staff 9
- Pre-settlement Clarification Question Staff 10

Supporting Parties

- VECC, SEC

Parties Taking No Position

- None

5.2 Is the proposed rate design, including fixed/variable splits, appropriate?

Full Settlement

The Parties accept CWH’s approach to rate design including the proposed fixed/variable splits.

Table 14 – Summary of 2025 Fixed to Variable Split

Particulars		Original Application May 2, 2024	Original Application May 2, 2024	Response to IRs August 1, 2024	Response to IRs August 1, 2024	Settlement Proposal September 20, 2024	Settlement Proposal September 20, 2024
		Fixed Rate	Variable Rate	Fixed Rate	Variable Rate	Fixed Rate	Variable Rate
Residential	kWh	100.00%	0.00%	100.00%	0.00%	100.00%	0.00%
General Service < 50 kW	kWh	28.77%	71.23%	28.51%	71.49%	28.51%	71.49%
General Service > 50 to 4999 kW	kW	14.26%	85.74%	14.05%	85.95%	14.69%	85.31%
Unmetered Scattered Load	kWh	14.59%	85.41%	14.78%	85.22%	14.78%	85.22%
Sentinel Lighting	kW	54.96%	45.04%	55.13%	44.87%	55.09%	44.91%
Street Lighting	kW	75.65%	24.35%	75.11%	24.89%	75.14%	24.86%

Evidence References

- EXHIBIT 8 - Rate Design

IR and Clarification Responses

- 8-Staff-57 to 8-Staff-60-61-62
- 8-VECC-45 to 87-VECC-50
- Pre-settlement Clarification Question VECC-60 and VECC-63

Supporting Parties

- VECC, SEC

Parties Taking No Position

- None

5.3 Are the proposed Retail Transmission Service Rates and Low Voltage rates appropriate?

Full Settlement

The Parties accept that the RTSR rates and low voltage rates as updated and presented in Table 15 and Table 16 below are appropriate. CWH commits to updating its Transmission and Network Retail Transmission Service Rates once the OEB publishes the updated Uniform Transmission Rates (UTRs) or Hydro One publishes its Sub-Transmission rates.

Table 15 - 2025 RTSR Network and Connection Rates Charges

Particulars		Application May 2 2024	Response to IRs August 1, 2024	Variance over Original Filing	Settlement Proposal	Variance over IRR
<u>Transmission - Network</u>						
Class Name		Per	Rate \$	Rate \$	Rate \$	
Residential	kWh	\$0.0099	\$0.0099	\$0.0000	\$0.0099	\$0.0000
General Service < 50 kW	kWh	\$0.0090	\$0.0090	\$0.0000	\$0.0090	\$0.0000
General Service > 50 to 4999 kW	kW	\$3.6166	\$3.6166	\$0.0000	\$3.6166	\$0.0000
Unmetered Scattered Load	kWh	\$0.0090	\$0.0090	\$0.0000	\$0.0090	\$0.0000
Sentinel Lighting	kW	\$2.7412	\$2.7412	\$0.0000	\$2.7412	\$0.0000
Street Lighting	kW	\$2.7274	\$2.7274	\$0.0000	\$2.7274	\$0.0000
<u>Transmission - Connection</u>						
Class Name		Rate	Rate		Rate	
Residential	kWh	\$0.0081	\$0.0081	\$0.0000	\$0.0081	\$0.0000
General Service < 50 kW	kWh	\$0.0073	\$0.0073	\$0.0000	\$0.0073	\$0.0000
General Service > 50 to 4999 kW	kW	\$2.8693	\$2.8693	\$0.0000	\$2.8692	\$0.0000
Unmetered Scattered Load	kWh	\$0.0073	\$0.0073	\$0.0000	\$0.0073	\$0.0000
Sentinel Lighting	kW	\$2.2644	\$2.2644	\$0.0000	\$2.2643	\$0.0000
Street Lighting	kW	\$2.2181	\$2.2181	\$0.0000	\$2.2180	\$0.0000

Table 16 - 2025 Low Voltage Rates

Particulars		Original Application May 2, 2024	Response to IRs August 1, 2024	Settlement Proposal September 20, 2024
Low Voltage Amount		\$466,034	\$466,034	\$466,034
Class Name	Per	Rate \$	Rate \$	Rate \$
Residential	kWh	0.0035	0.0035	0.0035
General Service < 50 kW	kWh	0.0032	0.0032	0.0031
General Service > 50 to 4999 kW	kW	1.1808	1.1808	1.1770
Unmetered Scattered Load	kWh	0.0032	0.0032	0.0031
Sentinel Lighting	kW	0.9319	0.9319	0.9288
Street Lighting	kW	0.9128	0.9128	0.9098

Evidence References

- EXHIBIT 8 - Rate Design

IR and Clarification Responses

- 8-Staff-58
- 8-VECC-48

Supporting Parties

- VECC, SEC

Parties Taking No Position

- None

5.4 Are the Proposed Loss Factors Appropriate?

Full Settlement

The Parties accept the 2025 forecast loss factors, as updated through the interrogatory process, as appropriate for the purpose of setting rates in that CWH has used a 5-year average of its supply facility loss factor to determine its distribution loss factor.

Table 17 - 2025 Loss Factors

Particulars	Original Application May 2, 2024	Response to IRs August 1, 2024	Variance over Original Application	Settlement Proposal September 20, 2024	Variance over IRs
Distribution Loss Factor - Secondary Metered Customer < 5,000 kW	1.0343	1.0343	0.0000	1.0343	0.0000
Distribution Loss Factor - Primary Metered Customer < 5,000 kW			0.0000		0.0000
			0.0000		0.0000
Supply Facilities Loss Factor	1.0242	1.0242	0.0000	1.0137	-0.0105
			0.0000		0.0000
Total Loss Factor - Secondary Metered Customer < 5,000 kW	1.0593	1.0593	0.0000	1.0485	-0.0108
Total Loss Factor - Primary Metered Customer < 5,000 kW			0.0000		0.0000

Evidence References

- EXHIBIT 8 – Rate Design

IR and Clarification Responses

- 8-Staff-60
- Pre-settlement Clarification Question Staff 10

Supporting Parties

- VECC, SEC

Parties Taking No Position

- None

5.5 Are the Specific Service Charges and Retail Service Charges appropriate?

Full Settlement

The Parties accept that CWH's proposed Specific Service Charges and Retail Service Charges are appropriate, noting that CWH will update those charges as appropriate when the OEB release updated charges for 2025.

Evidence References

- EXHIBIT 8 - Rate Design

IR and Clarification Responses

- None

Supporting Parties

- VECC, SEC

Parties Taking No Position

- None

5.6 Are rate mitigation proposals required and appropriate?

Full Settlement

The Parties agree that, although the Total Bill impact for the Streetlighting rate class is above the 10% threshold, no rate mitigation is required. The Parties note that CWH consulted with the streetlighting customer on the proposed increase prior to filing the application.

Evidence References

- EXHIBIT 1 – Administrative Documents
- EXHIBIT 8 - Rate Design

IR and Clarification Responses

- 7-Staff-55

Supporting Parties

- VECC, SEC

Parties Taking No Position

- None

6. Deferral and Variance Accounts

6.1 Are the proposals for deferral and variance accounts, including the balances in the existing accounts and their disposition, requests for new accounts, requests for discontinuation of accounts, and the continuation of existing accounts, appropriate?

Full Settlement

The Parties agree that CWH's proposals for deferral and variance accounts, including the balances (as presented in Table 19 below) are appropriate, including the proposed disposition of those accounts on a final basis, subject to the following adjustments:

- a) CWH agrees to forego recovery of the balances in the following accounts as both individually, and collectively, they are below CWH's materiality threshold:
 - 1) Account 1508 – sub account OEB Cost Assessment Variance Account,
 - 2) Account 1508 – sub account Ultra Low Overnight Account,
 - 3) Account 1508 – sub account Green Button Account, and
 - 4) Account 1508 – sub account Customer Choice Account

- b) The Parties agree that, although CWH claimed accelerated CCA from 2018 to 2023, the accelerated CCA credits remain unused by CWH to the end of the 2023 tax year, will remain unused by CWH at the end of the 2024 tax year, and are not forecast to be used to offset PILs during the IRM period due to the availability of other non-accelerated CCA related deductions. Accordingly, the Parties have agreed that CWH will refile its taxes for the 2018 to 2023 period to reverse its accelerated CCA claims for those years, such that no disposition or other action related to accelerated CCA as between CWH and its ratepayers will be necessary. Until the reversal of the accelerated CCA claimed by CWH over the 2018 to 2023 period is approved by the Canada Revenue Agency, CWH will track the related \$(393,804) of CCA credits in a new sub account of account 1592 to track the credits until their elimination is approved by the CRA. As the credits have no value unless and until they are applied to reduce the payment of PILs, the tracking of the CCA credits in the new sub account will not attract carrying costs. As the CRA approves the return of the accelerated CCA credits CWH will draw down the available accelerated CCA credits in the new sub-account, until there are no credits left. In the event the accelerated CCA credits taken by CWH from 2018 to 2023 (or some portion of them) are not reversed, CWH will bring forward any persisting credits for disposition in a manner to be determined at the time of the disposal.

- c) The Parties note that the rate riders for Account 1580, sub-account CBR Class B, for residential, GS<50, and unmetered scattered load rate classes are 0.0000 when rounding to 4 decimals; accordingly, the balances in Account 1580, sub-account CBR Class B have been added to the Account 1580 WMS and will be disposed through the applicable general DVA rate rider.

Table 18 - DVA Balances for Disposition

Particulars		Application May 2 2024	Response to IRs August 1, 2024	Variance over Original Filing	Settlement Proposal September 20, 2024	Variance over IRR
LV Variance Account	1550	25,903	25,867	(35)	25,867	0
Smart Metering Entity Charge Variance Account	1551	(12,168)	(12,152)	16	(12,152)	0
RSVA - Wholesale Market Service Charge	1580	(58,407)	(58,328)	79	(58,328)	0
RSVA - Retail Transmission Network Charge	1584	98,103	97,969	(134)	97,969	0
RSVA - Retail Transmission Connection Charge	1586	151,309	151,104	(205)	151,104	0
RSVA - Power (excluding Global Adjustment)	1588	28,372	28,334	(38)	28,334	0
RSVA - Global Adjustment	1589	164,462	164,248	(213)	164,248	0
Disposition and Recovery/Refund Reg Balances	1595	26,492	26,443	(49)	26,443	0
Total Group 1 accounts above		424,065	423,485	(580)	423,485	0
Deferred IFRS Transition Costs	1508	0	0	0	0	0
Pole Attachment Revenue Variance	1508	(319,861)	(319,371)	490	(319,371)	0
Customer Choice Initiative Costs	1508	9,434	9,422	(12)	0	(9,422)
Green Button Initiative Costs	1508	19,155	19,129	(26)	0	(19,129)
Other Regulatory Assets, Sub-account ULO Implementation Cost	1508	5,125	5,119	(7)	0	(5,119)
Other Regulatory Assets, sub-account OEB Assessment	1508	15,403	15,384	(19)	0	(15,384)
Retail Service Charge Incremental Revenue	1508	0	0	0	0	0
Retail Cost Variance Account - Retail	1518	65,086	65,004	(83)	65,004	0
Retail Cost Variance Account - STR	1548	376	375	(0)	375	0
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Stranded Meter Costs	1555	2,031	2,031	0	2,031	0
Total of Group 2 Accounts		(203,251)	(202,908)	344	(251,962)	(49,054)
						0
PILs and Tax Variance for 2006 and Subsequent Years (excludes sub-account and contra account)	1592	0	0	0	0	0
PILs and Tax Variance for 2006 and Subsequent Years- Sub-account CCA Changes	1592	0	0	0	0	0
Total of Account 1592						0
Total of Group 1 Accounts (1550, 1551, 1584, 1586 and 1595)		289,638	289,231	(408)	289,231	0
Total of Account 1580 and 1588 (not allocated to WMPs)		(30,035)	(29,994)	41	(29,994)	0
Account 1589 (allocated to Non-WMPs)		164,461	164,248	(213)	164,248	0
Total Group 2 Accounts		(203,251)	(202,908)	344	(251,962)	(49,054)

Table 19 - Deferral and Variance Accounts to Continue/Discontinue January 1, 2025

Account Description	USoA	Continue / Discontinue
Group 1		
LV Variance Account	1550	Continue
Smart Meter Entity Charge	1551	Continue
RSVA WMS	1580	Continue
RSVA EMS CBR Class A	1580	Continue
RSVA WMS CBR Class B	1580	Continue
RSVA Network	1584	Continue
RSVA Connection	1586	Continue
RSVA Power	1588	Continue
RSVA Global Adjustment	1589	Continue
Disposition and Recovery/Refund of Regulatory Balance (2018 and pre-2018)	1595	Discontinue
Disposition and Recovery/Refund of Regulatory Balance (2020)	1595	Continue
Disposition and Recovery/Refund of Regulatory Balance (2022)	1595	Continue
Disposition and Recovery/Refund of Regulatory Balance (2023)	1595	Continue
Disposition and Recovery/Refund of Regulatory Balance (2024)	1595	Continue
Group 2		
Other Regulatory Assets	1508	Continue
Other Regulatory Assets - Sub-Account - Pole Attachment Revenue Variance	1508	Discontinue
Other Regulatory Assets - Sub-Account – Deferred IFRS Transition	1508	Discontinue
Other Regulatory Assets - Sub-Account - Customer Choice Initiative Costs	1508	Discontinue
Other Regulatory Assets - Sub-Account - Green Button Initiative	1508	Discontinue
Other Regulatory Assets - Sub-Account - ULO Implementation Cost	1508	Discontinue
Other Regulatory Assets - Sub-Account - Incremental Capital Charges (2016-OEB Assessment)	1508	Discontinue
Retail Cost Variance Account - Retail	1518	Discontinue
Retail Cost Variance Account - STR	1548	Discontinue
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Stranded Meter Costs ⁵	1555	Discontinue
LRAM Variance Account ¹²	1568	Continue
PILs and Tax Variance for 2006 and Subsequent Years (excludes sub-account and contra account below) (includes outstanding balance for 1590 & 1562)	1592	Continue

Evidence References

- EXHIBIT 1 – Administrative Documents
- EXHIBIT 9 – Deferral and Variance Accounts

IR and Clarification Responses

- 9-Staff-63-64
- 9-SEC-25

Supporting Parties

- VECC, SEC

Parties Taking No Position

- None

7. Other

7.1 Is the proposed effective date appropriate?

Full Settlement

The Parties agree that CWH's new rates should be effective on January 1, 2025. It is the Parties' expectation that there should be sufficient time for CWH to implement rates effective January 1, 2025, should it receive approval of the final updated Rate Order on or before January 2, 2025.

Evidence References

- EXHIBIT 1 – Administrative Documents

IR and Clarification Responses

- None

Supporting Parties

- VECC, SEC

Parties Taking No Position

- None

7.2 Has the applicant responded appropriately to all relevant OEB directions from previous proceedings?

Full Settlement

The Parties accept that CWH's has responded appropriately to all outstanding OEB directions.

Evidence References

- EXHIBIT 1 – Administrative Documents

IR and Clarification Responses

- None

Supporting Parties

- VECC, SEC

Parties Taking No Position

- None

7.3 Is the Advanced Capital Module proposal for the new distribution station build, Fergus MS-5, appropriate, and does the proposal include sufficient justification and cost estimates to show need and prudence?

Full Settlement

The Parties agree that the proposed Advanced Capital Module (ACM) for the new Fergus MS-5 Station is appropriate, subject to the following conditions:

- a) Upon seeking funding for the revenue requirement associated with the Fergus MS-5 Station through the ACM riders, the capital cost of the station for the purposes of determining the revenue to be collected by CWH will be capped at the current forecast cost of the project at \$3.355M. For clarity, in a future IRM proceeding CWH will populate the OEB's most current ACM/ICM model as required to determine the incremental revenue requirement associated with the project, subject to entering a maximum project cost of \$3.355M in that model. This cap will also apply to any true-up of the revenue collected by CWH through the ACM riders; in other words, regardless of the actual cost of the Fergus MS-5 Station, the maximum amount of ACM related revenue requirement that CWH will be entitled to recover for the project will be based on the lesser of the actual cost of the project or \$3.355M. The Parties have included the cap on ACM rider recovery as a way to provide an enhanced incentive on CWH to control the costs of the project at or below a cost of \$3.355M.
- b) The Parties agree that the \$3.355M cap on ACM related relief for the Fergus MS-5 Station does not apply when, in a future rebasing application, CWH seeks to add the full cost of the project, whatever that cost may be, to its rate base. The Parties note that in the event the cost of the project exceeds \$3.355M and CWH seeks to add that incremental cost to rate base, CWH must demonstrate that the project, at the actual cost, has achieved the intended outcomes and continues to provide appropriate value to its customers, so that the actual cost is commensurate with the need and benefits. Evidence in support of the increased cost of the project (if the cost of project exceeds \$3.355M) will include a comparison between the project and the alternatives that were considered and rejected in favour of the Fergus MS-5 Station project.

Evidence References

- EXHIBIT 1 – Administrative Documents
- EXHIBIT 2 – Rate Base

IR and Clarification Responses

- 2-Staff 26 to 2-Staff-28
- 5-Staff-45

- 2-SEC-6

Supporting Parties

- VECC, SEC

Parties Taking No Position

- None

7.4 Is the proposal for merging the current GS 50-2,999kW and GS 3,000-4,999kW rate classes into one GS 50-4,999kW rate class appropriate?

Full Settlement

The Parties accept that the proposal to merge the current GS 50-2,999kW and GS 3,000-4,999kW rate classes into one GS 50-4,999kW rate class is appropriate.

Evidence References

- EXHIBIT 1 – Administrative Documents

IR and Clarification Responses

- 8-Staff-61
- 3-VECC-17

Supporting Parties

- VECC, SEC

Parties Taking No Position

- None

APPENDIX A
Revenue Requirement Work Form



Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2025 Filers



Version 1.10

Utility Name	Centre Wellington Hydro Ltd.
Service Territory	
Assigned EB Number	EB-2024-0012
Name and Title	Heather Dowling
Phone Number	519-843-2900 ext 229
Email Address	hdowling@cwhydro.ca
Test Year	2025
Bridge Year	2024
Last Rebasing Year	2018

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.

Commencing with 2023 rate applications, the RRWF has been enhanced with an additional column, so that two stages of processing of an application (e.g. interrogatory responses and settlement agreement) between the initial application filing and the OEB decision and draft rate order ("Per Board Decision") can be used. Functionality of the RRWF is the same as in previous versions of the RRWF. (May 2022)

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



Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2025 Filers

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[9. Rev Reqt](#)

[10. Load Forecast](#)

[11. Cost Allocation](#)

12. Residential Rate Design - hidden. Contact OEB staff if needed.

[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 blue 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 2025 Filers

Data Input Sheet ⁽¹⁾

	Initial Application ⁽²⁾	Adjustments	Interrogatory Responses ⁽⁶⁾	Adjustments	Settlement Agreement ⁽⁶⁾	Adjustments	Per Board Decision
1 Rate Base							
Gross Fixed Assets (average)	\$ 34,029,887	\$655,724	\$ 34,685,611	(\$287,350)	\$ 34,398,261		\$ 34,398,261
Accumulated Depreciation (average)	(\$15,228,686) ⁽⁶⁾	(\$27,211)	\$ (15,255,897)	(\$46,626)	\$ (15,302,523)		\$ (15,302,523)
Allowance for Working Capital:							
Controllable Expenses	\$3,144,053	\$ -	\$ 3,144,053	(\$90,000)	\$ 3,054,053		\$ 3,054,053
Cost of Power	\$16,343,031	\$161,423	\$ 16,504,454	(\$5,575)	\$ 16,498,879		\$ 16,498,879
Working Capital Rate (%)	7.50% ⁽⁹⁾	0.00%	7.50% ⁽⁹⁾	0.00%	7.50% ⁽⁹⁾		
2 Utility Income							
Operating Revenues:							
Distribution Revenue at Current Rates	\$4,688,056	(\$16,956)	\$4,671,100	(\$110)	\$4,670,991		
Distribution Revenue at Proposed Rates	\$4,827,272	\$74,873	\$4,902,144	(\$181,819)	\$4,720,325		
Other Revenue:							
Specific Service Charges	\$260,260	(\$230,468)	\$29,792	\$0	\$29,792		
Late Payment Charges	\$8,068	\$0	\$8,068	\$0	\$8,068		
Other Distribution Revenue	\$22,347	\$230,994	\$253,341	\$0	\$253,341		
Other Income and Deductions	\$64,807	(\$27,927)	\$36,880	\$0	\$36,880		
Total Revenue Offsets	\$355,482 ⁽⁷⁾	(\$27,401)	\$328,081	\$0	\$328,081		
Operating Expenses:							
OM+A Expenses	\$3,130,127	\$ -	\$ 3,130,127	(\$90,000)	\$3,040,127		\$ 3,040,127
Depreciation/Amortization	\$722,029	\$25,042	\$ 747,071	(\$5,597)	\$741,474		\$ 741,474
Property taxes	\$13,926	\$ -	\$ 13,926	\$ -	\$13,926		\$ 13,926
Other expenses	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
3 Taxes/PILs							
Taxable Income:							
Adjustments required to arrive at taxable income							
Utility Income Taxes and Rates:							
Income taxes (not grossed up)							
Income taxes (grossed up)							
Federal tax (%)	15.00%	0.00%	15.00%	0.00%	15.00%		
Provincial tax (%)	11.50%	0.00%	11.50%	0.00%	11.50%		
Income Tax Credits							
4 Capitalization/Cost of Capital							
Capital Structure:							
Long-term debt Capitalization Ratio (%)	56.0%	0.00%	56.0%	0.00%	56.0%		
Short-term debt Capitalization Ratio (%)	4.0% ⁽⁸⁾	0.00%	4.0% ⁽⁸⁾	0.00%	4.0% ⁽⁸⁾		
Common Equity Capitalization Ratio (%)	40.0%	0.00%	40.0%	0.00%	40.0%		
Preferred Shares Capitalization Ratio (%)	100.0%		100.0%		100.0%		
Cost of Capital							
Long-term debt Cost Rate (%)	4.58%	(0.16%)	4.42%	(0.56%)	3.86%		
Short-term debt Cost Rate (%)	6.23%	0.00%	6.23%	0.00%	6.23%		
Common Equity Cost Rate (%)	9.21%	0.00%	9.21%	0.00%	9.21%		
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⁾ Some Applicants may have a unique rate as a result of a lead-lag study. The default rate for cost of service applications is 7.5%, per the letter issued by the Board on June 3, 2015.
- ⁽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 or U12. 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. Beginning for 2023, two intermediate stages can be shown (e.g., Interrogatory Responses and Settlement Agreement).
- ⁽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 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 2025 Filers

Rate Base and Working Capital

Rate Base								
Line No.	Particulars	Initial Application	Adjustments	Interrogatory Responses	Adjustments	Settlement Agreement	Adjustments	Per Board Decision
1	Gross Fixed Assets (average) ⁽²⁾	\$34,029,887	\$655,724	\$34,685,611	(\$287,350)	\$34,398,261	\$ -	\$34,398,261
2	Accumulated Depreciation (average) ⁽²⁾	(\$15,228,686)	(\$27,211)	(\$15,255,897)	(\$46,626)	(\$15,302,523)	\$ -	(\$15,302,523)
3	Net Fixed Assets (average) ⁽²⁾	\$18,801,201	\$628,513	\$19,429,714	(\$333,976)	\$19,095,738	\$ -	\$19,095,738
4	Allowance for Working Capital ⁽¹⁾	\$1,461,531	\$12,107	\$1,473,638	(\$7,168)	\$1,466,470	(\$1,466,470)	\$ -
5	Total Rate Base	\$20,262,732	\$640,620	\$20,903,352	(\$341,144)	\$20,562,208	(\$1,466,470)	\$19,095,738

(1) Allowance for Working Capital - Derivation

6	Controllable Expenses	\$3,144,053	\$ -	\$3,144,053	(\$90,000)	\$3,054,053	\$ -	\$3,054,053
7	Cost of Power	\$16,343,031	\$161,423	\$16,504,454	(\$5,575)	\$16,498,879	\$ -	\$16,498,879
8	Working Capital Base	\$19,487,083	\$161,423	\$19,648,507	(\$95,575)	\$19,552,932	\$ -	\$19,552,932
9	Working Capital Rate % ⁽¹⁾	7.50%	0.00%	7.50%	0.00%	7.50%	-7.50%	0.00%
10	Working Capital Allowance	\$1,461,531	\$12,107	\$1,473,638	(\$7,168)	\$1,466,470	(\$1,466,470)	\$ -

Notes

- (1) Some Applicants may have a unique rate as a result of a lead-lag study. The default rate for 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.



Revenue Requirement Workform (RRWF) for 2025 Filers

Utility Income

Line No.	Particulars	Initial Application	Adjustments	Interrogatory Responses	Adjustments	Settlement Agreement	Adjustments	Per Board Decision
Operating Revenues:								
1	Distribution Revenue (at Proposed Rates)	\$4,827,272	\$74,873	\$4,902,144	(\$181,819)	\$4,720,325	\$ -	\$4,720,325
2	Other Revenue ⁽¹⁾	\$355,482	(\$27,401)	\$328,081	\$ -	\$328,081	\$ -	\$328,081
3	Total Operating Revenues	\$5,182,754	\$47,472	\$5,230,226	(\$181,819)	\$5,048,406	\$ -	\$5,048,406
Operating Expenses:								
4	OM+A Expenses	\$3,130,127	\$ -	\$3,130,127	(\$90,000)	\$3,040,127	\$ -	\$3,040,127
5	Depreciation/Amortization	\$722,029	\$25,042	\$747,071	(\$5,597)	\$741,474	\$ -	\$741,474
6	Property taxes	\$13,926	\$ -	\$13,926	\$ -	\$13,926	\$ -	\$13,926
7	Capital taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8	Other expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9	Subtotal (lines 4 to 8)	\$3,866,081	\$25,042	\$3,891,123	(\$95,597)	\$3,795,526	\$ -	\$3,795,526
10	Deemed Interest Expense	\$570,193	(\$1,171)	\$569,023	(\$73,654)	\$495,368	(\$35,329)	\$460,039
11	Total Expenses (lines 9 to 10)	\$4,436,275	\$23,871	\$4,460,146	(\$169,251)	\$4,290,895	(\$35,329)	\$4,255,566
12	Utility income before income taxes	\$746,479	\$23,600	\$770,079	(\$12,568)	\$757,512	\$35,329	\$792,841
13	Income taxes (grossed-up)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
14	Utility net income	\$746,479	\$23,600	\$770,079	(\$12,568)	\$757,512	\$35,329	\$792,841

Notes

Other Revenues / Revenue Offsets

(1)	Specific Service Charges	\$260,260	(\$230,468)	\$29,792	\$ -	\$29,792	\$ -	\$29,792
	Late Payment Charges	\$8,068	\$ -	\$8,068	\$ -	\$8,068	\$ -	\$8,068
	Other Distribution Revenue	\$22,347	\$230,994	\$253,341	\$ -	\$253,341	\$ -	\$253,341
	Other Income and Deductions	\$64,807	(\$27,927)	\$36,880	\$ -	\$36,880	\$ -	\$36,880
	Total Revenue Offsets	\$355,482	(\$27,401)	\$328,081	\$ -	\$328,081	\$ -	\$328,081



Revenue Requirement Workform (RRWF) for 2025 Filers

Taxes/PILs

Line No.	Particulars	Application	Interrogatory Responses	Settlement Agreement	Per Board Decision
<u>Determination of Taxable Income</u>					
1	Utility net income before taxes	\$746,479	\$770,079	\$757,512	\$703,487
2	Adjustments required to arrive at taxable utility income	\$ -	\$ -	\$ -	\$ -
3	Taxable income	<u>\$746,479</u>	<u>\$770,079</u>	<u>\$757,512</u>	<u>\$703,487</u>
<u>Calculation of Utility income Taxes</u>					
4	Income taxes	\$ -	\$ -	\$ -	\$ -
6	Total taxes	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
7	Gross-up of Income Taxes	\$ -	\$ -	\$ -	\$ -
8	Grossed-up Income Taxes	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
9	PILs / tax Allowance (Grossed-up Income taxes + Capital taxes)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
10	Other tax Credits	\$ -	\$ -	\$ -	\$ -
<u>Tax Rates</u>					
11	Federal tax (%)	15.00%	15.00%	15.00%	15.00%
12	Provincial tax (%)	<u>11.50%</u>	<u>11.50%</u>	<u>11.50%</u>	<u>11.50%</u>
13	Total tax rate (%)	<u>26.50%</u>	<u>26.50%</u>	<u>26.50%</u>	<u>26.50%</u>

Notes



Revenue Requirement Workform (RRWF) for 2025 Filers

Capitalization/Cost of Capital

Line No.	Particulars	Capitalization Ratio		Cost Rate	Return
		(%)	(\$)	(%)	(\$)
Initial Application					
	Debt				
1	Long-term Debt	56.00%	\$11,347,130	4.58%	\$519,699
2	Short-term Debt	4.00%	\$810,509	6.23%	\$50,495
3	Total Debt	60.00%	\$12,157,639	4.69%	\$570,193
	Equity				
4	Common Equity	40.00%	\$8,105,093	9.21%	\$746,479
5	Preferred Shares	0.00%	\$ -	0.00%	\$ -
6	Total Equity	40.00%	\$8,105,093	9.21%	\$746,479
7	Total	100.00%	\$20,262,732	6.50%	\$1,316,672
Interrogatory Responses					
	Debt				
1	Long-term Debt	56.00%	\$11,705,877	4.42%	\$516,932
2	Short-term Debt	4.00%	\$836,134	6.23%	\$52,091
3	Total Debt	60.00%	\$12,542,011	4.54%	\$569,023
	Equity				
4	Common Equity	40.00%	\$8,361,341	9.21%	\$770,079
5	Preferred Shares	0.00%	\$ -	0.00%	\$ -
6	Total Equity	40.00%	\$8,361,341	9.21%	\$770,079
7	Total	100.00%	\$20,903,352	6.41%	\$1,339,102
Settlement Agreement					
	Debt				
8	Long-term Debt	56.00%	\$11,514,836	3.86%	\$444,127
9	Short-term Debt	4.00%	\$822,488	6.23%	\$51,241
10	Total Debt	60.00%	\$12,337,325	4.02%	\$495,368
	Equity				
11	Common Equity	40.00%	\$8,224,883	9.21%	\$757,512
12	Preferred Shares	0.00%	\$ -	0.00%	\$ -
13	Total Equity	40.00%	\$8,224,883	9.21%	\$757,512
14	Total	100.00%	\$20,562,208	6.09%	\$1,252,880
Per Board Decision					
	Debt				
8	Long-term Debt	56.00%	\$10,693,613	3.86%	\$412,453
9	Short-term Debt	4.00%	\$763,830	6.23%	\$47,587
10	Total Debt	60.00%	\$11,457,443	4.02%	\$460,039
	Equity				
11	Common Equity	40.00%	\$7,638,295	9.21%	\$703,487
12	Preferred Shares	0.00%	\$ -	0.00%	\$ -
13	Total Equity	40.00%	\$7,638,295	9.21%	\$703,487
14	Total	100.00%	\$19,095,738	6.09%	\$1,163,526

Notes

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Revenue Requirement Workform (RRWF) for 2025 Filers

Revenue Deficiency/Sufficiency

Line No.	Particulars	Initial Application		Interrogatory Responses		Settlement Agreement		Per Board Decision	
		At Current Approved Rates	At Proposed Rates	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		\$408,354		\$508,692		\$322,451		\$213,619
2	Distribution Revenue	\$4,688,056	\$4,418,917	\$4,671,100	\$4,393,453	\$4,670,991	\$4,397,874	\$4,670,991	\$4,506,706
3	Other Operating Revenue Offsets - net	\$355,482	\$355,482	\$328,081	\$328,081	\$328,081	\$328,081	\$328,081	\$328,081
4	Total Revenue	\$5,043,538	\$5,182,754	\$4,999,182	\$5,230,226	\$4,999,072	\$5,048,406	\$4,999,072	\$5,048,406
5	Operating Expenses	\$3,866,081	\$3,866,081	\$3,891,123	\$3,891,123	\$3,795,526	\$3,795,526	\$3,795,526	\$3,795,526
6	Deemed Interest Expense	\$570,193	\$570,193	\$569,023	\$569,023	\$495,368	\$495,368	\$460,039	\$460,039
8	Total Cost and Expenses	\$4,436,275	\$4,436,275	\$4,460,146	\$4,460,146	\$4,290,895	\$4,290,895	\$4,255,566	\$4,255,566
9	Utility Income Before Income Taxes	\$607,263	\$746,479	\$539,035	\$770,079	\$708,177	\$757,512	\$743,506	\$792,841
10	Tax Adjustments to Accounting Income per 2013 PILs model	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11	Taxable Income	\$607,263	\$746,479	\$539,035	\$770,079	\$708,177	\$757,512	\$743,506	\$792,841
12	Income Tax Rate	26.50%	26.50%	26.50%	26.50%	26.50%	26.50%	26.50%	26.50%
13	Income Tax on Taxable Income	\$160,925	\$197,817	\$142,844	\$204,071	\$187,667	\$200,741	\$197,029	\$210,103
14	Income Tax Credits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
15	Utility Net Income	\$446,339	\$746,479	\$396,191	\$770,079	\$520,510	\$757,512	\$546,477	\$792,841
16	Utility Rate Base	\$20,262,732	\$20,262,732	\$20,903,352	\$20,903,352	\$20,562,208	\$20,562,208	\$19,095,738	\$19,095,738
17	Deemed Equity Portion of Rate Base	\$8,105,093	\$8,105,093	\$8,361,341	\$8,361,341	\$8,224,883	\$8,224,883	\$7,638,295	\$7,638,295
18	Income/(Equity Portion of Rate Base)	5.51%	9.21%	4.74%	9.21%	6.33%	9.21%	7.15%	10.38%
19	Target Return - Equity on Rate Base	9.21%	9.21%	9.21%	9.21%	9.21%	9.21%	9.21%	9.21%
20	Deficiency/Sufficiency in Return on Equity	-3.70%	0.00%	-4.47%	0.00%	-2.88%	0.00%	-2.06%	1.17%
21	Indicated Rate of Return	5.02%	6.50%	4.62%	6.41%	4.94%	6.09%	5.27%	6.56%
22	Requested Rate of Return on Rate Base	6.50%	6.50%	6.41%	6.41%	6.09%	6.09%	6.09%	6.09%
23	Deficiency/Sufficiency in Rate of Return	-1.48%	0.00%	-1.79%	0.00%	-1.15%	0.00%	-0.82%	0.47%
24	Target Return on Equity	\$746,479	\$746,479	\$770,079	\$770,079	\$757,512	\$757,512	\$703,487	\$703,487
25	Revenue Deficiency/(Sufficiency)	\$300,140	\$ -	\$373,888	\$ -	\$237,002	\$0	\$157,010	\$89,354
26	Gross Revenue Deficiency/(Sufficiency)	\$408,354 ⁽¹⁾		\$508,692 ⁽¹⁾		\$322,451 ⁽¹⁾		\$213,619 ⁽¹⁾	

Notes:
⁽¹⁾ Revenue Deficiency/Sufficiency divided by (1 - Tax Rate)

Revenue Requirement Workform (RRWF) for 2025 Filers

Revenue Requirement

Line No.	Particulars	Application	Interrogatory Responses	Settlement Agreement	Per Board Decision
1	OM&A Expenses	\$3,130,127	\$3,130,127	\$3,040,127	\$3,040,127
2	Amortization/Depreciation	\$722,029	\$747,071	\$741,474	\$741,474
3	Property Taxes	\$13,926	\$13,926	\$13,926	\$13,926
5	Income Taxes (Grossed up)	\$ -	\$ -	\$ -	\$ -
6	Other Expenses	\$ -	\$ -	\$ -	\$ -
7	Return				
	Deemed Interest Expense	\$570,193	\$569,023	\$495,368	\$460,039
	Return on Deemed Equity	\$746,479	\$770,079	\$757,512	\$703,487
8	Service Revenue Requirement (before Revenues)	<u>\$5,182,754</u>	<u>\$5,230,226</u>	<u>\$5,048,406</u>	<u>\$4,959,053</u>
9	Revenue Offsets	\$355,482	\$328,081	\$328,081	\$ -
10	Base Revenue Requirement (excluding Tranformer Owership Allowance credit adjustment)	<u>\$4,827,272</u>	<u>\$4,902,144</u>	<u>\$4,720,325</u>	<u>\$4,959,053</u>
11	Distribution revenue	\$4,827,272	\$4,902,144	\$4,720,325	\$4,720,325
12	Other revenue	\$355,482	\$328,081	\$328,081	\$328,081
13	Total revenue	<u>\$5,182,754</u>	<u>\$5,230,226</u>	<u>\$5,048,406</u>	<u>\$5,048,406</u>
14	Difference (Total Revenue Less Distribution Revenue Requirement before Revenues)	<u>\$ -</u>	<u>\$ -</u>	<u>\$0</u>	<u>\$89,354</u>

Summary Table of Revenue Requirement and Revenue Deficiency/Sufficiency

	Application	Interrogatory Responses	Δ% ⁽²⁾	Settlement Agreement	Δ% ⁽²⁾	Per Board Decision	Δ% ⁽²⁾
Service Revenue Requirement Grossed-Up Revenue	\$5,182,754	\$5,230,226	0.92%	\$5,048,406	(2.59%)	\$4,959,053	(4.32%)
Deficiency/(Sufficiency)	\$408,354	\$508,692	24.57%	\$322,451	(21.04%)	\$213,619	(47.69%)
Base Revenue Requirement (to be recovered from Distribution Rates)	\$4,827,272	\$4,902,144	1.55%	\$4,720,325	(2.22%)	\$4,959,053	2.73%
Revenue Deficiency/(Sufficiency) Associated with Base Revenue Requirement	\$139,216	\$231,044	65.96%	\$49,335	(64.56%)	\$ -	(100.00%)

Notes
⁽¹⁾ Line 11 - Line 8

⁽²⁾ Percentage Change Relative to Initial Application

Revenue Requirement Workform (RRWF) for 2025 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.

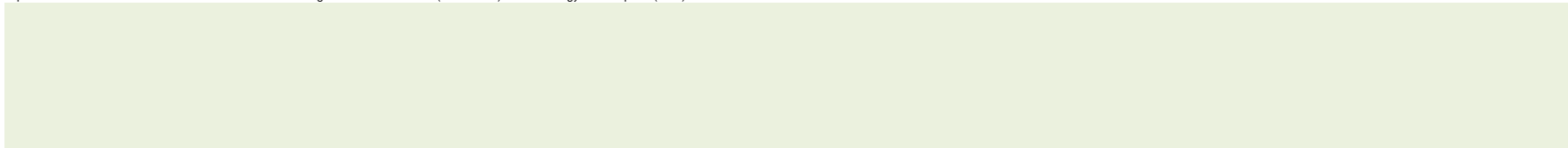
The information to be input is inclusive of any adjustments to kWh and kW to reflect the impacts of CDM programs up to and including CDM programs planned to be executed in the test year. i.e., the load forecast adjustments determined in **Appendix 2-I** should be incorporated into the entries. The inputs 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:		Settlement Agreement								
Customer Class	Initial Application	Interrogatory Responses			Settlement Agreement			Per Board Decision		
		Customer / Connections	kWh	kW/kVA ⁽¹⁾	Customer / Connections	kWh	kW/kVA ⁽¹⁾	Customer / Connections	kWh	kW/kVA ⁽¹⁾
Input the name of each customer class.	Test Year average or mid-year	Test Year average or mid-year	Annual	Annual	Test Year average or mid-year	Annual	Annual	Test Year average or mid-year	Annual	Annual
1 Residential	6,794	46,859,680	-	-	6,781	47,392,023	-	6,781	47,392,023	-
2 General Service < 50 kW	809	23,066,635	-	-	808	23,327,957	-	808	23,327,957	-
3 General Service 50 to 4999 kW	62	68,250,201	189,552	189,552	62	68,944,551	190,648	62	68,944,551	190,648
4 Unmetered Scattered Load	13	566,996	-	-	12	550,939	-	12	550,939	-
5 Sentinel Lighting	25	33,332	92	92	25	33,332	92	25	33,332	92
6 Street Lighting	1,890	544,453	1,501	1,501	1,890	562,177	1,556	1,890	562,177	1,556
7										
8										
9										
10										
11										
12										
13										
14										
15										
16										
17										
18										
19										
20										
Total	9,593	139,321,298	191,145	191,145	9,579	140,810,978	192,296	9,579	140,810,978	192,296

Notes:

⁽¹⁾ 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 2025 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: **Settlement Agreement**

A) Allocated Costs

Name of Customer Class ⁽³⁾	Costs Allocated from Previous Study ⁽¹⁾	%	Allocated Class Revenue Requirement ⁽¹⁾	%
From Sheet 10. Load Forecast			(7A)	
1 Residential			\$ 2,977,604	58.98%
2 General Service < 50 kW			\$ 831,655	16.47%
3 General Service 50 to 4999 kW			\$ 1,058,315	20.96%
4 Unmetered Scattered Load			\$ 18,860	0.37%
5 Sentinel Lighting			\$ 4,255	0.08%
6 Street Lighting			\$ 157,718	3.12%
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
Total	\$ -	0.00%	\$ 5,048,407	100.00%
Service Revenue Requirement (from Sheet 9)			\$ 5,048,406.38	

- (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	LF X current	LF X Proposed Rates	Miscellaneous
		current approved rates	approved rates X		Revenues
		(7B)	(1+d) (7C)	(7D)	(7E)
1	Residential	\$ 2,749,706	\$ 2,778,749	\$ 2,778,763	\$ 199,860
2	General Service < 50 kW	\$ 828,851	\$ 837,605	\$ 799,231	\$ 50,328
3	General Service 50 to 4999 kW	\$ 1,002,551	\$ 1,013,140	\$ 1,013,131	\$ 61,761
4	Unmetered Scattered Load	\$ 9,141	\$ 9,237	\$ 13,781	\$ 1,307
5	Sentinel Lighting	\$ 3,675	\$ 3,714	\$ 3,714	\$ 355
6	Street Lighting	\$ 77,066	\$ 77,880	\$ 111,705	\$ 14,469
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
	Total	\$ 4,670,991	\$ 4,720,326	\$ 4,720,325	\$ 328,081

- (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.
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.
- (6)
- (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 Most Recent Year: 2018	Status Quo Ratios (7C + 7E) / (7A)	Proposed Ratios (7D + 7E) / (7A)	Policy Range
		%	%	%	%
1	Residential		100.03%	100.03%	85 - 115
2	General Service < 50 kW		106.77%	102.15%	
3	General Service 50 to 4999 kW		101.57%	101.57%	
4	Unmetered Scattered Load		55.91%	80.00%	
5	Sentinel Lighting		95.64%	95.65%	
6	Street Lighting		58.55%	80.00%	
7					
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 2020 with further adjustments to move within the range over two years, the Most Recent Year would be 2023. However, the ratios in 2023 would be equal to those after the adjustment in 2022.
- (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		
		2025	2026	2027	
1	Residential	100.03%	99.96%	99.96%	85 - 115
2	General Service < 50 kW	102.15%	102.00%	102.00%	
3	General Service 50 to 4999 kW	101.57%	102.03%	102.03%	
4	Unmetered Scattered Load	80.00%	80.00%	80.00%	
5	Sentinel Lighting	95.65%	94.39%	94.39%	
6	Street Lighting	80.00%	80.00%	80.00%	
7					
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 2025 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 2026 and 2027 Price Cap IR models, as necessary. For 2026 and 2027, enter the planned revenue-to-cost ratios that will be "Change" or "No Change" in 2026 (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'.

Revenue Requirement Workform (RRWF) for 2025 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	6,781
kWh	47,392,023

Proposed Residential Class Specific Revenue Requirement ¹	\$ 2,778,762.81
--	-----------------

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

B Current Fixed/Variable Split

	Base Rates	Billing Determinants	Revenue	% of Total Revenue
Fixed		6,781		
Variable		47,392,023		
TOTAL	-	-	-	-

C Calculating Test Year Base Rates

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

	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			
Variable			
TOTAL		-	

	New F/V Split	Revenue @ new F/V Split	Final Adjusted Base Rates	Revenue Reconciliation @ Adjusted Rates
Fixed				
Variable				
TOTAL	-	\$ -	-	

Checks ³	
Change in Fixed Rate	
Difference Between Revenues @ Proposed Rates and Class Specific Revenue Requirement	

Notes:

- The final residential class specific revenue requirement, excluding allocated Miscellaneous Revenues, as shown on Sheet 11. Cost Allocation, should be used (i.e. the revenue requirement after any proposed adjustments to R/C ratios).
- The distributor should enter the number of years remaining before the transition to fully fixed rates is completed. The change in residential rate design is almost complete and distributors should have either 0 or 1 year remaining. If the distributor has fully transitioned to fixed rates put "0" in cell D40. If the distributor has proposed an additional transition year because the change in the residential rate design will result in the fixed charge increasing by more than \$4/year, put "1" in cell D40.
- Change in fixed rate due to rate design policy should be less than \$4. The difference between the proposed class revenue requirement and the revenue at calculated base rates should be minimal (i.e. should be reasonably considered as a rounding error)

Revenue Requirement Workform (RRWF) for 2025 Filers

Rate Design and Revenue Reconciliation

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 RRWF does not replace the rate generator model that an applicant distributor may use in support of its application. The RRWF 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/PILs, etc.

Stage in Process:		Settlement Agreement			Class Allocated Revenues			Fixed / Variable Splits ^{1,3}			Distribution Rates				Revenue Reconciliation		
Customer and Load Forecast					From Sheet 11, Cost Allocation and Sheet 12, Residential Rate Design			Percentage to be entered as a fraction between 0 and 1		Transformer Ownership Allowance ¹ (\$)	Monthly Service Charge ²		Volumetric Rate ³		MSC Revenues	Volumetric revenues	Distribution Revenues less Transformer Ownership
Customer Class	Volumetric Charge Determinant	Customers / Connections	kWh	kW or kVA	Total Class Revenue Requirement	Monthly Service Charge	Volumetric	Fixed	Variable		Rate	No. of decimals	Rate	No. of decimals			
1 Residential	kWh	6,781	47,392,023	-	\$ 2,778,763	\$ 2,778,763	\$ 0	100.00%	0.00%	\$34.15	2	\$0.0000 /kWh	4	\$ 2,779,001.93	\$ -	\$ 2,779,001.93	
2 General Service < 50 kW	kWh	808	23,327,957	-	\$ 799,231	\$ 227,898	\$ 571,343	28.51%	71.49%	\$33.51		\$0.0245 /kWh		\$ 227,897.72	\$ 571,534,9493	\$ 799,422.67	
3 General Service 50 to 4999 kW	kWh	62	68,944,551	190,648	\$ 1,013,131	\$ 148,822	\$ 864,309	14.69%	85.31%	\$198.93		\$4.9552 /kW		\$ 148,822.09	\$ 944,698.3234	\$ 1,013,132.41	
4 Unmetered Scattered Load	kWh	12	550,939	-	\$ 13,781	\$ 2,037	\$ 11,745	14.78%	85.22%	\$13.74		\$0.0213 /kWh		\$ 2,046.27	\$ 11,734,9959	\$ 13,771.84	
5 Sentinel Lighting	kW	25	33,332	92	\$ 3,714	\$ 2,046	\$ 1,668	55.09%	44.91%	\$6.82		\$18.0659 /kW		\$ 2,046.27	\$ 1,667,9135	\$ 3,714.19	
6 Street Lighting	kW	1,890	562,177	1,556	\$ 111,705	\$ 83,933	\$ 27,772	75.14%	24.86%	\$3.70		\$17.8471 /kW		\$ 83,933.13	\$ 27,771.6813	\$ 111,704.81	
7														\$ -	\$ -	\$ -	
8														\$ -	\$ -	\$ -	
9														\$ -	\$ -	\$ -	
10														\$ -	\$ -	\$ -	
11														\$ -	\$ -	\$ -	
12														\$ -	\$ -	\$ -	
13														\$ -	\$ -	\$ -	
14														\$ -	\$ -	\$ -	
15														\$ -	\$ -	\$ -	
16														\$ -	\$ -	\$ -	
17														\$ -	\$ -	\$ -	
18														\$ -	\$ -	\$ -	
19														\$ -	\$ -	\$ -	
20														\$ -	\$ -	\$ -	
Total Transformer Ownership Allowance										\$ 80,388				Total Distribution Revenues		\$ 4,720,747.85	
														Base Revenue Requirement		\$ 4,720,325.27	
														Difference		\$ 422.58	
														% Difference		0.009%	

Notes:

- ¹ Transformer Ownership Allowance is entered as a positive amount, and only for those classes to which it applies.
- ² 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: [MSC x (average number of customers or connections) x 12 months] / (Class Allocated Revenue Requirement).
- ³ The Volumetric rate is calculated as [(allocated volumetric revenue requirement for the class + transformer allowance credit for the class)/(annual estimate of the charge determinant for the test year (either kW or kVA for demand-billed customer classes, or kWh for non-demand-billed classes)]

Rates recover revenue requirement

Revenue Requirement Workform (RRWF) for 2025 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	\$ 1,316,672	6.50%	\$ 20,262,732	\$ 19,487,083	\$ 1,461,531	\$ 722,029	\$ -	\$ 3,130,127	\$ 5,182,754	\$ 355,482	\$ 4,827,272	\$ 408,354
1	6-Staff-46 Remove interest on DVA accounts Change										\$ 26,208		
2	6.0-VECC-33 Update 2025 pole rental rate to use 3.6% vs 4.8% and moved from USoA 4235 to USoA 4210 Change										-\$ 329,274		
											-\$ 1,194		
											\$ 328,080		

APPENDIX B
2025 Tariff Sheet

Centre Wellington Hydro Ltd.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2025
This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

RESIDENTIAL SERVICE CLASSIFICATION

This classification is for single dwelling units with separate metering, detached, semi-detached, triplex, etc. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any charges, assessments, or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	34.15
Rate Rider for Disposition of Deferral/Variance Accounts for Group 2 - effective until December 31, 2025	\$	(1.73)
Smart Metering Entity Charge - effective until December 31, 2027	\$	0.42
Low Voltage Service Rate	\$/kWh	0.0035
Rate Rider for Disposition of Deferral/Variance Accounts - effective until December 31, 2025	\$/kWh	0.0016
Rate Rider for Disposition of Deferral/Variance Accounts for RSVA Global Adj. - effective until December 31, 2025	\$/kWh	0.0035
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0099
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0081

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0041
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0014
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION

This classification applies to a non-residential account taking electricity at 750 volts or less whose average monthly maximum demand is less than, or is forecasted to be less than, 50kW. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any charges, assessments, or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	23.51
Smart Metering Entity Charge - effective until December 31, 2027	\$	0.42
Distribution Volumetric Rate	\$/kWh	0.0245
Low Voltage Service Rate	\$/kWh	0.0031
Rate Rider for Disposition of Deferral/Variance Accounts - effective until December 31, 2025	\$/kWh	0.0020
Rate Rider for Disposition of Deferral/Variance Accounts for RSVA Global Adj. - effective until December 31, 2025	\$/kWh	0.0035
Rate Rider for Disposition of Deferral/Variance Accounts for Group 2 - effective until December 31, 2025	\$/kWh	(0.0021)
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0090
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0073

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0041
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0014
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

GENERAL SERVICE 50 TO 4,999 KW SERVICE CLASSIFICATION

This classification applies to a non-residential account whose average monthly maximum demand used for billing purposes is equal to or greater than, or is forecasted to be equal to or greater than, 50 kW but less than 3,000 kW. Class A and Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

If included in the following listing of monthly rates and charges, the rate rider for the disposition of WMS - Sub-account CBR Class B is not applicable to wholesale market participants (WMP), customers that transitioned between Class A and Class B during the variance account accumulation period, or to customers that were in Class A for the entire period. Customers who transitioned are to be charged or refunded their share of the variance disposed through customer specific billing adjustments. This rate rider is to be consistently applied for the entire period to the sunset date of the rate rider. In addition, this rate rider is applicable to all new Class B customers.

If included in the following listing of monthly rates and charges, the rate rider for the disposition of Global Adjustment is only applicable to non-RPP Class B customers. It is not applicable to WMP, customers that transitioned between Class A and Class B during the variance account accumulation period, or to customers that were in Class A for the entire period. Customers who transitioned are to be charged or refunded their share of the variance disposed through customer specific billing adjustments. This rate rider is to be consistently applied for the entire period to the sunset date of the rate rider. In addition, this rate rider is applicable to all new non-RPP Class B customers.

It should be noted that this schedule does not list any charges, assessments, or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	198.93
Distribution Volumetric Rate	\$/kW	4.9552
Low Voltage Service Rate	\$/kW	1.1770
Rate Rider for Disposition of Deferral/Variance Accounts - effective until December 31, 2025	\$/kW	0.7846
Rate Rider for Disposition of Deferral/Variance Accounts Applicable only for Non-Wholesale Market Participants - effective until December 31, 2025	\$/kW	(0.0790)
Rate Rider for Disposition of Deferral/Variance Accounts for RSVA Global Adj. - effective until December 31, 2025	\$/kW	0.0035
Rate Rider for Disposition of Deferral/Variance Accounts for Group 2 - effective until December 31, 2025	\$/kW	(0.3520)

Rate Rider for Disposition of Deferral/Variance Accounts for Account 1580 Class B - effective until December 31, 2025	\$/kW	0.0168
Retail Transmission Rate - Network Service Rate	\$/kW	3.6166
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	2.8692

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0041
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0014
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

This classification applies to a non-residential account taking electricity at 750 volts or less whose average monthly maximum demand is less than, or is forecasted to be less than, 50kW and the consumption is unmetered. Such connections include cable TV power packs, bus shelters, telephone booths, traffic lights, railway crossings, etc.. The level of the consumption will be agreed to by the distributor and the customer, based on detailed manufacturer information/documentation with regard to electrical consumption of the unmetered load or periodic monitoring of actual consumption. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any charges, assessments, or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per customer)	\$	13.74
Distribution Volumetric Rate	\$/kWh	0.0213
Low Voltage Service Rate	\$/kWh	0.0031
Rate Rider for Disposition of Deferral/Variance Accounts - effective until December 31, 2025	\$/kWh	0.0018
Rate Rider for Disposition of Deferral/Variance Accounts for RSVA Global Adj. - effective until December 31, 2025	\$/kWh	0.0035
Rate Rider for Disposition of Deferral/Variance Accounts for Group 2 - effective until December 31, 2025	\$/kWh	(0.0013)
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0090
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0073

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0041
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0014
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

SENTINEL LIGHTING SERVICE CLASSIFICATION

This classification refers to an account that is an unmetered lighting load supplied to a sentinel light where consumption is based on connected load. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any charges, assessments, or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per connection)	\$	6.82
Distribution Volumetric Rate	\$/kW	18.0659
Low Voltage Service Rate	\$/kW	0.9288
Rate Rider for Disposition of Deferral/Variance Accounts - effective until December 31, 2025	\$/kW	0.6354
Rate Rider for Disposition of Deferral/Variance Accounts for RSVA Global Adj. - effective until December 31, 2025	\$/kW	0.0035
Rate Rider for Disposition of Deferral/Variance Accounts for Group 2 - effective until December 31, 2025	\$/kW	(0.8655)
Rate Rider for Disposition of Deferral/Variance Accounts for Account 1580 Class B - effective until December 31, 2025	\$/kW	0.0170
Retail Transmission Rate - Network Service Rate	\$/kW	2.7412
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	2.2643

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0041
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0014
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

STREET LIGHTING SERVICE CLASSIFICATION

This classification applies to an account for roadway lighting with a Municipality, Regional Municipality, Ministry of Transportation and private roadway lighting, controlled by photo cells. The consumption of these customers will be based on the calculated connected load times the required lighting times established in the approved Ontario Energy Board street lighting load shape template. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any charges, assessments, or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per connection)	\$	3.70
Distribution Volumetric Rate	\$/kW	17.8471
Low Voltage Service Rate	\$/kW	0.9098
Rate Rider for Disposition of Deferral/Variance Accounts - effective until December 31, 2025	\$/kW	1.0258
Rate Rider for Disposition of Deferral/Variance Accounts for RSVA Global Adj. - effective until December 31, 2025	\$/kW	0.0035
Rate Rider for Disposition of Deferral/Variance Accounts for Group 2 - effective until December 31, 2025	\$/kW	4.1224
Rate Rider for Disposition of Deferral/Variance Accounts for Account 1580 Class B - effective until December 31, 2025	\$/kW	0.0170
Retail Transmission Rate - Network Service Rate	\$/kW	2.7274
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	2.2180

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0041
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0014
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

microFIT SERVICE CLASSIFICATION

This classification applies to an electricity generation facility contracted under the Independent Electricity System Operator's microFIT program and connected to the distributor's distribution system. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges, assessments, or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	10.00
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ALLOWANCES

Transformer Allowance for Ownership - per kW of billing demand/month	\$/kW	(0.60)
Primary Metering Allowance for Transformer Losses - applied to measured demand & energy	%	(1.00)

SPECIFIC SERVICE CHARGES

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

It should be noted that this schedule does not list any charges, assessments, or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Global Adjustment and the HST.

Customer Administration

Arrears certificate	\$	15.00
Statement of account	\$	15.00
Pulling post dated cheques	\$	15.00
Duplicate invoices for previous billing	\$	15.00
Request for other billing information	\$	15.00
Easement letter	\$	15.00
Income tax letter	\$	15.00
Notification charge	\$	15.00
Account history	\$	15.00
Credit reference/credit check (plus credit agency costs)	\$	15.00
Returned cheque (plus bank charges)	\$	15.00
Charge to certify cheque	\$	15.00
Legal letter charge	\$	15.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	\$	30.00
Special meter reads	\$	30.00
Meter dispute charge plus Measurement Canada fees (if meter found correct)	\$	30.00

Non-Payment of Account

Late payment - per month (effective annual rate 19.56% per annum or 0.04896% compounded daily rate)	%	1.50
Reconnection at meter - during regular hours	\$	65.00
Reconnection at meter - after regular hours	\$	185.00
Reconnection at pole - during regular hours	\$	185.00
Reconnection at pole - after regular hours	\$	415.00

Other

Service call - customer owned equipment	\$	30.00
Service call - after regular hours	\$	160.00
Temporary service - install & remove - overhead - no transformer	\$	500.00
Temporary service - install & remove - underground - no transformer	\$	300.00
Temporary service - install & remove - overhead - with transformer	\$	1,000.00
Specific charge for access to the power poles - \$/pole/year (with the exception of wireless attachments)	\$	39.59
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RETAIL SERVICE CHARGES (if applicable)

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges, assessments, or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Global Adjustment and the HST.

Retail Service Charges refer to services provided by a distributor to retailers or customers related to the supply of competitive electricity.

	\$	122.64
One-time charge, per retailer, to establish the service agreement between the distributor and the retailer		
Monthly fixed charge, per retailer	\$	49.06
Monthly variable charge, per customer, per retailer	\$/cust.	1.22
Distributor-consolidated billing monthly charge, per customer, per retailer	\$/cust.	0.72
Retailer-consolidated billing monthly credit, per customer, per retailer	\$/cust.	(0.72)
Service Transaction Requests (STR)		
Request fee, per request, applied to the requesting party	\$	0.62
Processing fee, per request, applied to the requesting party	\$	1.22
Request for customer information as outlined in Section 10.6.3 and Chapter 11 of the Retail Settlement Code directly to retailers and customers, if not delivered electronically through the Electronic Business Transaction (EBT) system, applied to the requesting party		
Up to twice a year	\$	no charge
More than twice a year, per request (plus incremental delivery costs)	\$	4.90
Notice of switch letter charge, per letter (unless the distributor has opted out of applying the charge as per the Ontario Energy Board's Decision and Order EB-2015-0304, issued on February 14, 2019)	\$	2.45

LOSS FACTORS

If the distributor is not capable of prorating changed loss factors jointly with distribution rates, the revised loss factors will be implemented upon the first subsequent billing for each billing cycle.

Total Loss Factor - Secondary Metered Customer < 5,000 kW	1.0485
Total Loss Factor - Primary Metered Customer < 5,000 kW	1.0386