



EXHIBIT 6 – REVENUE REQUIREMENT AND REVENUE DEFICIENCY OR SUFFICIENCY

2025 Cost of Service

Lakeland Power Distribution Ltd.
EB-2024-0039

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6.1 OVERVIEW

6.1.1 OVERVIEW OF REVENUE REQUIREMENT

LPDL has included the following information in this Exhibit to present its 2025 Test Year Revenue Requirement, which excludes energy costs (i.e. Cost of Power and associated costs) and energy revenue:

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

The information supports LPDL's request in this application for an increase in its Revenue Requirement to support the proposed operating and capital expenditures for 2025, and to service debt, pay PILs, and provide the allowed Return on Equity ("ROE").

LPDL's proposed revenue requirement for 2025 Test Year results in a deficiency of \$797,356. This deficiency is calculated as the difference between 2025 Test Year base revenue requirement of \$10,033,781 and revenue at existing rates of \$9,236,425 based on 2024 rates applied to the 2025 forecast billing determinants presented in Exhibit 3. The 2025 Test Year base revenue requirement reflects an increase of \$2,544,684 relative to the 2019 Board Approved Base Revenue Requirement of \$7,489,097, representing a compound annual growth rate of 5.0%.

LPDL has completed the 2025 Revenue Requirement Work Form ("RRWF") as provided by the Board. The RRWF has been filed in live Excel format and is also included as a pdf version in Appendix A to this Exhibit.

The Revenue Deficiency calculation does not include the following:

- 1 • Recovery of Deferral and Variance Accounts
- 2 • Other electricity charges which include Energy Commodity, Transmission Charges and
- 3 Wholesale Market Service Charges.
- 4 These items are treated either as recoveries/dispositions of regulatory assets and liabilities or as
- 5 energy-related costs recorded in the OEB's prescribed Retail Settlement Variance Accounts.
- 6

6.2 CALCULATION OF REVENUE REQUIREMENT

6.2.1 DETERMINATION OF NET UTILITY INCOME

LPDL's current rates are based on Board approved rates effective May 1, 2024, per IRM proceeding EB-2023-0036. Revenues at existing rates are based on the rates approved in EB-2023-0036 applied to 2025 forecast billing determinants, which are used in calculating utility income, are comprised of distribution revenue and exclude pass-thru charges such as LV Charges and Transmission Charges.

Details on existing and projected distribution revenue at existing rates are presented in Exhibit 3 and replicated below. Other revenues are presented in section 6.4 of this Exhibit.

Table 1 shows current LPDL rates at forecast 2024 volumes to determine 2024 Bridge Year revenue. These rates were then applied to 2025 Test Year billing determinant forecast to develop the data Table 2. Table 3 then calculates 2025 Proposed Rates applied to 2025 Test Year load forecast.

Table 1 - Distribution Revenues at Current Rates – 2024 Volumes

Bridge Year Projected Revenue from Existing Variable Charges								
Customer Class Name	Variable Distribution Rate	per	Bridge Year Volume	Gross Variable Revenue	Transform. Allowance Rate	Transform. Allowance kW's	Transform. Allowance \$'s	Net Variable Revenue
Residential	\$0.0000	kWh	115,790,918	\$0			\$0	\$0
General Service < 50 kW	\$0.0132	kWh	60,404,777	\$797,343			\$0	\$797,343
General Service 50 to 4,999 kW	\$3.1033	kW	291,506	\$904,631	-0.60	143,858	-\$86,315	\$818,316
Unmetered Scattered Load	\$0.0252	kWh	172,555	\$4,348			\$0	\$4,348
Sentinel Lighting	\$22.5503	kW	81	\$1,827			\$0	\$1,827
Street Lighting	\$11.0008	kW	2,994	\$32,936			\$0	\$32,936
Total Variable Revenue				\$1,741,085		143858	-\$86,315	\$1,654,770
2024 Rates at 2024 Load								
Bridge Year Projected Revenue from Existing Fixed Charges								
Customer Class Name	Fixed Rate	Customers (Connections)	Fixed Charge Revenue	Variable Revenue	TOTAL	% Fixed Revenue	% Variable Revenue	% Total Revenue
Residential	\$39.61	12,262	\$5,828,374	\$0	\$5,828,374	100.00%		63.45%
General Service < 50 kW	\$45.05	2,218	\$1,199,051	\$797,343	\$1,996,394	60.06%	39.94%	21.73%
General Service 50 to 4,999 kW	\$271.06	126	\$409,843	\$818,316	\$1,228,158	33.37%	66.63%	13.37%
Unmetered Scattered Load	\$12.90	64	\$9,907	\$4,348	\$14,256	69.50%	30.50%	0.16%
Sentinel Lighting	\$6.49	31	\$2,414	\$1,827	\$4,241	56.93%	43.07%	0.05%
Street Lighting	\$2.40	2,852	\$82,138	\$32,936	\$115,074	71.38%	28.62%	1.25%
Total Fixed Revenue		17,553	\$7,531,726	\$1,654,770	\$9,186,497			

Table 2 - Distribution Revenues at Current Rates – 2025 Volumes**2024 Rates at 2025 Load**

Customer Class Name	Test Year Projected Revenue from Existing Variable Charges							
	Variable Distribution Rate	per	Test Year Volume	Gross Variable Revenue	Transform. Allowance Rate	Transform. Allowance kW's	Transform. Allowance \$'s	Net Variable Revenue
Residential	\$0.0000	kWh	118,317,066	\$0			\$0	\$0
General Service < 50 kW	\$0.0132	kWh	61,352,783	\$809,857			\$0	\$809,857
General Service 50 to 4,999 kW	\$3.1033	kW	284,699	\$883,506	-0.60	143,858	-\$86,315	\$797,192
Unmetered Scattered Load	\$0.0252	kWh	175,370	\$4,419			\$0	\$4,419
Sentinel Lighting	\$22.5503	kW	77	\$1,736			\$0	\$1,736
Street Lighting	\$11.0008	kW	2,994	\$32,936			\$0	\$32,936
Total Variable Revenue				\$1,732,455		143858	-\$86,315	\$1,646,140

2024 Rates at 2025 Load

Customer Class Name	Test Year Projected Revenue from Existing Fixed Charges							
	Fixed Rate	Customers (Connections)	Fixed Charge Revenue	Variable Revenue	TOTAL	% Fixed Revenue	% Variable Revenue	% Total Revenue
Residential	\$39.61	12,400	\$5,893,968	\$0	\$5,893,968	100.00%		64.16%
General Service < 50 kW	\$45.05	2,229	\$1,204,997	\$809,857	\$2,014,854	59.81%	40.19%	21.93%
General Service 50 to 4,999 kW	\$271.06	122	\$396,832	\$797,192	\$1,194,023	33.23%	66.77%	13.00%
Unmetered Scattered Load	\$12.90	65	\$10,062	\$4,419	\$14,481	69.48%	30.52%	0.16%
Sentinel Lighting	\$6.49	29	\$2,259	\$1,736	\$3,995	56.54%	43.46%	0.04%
Street Lighting	\$2.40	2,853	\$82,166	\$32,936	\$115,103	71.39%	28.61%	1.25%
Total Fixed Revenue		17,698	\$7,590,284	\$1,646,140	\$9,236,425			

Table 3 - Distribution Revenues at Proposed Rates – 2025 Volumes

Test Year Projected Revenue from Existing Variable Charges								
Customer Class Name	Variable Distribution Rate	per	Test Year Volume	Gross Variable Revenue	Transform. Allowance Rate	Transform. Allowance kW's	Transform. Allowance \$'s	Net Variable Revenue
Residential	\$0.0000	kWh	118,317,066	\$0			\$0	\$0
General Service < 50 kW	\$0.0158	kWh	61,352,783	\$969,374			\$0	\$969,374
General Service 50 to 4,999 kW	\$3.5765	kW	284,699	\$1,018,226	-0.60	143,858	-\$86,315	\$931,911
Unmetered Scattered Load	\$0.0274	kWh	175,370	\$4,805			\$0	\$4,805
Sentinel Lighting	\$24.4982	kW	77	\$1,886			\$0	\$1,886
Street Lighting	\$3.7512	kW	2,994	\$11,231			\$0	\$11,231
Total Variable Revenue				\$2,005,523		143858	-\$86,315	\$1,919,208
2025 Rates at 2025 Load								
Test Year Projected Revenue from Existing Fixed Charges								
Customer Class Name	Fixed Rate	Customers (Connections)	Fixed Charge Revenue	Variable Revenue	TOTAL	% Fixed Revenue	% Variable Revenue	% Total Revenue
Residential	\$43.03	12,400	\$6,402,864	\$0	\$6,402,864	100.00%		63.83%
General Service < 50 kW	\$45.48	2,229	\$1,216,499	\$969,374	\$2,185,873	55.65%	44.35%	21.79%
General Service 50 to 4,999 kW	\$271.06	122	\$396,832	\$931,911	\$1,328,743	29.87%	70.13%	13.25%
Unmetered Scattered Load	\$14.01	65	\$10,928	\$4,805	\$15,733	69.46%	30.54%	0.16%
Sentinel Lighting	\$7.05	29	\$2,453	\$1,886	\$4,340	56.53%	43.47%	0.04%
Street Lighting	\$2.40	2,853	\$82,166	\$11,231	\$93,397	87.97%	12.03%	0.93%
Total Fixed Revenue		17,698	\$8,111,742	\$1,919,208	\$10,030,950			

6.2.2 PROPOSED REVENUE REQUIREMENT

LPDL's Revenue Requirement consists of the following:

- Operation & Maintenance Expenses
- Administration & General and Billing & Collecting Expenses
- Depreciation Expense
- Property Taxes
- PILs
- Return on Rate Base (Deemed Interest & Return on Equity).

The proposed Base Revenue Requirement of \$10,033,781, which represents the revenue to be recovered from base distribution rates, is equal to the total Service Revenue Requirement of \$11,174,660 less Revenue Offsets of \$1,140,879 derived from other revenue sources.

Table 4 below presents LPDL's proposed 2025 Test Year Revenue Requirement.

Table 4 - Test Year Revenue Requirement

Particulars	Application
OM&A Expenses	\$6,580,856
Amortization/Depreciation	\$2,032,770
Property Taxes	\$68,670
Income Taxes (Grossed up)	\$133,457
Other Expenses	\$ -
Return	
Deemed Interest Expense	\$1,042,207
Return on Deemed Equity	\$1,316,700
Service Revenue Requirement (before Revenues)	\$11,174,660
Revenue Offsets	\$1,140,879
Base Revenue Requirement (excluding Transformer Ownership Allowance credit)	\$10,033,782
Distribution revenue	\$10,033,781
Other revenue	\$1,140,879
Total revenue	\$11,174,660

6.2.3 STATEMENT OF RATE BASE

Table 5 - Statement of 2025 Rate Base

Particulars	Capitalization Ratio		Cost Rate	Return
	(%)	(\$)	(%)	(\$)
Debt				
Long-term Debt	56.00%	\$20,014,990	4.76%	\$953,140
Short-term Debt	4.00%	\$1,429,642	6.23%	\$89,067
Total Debt	60.00%	\$21,444,632	4.86%	\$1,042,207
Equity				
Common Equity	40.00%	\$14,296,421	9.21%	\$1,316,700
Preferred Shares	0.00%	\$ -	0.00%	\$ -
Total Equity	40.00%	\$14,296,421	9.21%	\$1,316,700
Total	100.00%	\$35,741,053	6.60%	\$2,358,907

The details for the calculation of cost rates presented above can be found in Exhibit 5.

6.2.4 ACTUAL UTILITY RETURN ON EQUITY

Table 6 – Actual Return on Equity

Actual Return on Equity	2025 at Existing Rates	2025 at Proposed Rates
Rate Base	\$ 35,741,053	\$ 35,741,053
Deemed Interest Expense	\$ 1,042,207	\$ 1,042,207
Net Income	\$ 730,644	\$ 1,316,700
Total Return on Rate Base (\$)	\$ 1,772,851	\$ 2,358,907
Total Return on Rate Base (%)	4.96%	6.60%
Short-Term Interest Rate	6.23%	6.23%
Long-Term Interest Rate	4.76%	4.76%
Return on Equity	5.11%	9.21%

6.2.5 REQUESTED AND INDICATED RATE OF RETURN

As shown in Table 6 above, the indicated rate of return for LPDL is 4.96% based on revenues at current rates. The requested rate of return is 6.6% or \$2,358,907 as per the OEB prescribed Cost of Capital Parameters applicable to 2024. As noted in Exhibit 5, LPDL proposes to update its ROE and Short-Term Debt rates to reflect the OEB's 2025 Cost of Capital parameters during the course of the proceeding, as such become available. Details of the calculation can be found above in Section 6.2.3 and Exhibit 5.

6.2.6 UTILITY INCOME AT PROPOSED REVENUE REQUIREMENT

Table 7 - Utility Income under proposed 2025 Revenue Requirement

<u>Operating Revenues:</u>	
Distribution Revenue (at Proposed Rates)	\$10,033,781
Other Revenue	(1) <u>\$1,140,879</u>
Total Operating Revenues	<u>\$11,174,660</u>
<u>Operating Expenses:</u>	
OM+A Expenses	\$6,580,856
Depreciation/Amortization	\$2,032,770
Property taxes	\$68,670
Capital taxes	\$ -
Other expense	<u>\$ -</u>
Subtotal (lines 4 to 8)	\$8,682,296
Deemed Interest Expense	<u>\$1,042,207</u>
Total Expenses (lines 9 to 10)	<u>\$9,724,503</u>
Utility income before income taxes	<u><u>\$1,450,157</u></u>
Income taxes (grossed-up)	<u>\$133,457</u>
Utility net income	<u><u>\$1,316,700</u></u>

6.2.7 CALCULATION OF REVENUE DEFICIENCY OR SUFFICIENCY

LPDL's gross revenue deficiency under the proposed rates is \$797,356 as shown in Table 8 below. This deficiency is calculated as the difference between the 2025 Test Year Revenue Requirement and the Forecast Test Year Revenue at LPDL's 2024 approved distribution rates.

Table 8 - Revenue Deficiency Calculation

Particulars	At Current Approved Rates	At Proposed Rates
Revenue Deficiency from Below		\$797,356
Distribution Revenue	\$9,236,425	\$9,236,425
Other Operating Revenue	\$1,140,879	\$1,140,879
Offsets - net		
Total Revenue	\$10,377,304	\$11,174,660
Operating Expenses	\$8,682,296	\$8,682,296
Deemed Interest Expense	\$1,042,207	\$1,042,207
Total Cost and Expenses	\$9,724,503	\$9,724,503
Utility Income Before Income Taxes	\$652,801	\$1,450,157
Tax Adjustments to Accounting	(\$946,547)	(\$946,547)
Income per 2013 PILs model		
Taxable Income	(\$293,746)	\$503,610
Income Tax Rate	26.50%	26.50%
Income Tax on Taxable Income	(\$77,843)	\$133,457
Income Tax Credits	\$ -	\$ -
Utility Net Income	\$730,644	\$1,316,700
Utility Rate Base	\$35,741,053	\$35,741,053
Deemed Equity Portion of Rate Base	\$14,296,421	\$14,296,421
Income/(Equity Portion of Rate Base)	5.11%	9.21%
Target Return - Equity on Rate Base	9.21%	9.21%
Deficiency/Sufficiency in Return on Equity	-4.10%	0.00%
Indicated Rate of Return	4.96%	6.60%
Requested Rate of Return on Rate Base	6.60%	6.60%
Deficiency/Sufficiency in Rate of Return	-1.64%	0.00%
Target Return on Equity	\$1,316,700	\$1,316,700
Revenue Deficiency/(Sufficiency)	\$586,057	(\$1)
Gross Revenue	\$797,356 ⁽¹⁾	
Deficiency/(Sufficiency)		

6.2.8 REVENUE REQUIREMENT WORKFORM

The RRWF (Revenue Requirement Work Form) has been included in this exhibit as Appendix A LPDL_2025_Rev_Reqt_Workform. LPDL has ensured that figures entered in the RRWF reconcile with the appropriate figures in other Exhibits of this Application. Of note, LPDL required minor modification of the OEB's RRWF to enable the accurate calculation of the revenue deficiency. Specifically, LPDL modified 'Tab 8. Rev_Def_Suf' to allow for the calculation of negative Income Tax on Taxable Income in Line 13 in determining Net Income and Indicated Rate of Return at Current Rates. It is LPDL's understanding that this modification is required for any COS applicant whose taxable income at current rates is a negative value.

6.3 COST DRIVERS

6.3.1 COST DRIVERS OF REVENUE DEFICIENCY

Table 9 below outlines the contributors to the revenue deficiency by revenue requirement component. The first column is the 2019 Board Approved. The second column is the 2025 Test Year revenue at existing rates allocated in the same proportion as the 2019 Board Approved in order to represent the breakout in current rates. The third column lists the 2025 Test Year proposed components. The difference between the 2025 existing rates column and the 2025 proposed column gives rise to the illustrative revenue deficiency by component.

Table 9 - Revenue Deficiency by Revenue Requirement Component

Particular	2019 Board Approved	2025 Revenue at Existing Rates Allocated in Proportion	2025 Proposed	Revenue Deficiency
OM&A	\$5,012,968	\$6,368,920	\$6,580,856	\$211,936
Depreciation Expense	\$1,319,554	\$1,676,479	\$2,032,770	\$356,290
Property Tax	\$56,828	\$72,199	\$68,670	-\$3,529
Return on Rate Base	\$1,065,950	\$1,354,278	\$1,316,700	-\$37,577
PILs	\$177,312	\$225,273	\$133,457	-\$91,816
Deemed Interest	\$535,349	\$680,155	\$1,042,207	\$362,052
Service Revenue Requirement	\$8,167,961	\$10,377,304	\$11,174,660	\$797,356
Rate base	\$29,675,671		\$35,741,053	\$6,065,382

The revenue deficiency of \$797,356 for the 2025 Test Year is primarily due to the effect of:

- (i) Increased interest expense of \$362,052 as explained in Exhibit 5.
- (ii) Increased OM&A costs of \$211,936 as explained in Exhibit 4.
- (iii) Increased depreciation expense of \$356,290 as explained in Exhibit 2.

Table 10 below summarizes the rate changes and values used to calculate the rate of return, rate base, and revenue requirement.

1

Table 10 - Variance Analysis of Revenue Requirement and Rate Base

Particular	2019 Board Approved	2025 Proposed	Diff
Long Term Debt	3.02%	4.76%	1.74%
Short Term Debt	2.82%	6.23%	3.41%
Return on Equity	8.98%	9.21%	0.23%
Weighted Debt Rate	3.01%	4.86%	1.85%
Regulated Rate of Return	5.40%	6.60%	1.20%
Controllable Expenses	\$5,069,796	\$6,345,727	\$1,275,931
Power Supply Expense	\$33,458,532	\$35,832,710	\$2,374,178
Total Eligible Distribution Expenses	\$38,528,328	\$42,178,437	\$3,650,109
Working Capital Allowance Rate	7.50%	7.50%	0.00%
Total Working Capital Allowance ("WCA")	\$2,889,625	\$3,163,383	\$273,758
Fixed Asset Opening Bal Bridge Year	\$26,315,800	\$31,807,857	\$5,492,057
Fixed Asset Opening Bal Test Year	\$27,256,293	\$33,347,484	\$6,091,191
Average Fixed Asset	\$26,786,047	\$32,577,671	\$5,791,624
Working Capital Allowance	\$2,889,625	\$3,163,383	\$273,758
Rate Base	\$29,675,671	\$35,741,053	\$6,065,382
Regulated Rate of Return	5.40%	6.60%	1.20%
Regulated Return on Capital	\$1,601,299	\$2,358,907	\$757,608
Deemed Interest Expense	\$535,349	\$1,042,207	\$506,858
Deemed Return on Equity	\$1,065,950	\$1,316,700	\$250,750
OM&A	\$5,012,968	\$6,580,856	\$1,567,888
Depreciation Expense	\$1,319,554	\$2,032,770	\$713,215
Property Tax	\$56,828	\$68,670	\$11,842
PILs	\$177,312	\$133,457	-\$43,855
Revenue Offset	-\$678,864	-\$1,140,879	-\$462,015
Base Revenue Requirement	\$7,489,097	\$10,033,781	\$2,544,684
Service Revenue Requirement	\$8,167,961	\$11,174,660	\$3,006,698

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The return on rate base has increased as a result of an increase in the 2025 Rate Base of

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\$6,065,382 over 2019 Board Approved inclusive of an increase in total working capital allowance

1 ("WCA") of \$273,758. The WCA has increased due to increased controllable expenses and cost
2 of power expenses while the WCA percentage has remained the same at 7.50% as in 2019.

3 PILs have decreased as a result of LPDL having a lower taxable income due to amortization and
4 tax adjustments in the 2025 Test Year. PILs are further discussed in section 6.3.2 below.

5 LPDL has not made any changes to methodologies used in deficiency/sufficiency or to individual
6 cost drivers contributing to it.

7

6.3.2 TAXES AND PILS

LPDL is subject to the payment of PILs under Section 93 of the Electricity Act, 1998, as amended.

LPDL is exempt from corporate income tax federally and provincially but is required to file an exempt return with the Canada Revenue Agency and if the return warrants, make payments in lieu of federal and provincial corporate tax to the Ontario Ministry of Finance. In this Application, LPDL is forecasting a taxable income of \$370,153 for the 2025 Test Year including PILs of \$98,091 which is Grossed Up to \$133,457 for Revenue Requirement purposes.

A copy of LPDL's 2023 Financial Statements has been included as an appendix in Exhibit 1 and agree to the 2023 Federal and Provincial tax return that has been provided as Appendix C in this exhibit.

LPDL has attached to this application a completed version of the OEB's PILs model and has included a PDF version as Appendix D to this Exhibit. In completing the PILs model, LPDL made one modification to the model in order to ensure that distribution rates accurately reflect LPDL's tax rate as a standalone entity. Specifically, as shown on LPDL's actual tax returns, effective 2023 LPDL has taxable capital that is greater than the \$50 million threshold shown in Schedule 33 within Appendix C. Absent the above noted modification to the PILs model, the model would impose a different (i.e. lower) tax rate than LPDL's actual tax rate, by assuming small business tax benefits apply to LPDL, which is not the case. For clarity, LPDL's taxable capital exceeding the \$50 million threshold is not related to its affiliates or shareholders; LPDL exceeds \$50 million in taxable capital on a standalone basis.

Table 11 shows the Tax Rate that LPDL is using in this Application and confirms it is the same rate used in historical years, as well as the tax rate used to determine appropriate entries into Account 1592, Sub-Account Accelerated CCA.

Table 11 – Corporate Tax Rates

Corporate Tax Rates	2024 Bridge Year	2025 Test Year
Federal Income Tax	15%	15%
Ontario Income Tax	11.5%	11.5%
Combined Income Tax	26.5%	26.5%

A summary of the calculation of Regulatory Taxable Income is provided in Table 12 below.

Table 12 - Taxable Income Calculation

Description	2024 Bridge Year	2025 Test Year
Income Before Taxes	\$1,152,093	\$1,316,700
Additions:		
Amortization of Tangible Assets	\$1,760,933	\$1,812,609
Amortization of Intangible Assets	\$77,485	\$117,764
Non Deductible Meals & Entertainment	\$2,000	\$2,000
Tax Reserves Deducted in Prior Years	\$29,149	\$29,149
Reserves from Financial Statements	\$29,149	\$29,149
Capital Contributions Received (ITA 12(1)(x))	\$900,000	\$800,000
Deductions:		
Gain on Disposal of Assets	(\$45,101)	
CCA from Schedule 8	(\$2,177,947)	(\$2,472,724)
Tax Reserves Claimed in Current Year	(\$29,149)	(\$29,149)
Reserves from Financial Statements	(\$29,149)	(\$29,149)
ITA 13(7.4) - Capital Contributions Received	(\$900,000)	(\$800,000)
Contributions in Aid of Construction Recognized	(\$386,196)	(\$406,196)
Taxable Income	\$383,267	\$370,153

Corporate Tax Rates	2024 Bridge Year	2025 Test Year
Federal Income Tax	15%	15%
Ontario Income Tax	11.5%	11.5%
Combined Income Tax	26.5%	26.5%

Table 12 above presents the calculation of taxable income for the 2025 Test Year which shows the adjustments for both permanent and temporary differences. The most significant variance for LPDL relates to the difference between depreciation expense and capital cost allowance (CCA) for tax purposes.

Loss Carry Forwards

LPDL does not have any non-capital loss carryforwards as of 2023.

Other Additions and Deductions

In accordance with the Filing Requirements, LPDL has excluded all charitable donations and deferral and variance accounts for its regulatory corporate tax calculation.

Tax Credits

LPDL takes advantage of tax credits when available to minimize taxes payable. Table 13 summarizes the tax credits for historical years 2019-2023 and forecasted for 2024 Bridge and 2025 Test years. LPDL claims tax credits for its current apprentice and has developed a relationship with Cambrian College and Georgian College to support co-op students.

Table 13 – Tax Credits

	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Bridge Forecast	2025 Test Forecast
Ontario Co-Operative Education Tax Credit	\$0	\$0	\$6,000	\$11,348	\$15,000	\$15,000	\$15,000
Ontario Apprenticeship Training Tax Credit	\$0	\$0			\$2,000		

Accelerated CCA

On June 21, 2019, Bill C-97, the Budget Implementation Act, 2019, No. 1, was given Royal Assent. Included in Bill C-97 were various changes to the federal income tax regime.

One of the changes introduced by Bill C-97 is the Accelerated Investment Incentive Program (AIIP), which provides for a first-year increase in capital cost allowance (CCA) deductions on eligible capital assets acquired after November 20, 2018.

As per the OEB Accounting Guidance issued July 25, 2019, the OEB expects Utilities to record the impacts of CCA rule changes in the appropriate account (1592, Sub-Account Accelerated CCA) for the period November 21, 2018 until the effective date of the Utility's next cost-based rate order.

LPDL has adopted the AIIP each year since 2019, however it did not correctly follow the OEB Accounting Guidance and record entries to the 1592 account on a year over year basis. LPDL has discovered this accounting error while preparing this COS Application. As a result of this error, LPDL's calculated and reported ROE has been overstated each year since 2019, as amounts that should have been credited to Account 1592 have instead remained in distribution revenue.

Table 14 displays the Accelerated CCA that LPDL realized on its individual tax return each year along with the related impact to Account 1592 that should have been recorded.

Table 14 – Accelerated Investment Incentive Program

Year	CCA with Accelerated CCA	CCA - No Accelerated CCA	Difference	PILs Impact	PILs Gross Up	Credit Entry to 1592
2019	\$2,207,862	\$1,924,312	-\$283,550	-\$75,141	-\$102,232	-\$102,232
2020	\$2,119,796	\$1,998,371	-\$121,425	-\$32,178	-\$43,779	-\$43,779
2021	\$2,697,101	\$2,050,965	-\$646,136	-\$171,226	-\$232,961	-\$232,961
2022	\$2,693,769	\$2,181,474	-\$512,295	-\$135,758	-\$184,705	-\$184,705
2023	\$2,543,831	\$2,380,319	-\$163,512	-\$43,331	-\$58,953	-\$58,953
2024	N/A	N/A	N/A	N/A	N/A	N/A
2025 (Jan-Apr)	N/A	N/A	N/A	N/A	N/A	N/A
Total			-\$1,726,918	-\$457,633	-\$622,630	

As discussed in further detail within Exhibit 5, Table 15 shows the ROE achieved and reported each year with the 1592 omission, along with the recalculated ROE had Accelerated CCA been recorded correctly.

Table 15 – Recalculated ROE with Accelerated CCA

	2019	2020	2021	2022	2023
Adjusted Regulated Net Income per 2.1.5.6 ROE	1,381,569	752,064	1,498,001	1,516,337	1,464,569
Less: PILS Impact from AIIP CCA offset to A/C 4080	(102,232)	(43,779)	(232,961)	(184,705)	(58,953)
Recalculated Adjusted Regulated Net Income	1,279,337	708,285	1,265,040	1,331,632	1,405,616
Regulated Deemed Equity per 2.1.5.6 ROE	12,004,477	12,392,183	12,419,617	12,833,980	13,286,134
Actual Achieved ROE BEFORE PILS Impact	11.51%	6.07%	12.06%	11.82%	11.02%
Recalculated ROE AFTER PILS Impact	10.66%	5.72%	10.19%	10.38%	10.58%
<i>Change in ROE %</i>	-0.85%	-0.35%	-1.88%	-1.44%	-0.44%

LPDL will true up the 1592 Account in the 2024 Bridge Year based on Table 14 above. LPDL is requesting that 1592, along with all Group 2 balances, be disposed of over a one-year period as explained further in detail within Exhibit 9.

Moving forward, LPDL proposes to cease claiming Accelerated CCA¹ effective 2024, and has prepared the PILs amounts included in its proposed rates on this basis. LPDL is aware of several other distributors that have pursued this approach,² either currently under review by the OEB or on an OEB-approved basis. LPDL submits that continuing to claim Accelerated CCA and recording entries in Account 1592 creates unnecessary regulatory and accounting burden. Ceasing to claim Accelerated CCA will alleviate this burden, which will effectively reverse beginning in 2027 as the AIIP expires, likely triggering debit entries to the account to offset accumulated credit entries. By foregoing Accelerated CCA, LPDL will preserve Undepreciated Capital Cost ("UCC") balances, which will in turn be used as deductions to reduce rates for customers in future cost-based applications. As such, it is LPDL's view that this approach will cause no harm to ratepayers, while reducing regulatory and accounting burden.

¹ Inclusive of the AIIP and Direct Immediate Expensing Program

² EB-2023-0055 Decision and Order; EB-2023-0053 Settlement Proposal; EB-2024-0012 Settlement Proposal; EB-2024-0058 Application, Exhibit 6

6.3.3 PROPERTY TAXES

LPDL pays property taxes to the Town of Bracebridge, the Town of Huntsville and the Town of Parry Sound for their Operations Centres and distribution stations.

6.3.4 NON-RECOVERABLE AND DISALLOWED EXPENSES

LPDL confirms that expenses that are deemed non-recoverable in the revenue requirement (i.e. certain charitable donations) or disallowed for regulatory purposes have been excluded from the regulatory tax calculation.

Only the LEAP funding has been included in the calculation of revenue requirements.

6.4 OTHER REVENUE

6.4.1 OTHER REVENUE OVERVIEW

Other Distribution Revenues are revenues that are distribution related but are sourced from means other than distribution rates. For this reason, other revenues are deducted from LPDL's proposed revenue requirement.

Other Distribution Revenues include:

- Specific Service Charges
- Late Payment Charges
- Other Distribution Revenues
- Other Income and Expenses

LPDL has incorporated all changes to Customer Service Rules and any amendments to the Distribution System Code, Standard Supply Service Code and other applicable codes since its last COS.

LPDL has not proposed any new specific service charges or incorporated new rates or rules that would impact Other Revenue.

A detailed breakdown by USoA account is shown below in Table 16 and in Appendix 2-H attached as Appendix B. The overall variance analysis has been provided based on a materiality threshold of \$50,000 as per the OEB's response to the Very Small Utilities Working Group Report, issued March 28, 2024.

Table 16 - Appendix 2-H Other Operating Revenue

USoA #	USoA Description	2019 Board Approved	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Bridge Year	2025 Test Year
4235	Miscellaneous Service Revenues	68,776	72,304	65,493	72,525	68,021	57,344	66,438	66,438
4225	Late Payment Charges	83,700	76,717	122,604	65,346	76,229	78,834	77,000	77,000
4082	Retail Services Revenues	7,000	13,252	12,382	9,221	3,512	3,696	3,787	3,963
4084	Service Transaction Requests (STR) Revenues	-	-	-	-	-	-	-	-
4086	SSS Administration Revenue	46,700	47,509	48,083	48,881	49,606	47,430	48,594	50,854
4210	Rent from Electric Property	382,635	341,634	398,956	425,879	433,461	456,681	456,917	418,390
4245	Government and Other Assistance Directly Credited to Income		208,154	227,815	262,024	308,119	352,329	386,196	406,196
4305	Regulatory Debits		(262,293)	(131,146)	-	-	-	-	-
4355	Gain on Disposition of Utility and Other Property	-	807	29,551	26,637	-	35,000	45,101	-
4360	Loss on Disposition of Utility and Other Property	-	-	-	(6,497)	-	-	-	-
4375	Revenues from Non Rate-Regulated Utility Operations	33,800	107,291	301,457	248,679	96,845	375,658	-	-
4380	Expenses of Non Rate-Regulated Utility Operations	(31,400)	(104,606)	(294,498)	(390,481)	(89,377)	(401,656)	-	-
4390	Miscellaneous Non-Operating Income	77,653	107,585	122,519	136,267	114,898	100,987	103,038	103,038
4405	Interest and Dividend Income	10,000	125,961	39,309	25,578	76,055	236,784	100,000	15,000
	Specific Service Charges	68,776	72,304	65,493	72,525	68,021	57,344	66,438	66,438
	Late Payment Charges	83,700	76,717	122,604	65,346	76,229	78,834	77,000	77,000
	Other Operating Revenues	436,335	610,547	687,236	746,004	794,697	860,137	895,494	879,403
	Other Income or Deductions	90,053	(25,254)	67,191	40,183	198,421	346,772	248,139	118,038
	Total	678,864	734,314	942,524	924,058	1,137,369	1,343,087	1,287,071	1,140,879

LPDL notes that in Appendix 2-H and in the tables below, revenue and expenses from affiliate transactions are recorded appropriately in Accounts 4375 and 4380 respectively except for affiliate rental revenue that is included in Account 4210. These affiliate transactions have been reconciled to Appendix 2-N – Shared Services and Corporate Cost Allocation and are reconciled in Section 6.4.3 below.

LPDL confirms that revenue related to microFIT charges are recorded as a revenue offset in Account 4235 and not included as part of base revenue requirement.

LPDL confirms that its transfer pricing and allocation of cost methods does not result in cross-subsidization between regulated and non-regulated lines of business or services and is compliant with Article 340 of the APH.

1 LPDL confirms it has no discrete customer groups that may be materially impacted by changes to other rates and charges.

2 LPDL confirms that no revenues or costs associated with deferral and variance accounts have been included in other revenues.

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6.4.2 VARIANCE ANALYSIS OF OTHER REVENUE

Table 17 provides the variances of Other Revenue. Each variance above the materiality threshold of \$50,000 has been highlighted and an explanation of the variance is provided below.

Table 17 - Other Revenue Year over Year Variance

USoA #	USoA Description	2019 Actual vs 2019 Board App	2020 Actual vs 2019 Actual	2021 Actual vs 2020 Actual	2022 Actual vs 2021 Actual	2023 Actual vs 2022 Actual	2024 Bridge vs 2023 Actual	2025 Test vs 2024 Bridge
4235	Miscellaneous Service Revenues	3,528	(6,811)	7,032	(4,504)	(10,677)	9,094	-
4225	Late Payment Charges	(6,983)	45,887	(57,258)	10,883	2,605	(1,834)	-
4082	Retail Services Revenues	6,252	(870)	(3,161)	(5,709)	185	91	176
4084	Service Transaction Requests (STR) Revenues	-	-	-	-	-	-	-
4086	SSS Administration Revenue	809	575	797	725	(2,176)	1,164	2,260
4210	Rent from Electric Property	(41,001)	57,323	26,923	7,582	23,220	236	(38,527)
4245	Government and Other Assistance Directly Credited to Income	208,154	19,662	34,209	46,094	44,210	33,867	20,000
4305	Regulatory Debits	(262,293)	131,146	131,146	-	-	-	-
4355	Gain on Disposition of Utility and Other Property	807	28,743	(2,913)	(26,637)	35,000	10,101	(45,101)
4360	Loss on Disposition of Utility and Other Property	-	-	(6,497)	6,497	-	-	-
4375	Revenues from Non Rate-Regulated Utility Operations	73,491	194,165	(52,777)	(151,834)	278,813	(375,658)	-
4380	Expenses of Non Rate-Regulated Utility Operations	(73,206)	(189,892)	(95,983)	301,104	(312,279)	401,656	-
4390	Miscellaneous Non-Operating Income	29,932	14,934	13,748	(21,368)	(13,911)	2,051	-
4405	Interest and Dividend Income	115,961	(86,652)	(13,732)	50,477	160,729	(136,784)	(85,000)
Specific Service Charges		3,528	(6,811)	7,032	(4,504)	(10,677)	9,094	-
Late Payment Charges		(6,983)	45,887	(57,258)	10,883	2,605	(1,834)	-
Other Operating Revenues		174,212	76,689	58,768	48,693	65,439	35,358	(16,091)
Other Income or Deductions		(115,307)	92,445	(27,008)	158,238	148,351	(98,633)	(130,101)
Total		55,450	208,210	(18,465)	213,311	205,718	(56,016)	(146,192)

2019 Board Approved to 2019 Actual

Table 18 compares other revenue for 2019 Board Approved against 2019 Actuals.

Table 18 - Other Revenue – 2019 Board Approved vs 2019 Actual

USoA #	USoA Description	2019 Board Approved	2019 Actual	Difference (\$)	Difference (%)
4235	Miscellaneous Service Revenues	68,776	72,304	3,528	5%
4225	Late Payment Charges	83,700	76,717	(6,983)	-8%
4082	Retail Services Revenues	7,000	13,252	6,252	89%
4084	Service Transaction Requests (STR) Revenues	-	-	-	
4086	SSS Administration Revenue	46,700	47,509	809	2%
4210	Rent from Electric Property	382,635	341,634	(41,001)	-11%
4245	Government and Other Assistance Directly Credited to Income	-	208,154	208,154	
4305	Regulatory Debits	-	(262,293)	(262,293)	
4355	Gain on Disposition of Utility and Other Property	-	807	807	
4360	Loss on Disposition of Utility and Other Property	-	-	-	
4375	Revenues from Non Rate-Regulated Utility Operations	33,800	107,291	73,491	217%
4380	Expenses of Non Rate-Regulated Utility Operations	(31,400)	(104,606)	(73,206)	233%
4390	Miscellaneous Non-Operating Income	77,653	107,585	29,932	39%
4405	Interest and Dividend Income	10,000	125,961	115,961	
		678,864	734,314	55,450	

2019 Actual other revenue was \$734K or \$55K higher than 2019 Board Approved mainly due to:

- In 2019, \$208K of deferred capital contributions from customers were amortized however this was not included in the 2019 Board Approved.
- In 2019, \$262K was reimbursed to customers from June to December for the approved disposition of Account 1576 Deferred IFRS-CGAAP changes in the 2019 COS rate application that was not included in the 2019 Board Approved.
- In 2019, Accounts 4375 and 4380, Revenues and Expenses from Non Rate-Regulated Utility Operations are related and when combined, the net variance of the two is negligible. The increase in 2019 Actual over 2019 Board Approved figures for each of these two accounts is attributable to greater than forecasted: intercompany billing for on-call and trouble call coverage; mutual assistance provided to other LDC's; staff loaned to PWU for union business; IESO Grid Innovation project and billable customer connection charges.
- In 2019, \$116K of interest was earned from bank interest (\$80K) and interest on deferred variance accounts (\$46K) that was not included in the 2019 Board Approved.

2019 Actual to 2020 Actual

Table 19 compares other revenue for 2019 Actuals against 2020 Actuals.

Table 19 - Other Revenue – 2019 Actual vs 2020 Actual

USoA #	USoA Description	2019 Actual	2020 Actual	Difference (\$)	Difference (%)
4235	Miscellaneous Service Revenues	72,304	65,493	(6,811)	-9%
4225	Late Payment Charges	76,717	122,604	45,887	60%
4082	Retail Services Revenues	13,252	12,382	(870)	-7%
4084	Service Transaction Requests (STR) Revenues	-	-	-	
4086	SSS Administration Revenue	47,509	48,083	575	1%
4210	Rent from Electric Property	341,634	398,956	57,323	17%
4245	Government and Other Assistance Directly Credited to Income	208,154	227,815	19,662	9%
4305	Regulatory Debits	(262,293)	(131,146)	131,146	-50%
4355	Gain on Disposition of Utility and Other Property	807	29,551	28,743	3561%
4360	Loss on Disposition of Utility and Other Property	-	-	-	
4375	Revenues from Non Rate-Regulated Utility Operations	107,291	301,457	194,165	181%
4380	Expenses of Non Rate-Regulated Utility Operations	(104,606)	(294,498)	(189,892)	182%
4390	Miscellaneous Non-Operating Income	107,585	122,519	14,934	14%
4405	Interest and Dividend Income	125,961	39,309	(86,652)	-69%
		734,314	942,524	208,210	

2020 Actual other revenue was \$943K or \$208K higher than 2019 Actuals mainly due to:

- In 2020, LPDL had a \$57K increase in pole rental due to increased telecommunication and fiber to the home connections.
- In 2020, \$131K was reimbursed to customers in January to May for the approved disposition of Account 1576 Deferred IFRS-CGAAP changes in the 2019 COS rate application.
- In 2020, Accounts 4375 and 4380, Revenues and Expenses from Non Rate-Regulated Utility Operations are related and when combined, the net variance is not material. The increase in 2020 Actual over 2019 Actual for these two accounts is attributable to: intercompany billing for HONI CCA charges incurred for an affiliate's solar project that is connected to LPDL's distribution system of \$163K; IESO Grid Innovation project of \$41K.
- In 2020, LPDL saw a reduction in interest income of \$(87K) due to the steep prime rate decreases throughout 2020.

2020 Actual to 2021 Actual

Table 20 compares other revenue for 2020 Actuals against 2021 Actuals.

Table 20 - Other Revenue – 2020 Actual vs 2021 Actual

USoA #	USoA Description	2020 Actual	2021 Actual	Difference (\$)	Difference (%)
4235	Miscellaneous Service Revenues	65,493	72,525	7,032	11%
4225	Late Payment Charges	122,604	65,346	(57,258)	-47%
4082	Retail Services Revenues	12,382	9,221	(3,161)	-26%
4084	Service Transaction Requests (STR) Revenues	-	-	-	
4086	SSS Administration Revenue	48,083	48,881	797	2%
4210	Rent from Electric Property	398,956	425,879	26,923	7%
4245	Government and Other Assistance Directly Credited to Income	227,815	262,024	34,209	15%
4305	Regulatory Debits	(131,146)	-	131,146	-100%
4355	Gain on Disposition of Utility and Other Property	29,551	26,637	(2,913)	-10%
4360	Loss on Disposition of Utility and Other Property	-	(6,497)	(6,497)	
4375	Revenues from Non Rate-Regulated Utility Operations	301,457	248,679	(52,777)	-18%
4380	Expenses of Non Rate-Regulated Utility Operations	(294,498)	(390,481)	(95,983)	33%
4390	Miscellaneous Non-Operating Income	122,519	136,267	13,748	11%
4405	Interest and Dividend Income	39,309	25,578	(13,732)	-35%
		942,524	924,058	(18,465)	

2021 Actual other revenue was \$924K or \$(19K) lower than 2020 Actuals mainly due to:

- In 2021, LPDL saw a decline of \$(57K) in late payment charges in line with a reduction in outstanding customer account balances following the first year of COVID-19.
- In 2021, the reimbursement of the approved disposition of Account 1576 Deferred IFRS-CGAAP changes in the 2019 COS rate application was \$0 as the rate order ended April 30, 2020 per the 2020 rate order.
- In 2021, Accounts 4375 and 4380, Revenues and Expenses from Non Rate-Regulated Utility Operations are related and when combined, the net variance is usually not material. However, for 2021, 4380 Expense included \$147K for amortization of the approved Renewable Energy Generation Rate Protection amount that LPDL was approved to recover from the province through the IESO. Overall, the decrease in 2021 Actual over 2020 Actual for these two accounts is attributable to: no further funding of IESO Grid Innovation project offset by slight increases in mutual assistance provided to other LDC's and staff on loan to PWU for union work.

2021 Actual to 2022 Actual

Table 21 compares other revenue for 2021 Actuals against 2022 Actuals.

Table 21 - Other Revenue – 2021 Actual vs 2022 Actual

USoA #	USoA Description	2021 Actual	2022 Actual	Difference (\$)	Difference (%)
4235	Miscellaneous Service Revenues	72,525	68,021	(4,504)	-6%
4225	Late Payment Charges	65,346	76,229	10,883	17%
4082	Retail Services Revenues	9,221	3,512	(5,709)	-62%
4084	Service Transaction Requests (STR) Revenues	-	-	-	
4086	SSS Administration Revenue	48,881	49,606	725	1%
4210	Rent from Electric Property	425,879	433,461	7,582	2%
4245	Government and Other Assistance Directly Credited to Income	262,024	308,119	46,094	18%
4305	Regulatory Debits	-	-	-	
4355	Gain on Disposition of Utility and Other Property	26,637	-	(26,637)	-100%
4360	Loss on Disposition of Utility and Other Property	(6,497)	-	6,497	-100%
4375	Revenues from Non Rate-Regulated Utility Operations	248,679	96,845	(151,834)	-61%
4380	Expenses of Non Rate-Regulated Utility Operations	(390,481)	(89,377)	301,104	-77%
4390	Miscellaneous Non-Operating Income	136,267	114,898	(21,368)	-16%
4405	Interest and Dividend Income	25,578	76,055	50,477	197%
		924,058	1,137,369	213,311	

Actual other revenue was \$1,137K or \$213K higher than 2021 Actuals mainly due to:

- In 2022, Accounts 4375 and 4380, Revenues and Expenses from Non Rate-Regulated Utility Operations are related and when combined, the net variance is usually not material. However, for 2022, 4380 Expense included the remaining \$15K for amortization of the approved Renewable Energy Generation Rate Protection amount that LPDL was approved to recover from the province through the IESO, a decrease of \$132K from the \$147K approved for 2021. The remaining increase in 2022 Actual over 2021 Actual for these two accounts is attributed to an increase in mutual assistance provided to other LDC's.
- In 2022, LPDL saw an increase in interest income of \$50K due to the seven prime rate changes made throughout 2022 which saw the rate increase from 0.25% in March 2020 to 4.25% by December 2022.

2022 Actual to 2023 Actual

Table 22 compares other revenue for 2022 Actuals against 2023 Actuals.

Table 22 - Other Revenue – 2022 Actual vs 2023 Actual

USoA #	USoA Description	2022 Actual	2023 Actual	Difference (\$)	Difference (%)
4235	Miscellaneous Service Revenues	68,021	57,344	(10,677)	-16%
4225	Late Payment Charges	76,229	78,834	2,605	3%
4082	Retail Services Revenues	3,512	3,696	185	5%
4084	Service Transaction Requests (STR) Revenues	-	-	-	-
4086	SSS Administration Revenue	49,606	47,430	(2,176)	-4%
4210	Rent from Electric Property	433,461	456,681	23,220	5%
4245	Government and Other Assistance Directly Credited to Income	308,119	352,329	44,210	14%
4305	Regulatory Debits	-	-	-	-
4355	Gain on Disposition of Utility and Other Property	-	35,000	35,000	-
4360	Loss on Disposition of Utility and Other Property	-	-	-	-
4375	Revenues from Non Rate-Regulated Utility Operations	96,845	375,658	278,813	288%
4380	Expenses of Non Rate-Regulated Utility Operations	(89,377)	(401,656)	(312,279)	349%
4390	Miscellaneous Non-Operating Income	114,898	100,987	(13,911)	-12%
4405	Interest and Dividend Income	76,055	236,784	160,729	211%
		1,137,369	1,343,087	205,718	

2023 Actual other revenue was \$1,343K or \$206K higher than 2022 Actuals mainly due to:

- In 2023, Accounts 4375 and 4380, Revenues and Expenses from Non Rate-Regulated Utility Operations are related and when combined, the net variance is not material. The decrease in 2023 Actual over 2022 Actual for these two accounts is attributable to an increase in mutual assistance provided to other LDC's offset by a net decrease in billable customer connection charges.
- In 2023, LPDL saw an increase in interest income of \$161K due to the additional prime rate changes made throughout 2023 which saw the rate increase from 0.5% in March 2022 to 4.25% in December 2022 and ultimately to 5.00% by July 2023.

2023 Actual to 2024 Bridge Year

Table 23 compares other revenue for 2023 Actuals against 2024 Bridge Year.

Table 23 - Other Revenue – 2023 Actual vs 2024 Bridge Year

USoA #	USoA Description	2023 Actual	2024 Bridge Year	Difference (\$)	Difference (%)
4235	Miscellaneous Service Revenues	57,344	66,438	9,094	16%
4225	Late Payment Charges	78,834	77,000	(1,834)	-2%
4082	Retail Services Revenues	3,696	3,787	91	2%
4084	Service Transaction Requests (STR) Revenues	-	-	-	
4086	SSS Administration Revenue	47,430	48,594	1,164	2%
4210	Rent from Electric Property	456,681	456,917	236	0%
4245	Government and Other Assistance Directly Credited to Income	352,329	386,196	33,867	10%
4305	Regulatory Debits	-	-	-	
4355	Gain on Disposition of Utility and Other Property	35,000	45,101	10,101	29%
4360	Loss on Disposition of Utility and Other Property	-	-	-	
4375	Revenues from Non Rate-Regulated Utility Operations	375,658	-	(375,658)	-100%
4380	Expenses of Non Rate-Regulated Utility Operations	(401,656)	-	401,656	-100%
4390	Miscellaneous Non-Operating Income	100,987	103,038	2,051	2%
4405	Interest and Dividend Income	236,784	100,000	(136,784)	-58%
		1,343,087	1,287,071	(56,016)	
		-	-		

2024 Bridge Year other revenue is projected to be \$1,287K or \$(56)K lower than 2023 Actuals mainly due to:

- In 2023, Accounts 4375 and 4380, Revenues and Expenses from Non Rate-Regulated Utility Operations are related and when combined, the net variance is not material.
- In 2024, LPDL has projected a decrease in interest income of \$(137)K due to a declining cash balance as well as prime rate reductions in mid-2024, reducing the rate from 5.00% in July 2023 to 4.5% by July 2024. LPDL confirms there is no interest income associated with deferral and variance accounts being included in 2024 Bridge Year revenue as per Chapter 2 Filing Requirements.

2024 Bridge Year to 2025 Test Year

Table 24 compares other revenue for 2024 Bridge Year against 2025 Test Year.

Table 24 - Other Revenue – 2024 Bridge Year vs 2025 Test Year

USoA #	USoA Description	2024 Bridge Year	2025 Test Year	Difference (\$)	Difference (%)
4235	Miscellaneous Service Revenues	66,438	66,438	-	0%
4225	Late Payment Charges	77,000	77,000	-	0%
4082	Retail Services Revenues	3,787	3,963	176	5%
4084	Service Transaction Requests (STR) Revenues	-	-	-	
4086	SSS Administration Revenue	48,594	50,854	2,260	5%
4210	Rent from Electric Property	456,917	418,390	(38,527)	-8%
4245	Government and Other Assistance Directly Credited to Income	386,196	406,196	20,000	5%
4305	Regulatory Debits	-	-	-	
4355	Gain on Disposition of Utility and Other Property	45,101	-	(45,101)	-100%
4360	Loss on Disposition of Utility and Other Property	-	-	-	
4375	Revenues from Non Rate-Regulated Utility Operations	-	-	-	
4380	Expenses of Non Rate-Regulated Utility Operations	-	-	-	
4390	Miscellaneous Non-Operating Income	103,038	103,038	-	0%
4405	Interest and Dividend Income	100,000	15,000	(85,000)	-85%
		1,287,071	1,140,879	(146,192)	

2025 Test Year other revenue is projected to be \$1,141K or \$(146)K lower than 2024 Bridge Year mainly due to:

- In 2025, LPDL has projected a decrease in interest income of \$(85)K due to a declining cash balance as well as expected further prime rate reductions later in 2024. LPDL confirms there is no interest income associated with deferral and variance accounts being included in 2025 Test Year revenue as per Chapter 2 Filing Requirements.

6.4.3 REVENUES FROM AFFILIATES, SHARED SERVICES AND CORPORATE COST ALLOCATIONS

LPDL is wholly owned by the holding company Lakeland Holding Ltd (LHL), which is wholly owned by LHL's municipal shareholders. Revenues from affiliate transactions are explained in detail in Exhibit 4, Section 4.5.2 Shared Services and Corporate Cost Allocation. Revenues are posted to Account 4210 Rent from Electric Property with any costs related to the building in Account 5675. Account 4375 Revenues from Non Rate-Regulated Utility Operations is used for labour related services and expenses are posted to Account 4380 Expenses from Non Rate-Regulated Utility Operations. OEB Appendix 2-N outlines the revenue and expense items booked to Accounts 4210, 4375 and 4380 that are from an affiliate transaction, an excerpt of which is below in Table 25 and Table 26.

Table 25 - Revenues from Affiliates – Account 4210, 4375 & 4380

	Reporting Basis	2019 Board Approved	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Bridge Year	2025 Test Year
4210	Pole Rental	345,000	287,502	344,667	347,834	354,981	377,711	377,448	338,921
4210	Building Rental	6,000	6,000	6,173	30,000	30,480	30,970	31,469	31,469
4210	Building Rental - Intercompany	31,500	48,000	48,000	48,000	48,000	48,000	48,000	48,000
4210	Sentinel Rental	135	132	117	45	-	-	-	-
Total		382,635	341,634	398,956	425,879	433,461	456,681	456,917	418,390

	Reporting Basis	2019 Board Approved	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Bridge Year	2025 Test Year
4375	Intercompany Wages (On-Call & Trouble Call Assistance)	32,800	56,731	224,527	207,767	15,450	10,712	-	-
4375	Mutual Assistance with other LDC's	-	5,798	5,559	35,545	73,125	95,223	-	-
4375	Billable Union Work (Power Workers Union)	-	5,616	-	4,160	2,080	4,160	-	-
4375	IESO Grid Innovation - AP Study	-	29,520	70,460	-	-	-	-	-
4375	Billable Customer Work	1,000	9,625	910	1,208	6,190	265,562	-	-
4375	Net Metering/Load Displacement Connection Charges	-	-	-	-	-	-	-	-
Total		33,800	107,291	301,457	248,679	96,845	375,658	-	-

	Reporting Basis	2019 Board Approved	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Bridge Year	2025 Test Year
4380	Intercompany Wages (On-Call & Trouble Call Assistance)	(31,400)	(53,960)	(218,892)	(204,018)	(10,187)	(10,066)	-	-
4380	Mutual Assistance with other LDC's	-	(5,155)	(4,267)	(33,411)	(59,985)	(73,888)	-	-
4380	Billable Union Work (Power Workers Union)	-	(5,539)	-	(4,457)	(2,431)	(5,339)	-	-
4380	IESO Grid Innovation - AP Study	-	(30,326)	(69,430)	-	-	-	-	-
4380	Billable Customer Work	-	(9,626)	(1,909)	(1,271)	(1,630)	(310,191)	-	-
4380	Amortization on Approved REG Rate Protection Amount	-	-	-	(147,324)	(15,144)	-	-	-
4380	CDM Program Final Expense	-	-	-	-	-	(2,172)	-	-
Total		(31,400)	(104,606)	(294,498)	(390,481)	(89,377)	(401,656)	-	-

Table 26 - Revenues from Affiliates – Shared Services – Appendix 2-N

Name of Company		Service Offered	Pricing Methodology	USoA	2019 Board Approved	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Bridge Year	2025 Test Year
From	To											
Lakeland Power	Lakeland Energy/Bracebridge Generation	Rent	market - revenue	4210	\$ 31,500	\$ 48,000	\$ 48,000	\$ 48,000	\$ 48,000	\$ 48,000	\$ 48,000	\$ 48,000
Lakeland Power	Lakeland Energy/Bracebridge Generation	On call-trouble/project assistance	market - revenue	4375	32,800	56,731	224,527	207,767	15,450	10,712	-	-
Lakeland Power	Lakeland Energy/Bracebridge Generation	On call-trouble/project assistance	cost	4380	(31,400)	(53,960)	(218,892)	(204,018)	(10,187)	(10,066)	-	-

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APPENDICES

Appendix A	Revenue Requirement Workform (RRWF) 2025
Appendix B	OEB Appendix 2-H Other Operating Revenue
Appendix C	2023 LPDL Annual Tax Return
Appendix D	OEB Income Tax/PILs Workform for 2025 Filers

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Appendix A	Revenue Requirement Workform (RRWF)
	2025

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Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2025 Filers



Version 1.10

Utility Name	Lakeland Power Distribution Ltd.
Service Territory	Bracebridge, Huntsville, Parry Sound, Sundridge, E
Assigned EB Number	EB-2024-0039
Name and Title	Darren Bechtel
Phone Number	705-789-5442
Email Address	dbechtel@lakelandholding.com
Test Year	2025
Bridge Year	2024
Last Rebasing Year	2019

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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[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)	\$ 65,728,459	\$ -	\$ 65,728,459		\$ 65,728,459		\$ 65,728,459
Accumulated Depreciation (average)	(\$33,150,788) ⁽⁶⁾	\$ -	\$ (33,150,788)		\$ (33,150,788)		\$ (33,150,788)
Allowance for Working Capital:							
Controllable Expenses	\$6,345,727	\$ -	\$ 6,345,727		\$ 6,345,727		\$ 6,345,727
Cost of Power	\$35,832,710	\$ -	\$ 35,832,710		\$ 35,832,710		\$ 35,832,710
Working Capital Rate (%)	7.50% ⁽⁹⁾						
2 Utility Income							
Operating Revenues:							
Distribution Revenue at Current Rates	\$9,236,425						
Distribution Revenue at Proposed Rates	\$10,033,781						
Other Revenue:							
Specific Service Charges	\$66,438						
Late Payment Charges	\$77,000						
Other Distribution Revenue	\$879,403						
Other Income and Deductions	\$118,038						
Total Revenue Offsets	\$1,140,879 ⁽⁷⁾						
Operating Expenses:							
OM+A Expenses	\$6,580,856	\$ -	\$ 6,580,856		\$6,580,856		\$ 6,580,856
Depreciation/Amortization	\$2,032,770	\$ -	\$ 2,032,770		\$2,032,770		\$ 2,032,770
Property taxes	\$68,670	\$ -	\$ 68,670		\$68,670		\$ 68,670
Other expenses		\$ -					
3 Taxes/PILs							
Taxable Income:							
Adjustments required to arrive at taxable income	(\$946,547) ⁽³⁾						
Utility Income Taxes and Rates:							
Income taxes (not grossed up)	\$98,091						
Income taxes (grossed up)	\$133,457						
Federal tax (%)	15.00%						
Provincial tax (%)	11.50%						
Income Tax Credits	\$ -						
4 Capitalization/Cost of Capital							
Capital Structure:							
Long-term debt Capitalization Ratio (%)	56.0%						
Short-term debt Capitalization Ratio (%)	4.0% ⁽⁸⁾						
Common Equity Capitalization Ratio (%)	40.0%						
Preferred Shares Capitalization Ratio (%)	0.0%						
	100.0%						
Cost of Capital							
Long-term debt Cost Rate (%)	4.76%						
Short-term debt Cost Rate (%)	6.23%						
Common Equity Cost Rate (%)	9.21%						
Preferred Shares Cost Rate (%)	0.00%						

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.



Ontario Energy Board

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⁾	\$65,728,459	\$ -	\$65,728,459	\$ -	\$65,728,459	\$ -	\$65,728,459
2	Accumulated Depreciation (average) ⁽²⁾	(\$33,150,788)	\$ -	(\$33,150,788)	\$ -	(\$33,150,788)	\$ -	(\$33,150,788)
3	Net Fixed Assets (average) ⁽²⁾	\$32,577,671	\$ -	\$32,577,671	\$ -	\$32,577,671	\$ -	\$32,577,671
4	Allowance for Working Capital ⁽¹⁾	\$3,163,383	(\$3,163,383)	\$ -	\$ -	\$ -	\$ -	\$ -
5	Total Rate Base	\$35,741,053	(\$3,163,383)	\$32,577,671	\$ -	\$32,577,671	\$ -	\$32,577,671

(1) Allowance for Working Capital - Derivation

6	Controllable Expenses	\$6,345,727	\$ -	\$6,345,727	\$ -	\$6,345,727	\$ -	\$6,345,727
7	Cost of Power	\$35,832,710	\$ -	\$35,832,710	\$ -	\$35,832,710	\$ -	\$35,832,710
8	Working Capital Base	\$42,178,437	\$ -	\$42,178,437	\$ -	\$42,178,437	\$ -	\$42,178,437
9	Working Capital Rate % ⁽¹⁾	7.50%	-7.50%	0.00%	0.00%	0.00%	0.00%	0.00%
10	Working Capital Allowance	\$3,163,383	(\$3,163,383)	\$ -	\$ -	\$ -	\$ -	\$ -

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.



Ontario Energy Board

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)	\$10,033,781	(\$10,033,781)	\$ -	\$ -	\$ -	\$ -	\$ -
2	Other Revenue ⁽¹⁾	\$1,140,879	(\$1,140,879)	\$ -	\$ -	\$ -	\$ -	\$ -
3	Total Operating Revenues	\$11,174,660	(\$11,174,660)	\$ -	\$ -	\$ -	\$ -	\$ -
Operating Expenses:								
4	OM+A Expenses	\$6,580,856	\$ -	\$6,580,856	\$ -	\$6,580,856	\$ -	\$6,580,856
5	Depreciation/Amortization	\$2,032,770	\$ -	\$2,032,770	\$ -	\$2,032,770	\$ -	\$2,032,770
6	Property taxes	\$68,670	\$ -	\$68,670	\$ -	\$68,670	\$ -	\$68,670
7	Capital taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8	Other expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9	Subtotal (lines 4 to 8)	\$8,682,296	\$ -	\$8,682,296	\$ -	\$8,682,296	\$ -	\$8,682,296
10	Deemed Interest Expense	\$1,042,207	(\$1,042,207)	\$ -	\$ -	\$ -	\$ -	\$ -
11	Total Expenses (lines 9 to 10)	\$9,724,503	(\$1,042,207)	\$8,682,296	\$ -	\$8,682,296	\$ -	\$8,682,296
12	Utility income before income taxes	\$1,450,157	(\$10,132,453)	(\$8,682,296)	\$ -	(\$8,682,296)	\$ -	(\$8,682,296)
13	Income taxes (grossed-up)	\$133,457	\$ -	\$133,457	\$ -	\$133,457	\$ -	\$133,457
14	Utility net income	\$1,316,700	(\$10,132,453)	(\$8,815,753)	\$ -	(\$8,815,753)	\$ -	(\$8,815,753)

Notes

Other Revenues / Revenue Offsets

(1)	Specific Service Charges	\$66,438		\$ -		\$ -		\$ -
	Late Payment Charges	\$77,000		\$ -		\$ -		\$ -
	Other Distribution Revenue	\$879,403		\$ -		\$ -		\$ -
	Other Income and Deductions	\$118,038		\$ -		\$ -		\$ -
	Total Revenue Offsets	\$1,140,879	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -



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	\$1,316,700	\$ -	\$ -	\$ -
2	Adjustments required to arrive at taxable utility income	(\$946,547)	\$ -	\$ -	\$ -
3	Taxable income	<u>\$370,153</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Calculation of Utility income Taxes</u>					
4	Income taxes	<u>\$98,091</u>	<u>\$98,091</u>	<u>\$98,091</u>	<u>\$98,091</u>
6	Total taxes	<u>\$98,091</u>	<u>\$98,091</u>	<u>\$98,091</u>	<u>\$98,091</u>
7	Gross-up of Income Taxes	<u>\$35,366</u>	<u>\$35,366</u>	<u>\$35,366</u>	<u>\$35,366</u>
8	Grossed-up Income Taxes	<u>\$133,457</u>	<u>\$133,457</u>	<u>\$133,457</u>	<u>\$133,457</u>
9	PILs / tax Allowance (Grossed-up Income taxes + Capital taxes)	<u>\$133,457</u>	<u>\$133,457</u>	<u>\$133,457</u>	<u>\$133,457</u>
10	Other tax Credits	\$ -	\$ -	\$ -	\$ -
<u>Tax Rates</u>					
11	Federal tax (%)	15.00%	15.00%	15.00%	15.00%
12	Provincial tax (%)	11.50%	11.50%	11.50%	11.50%
13	Total tax rate (%)	<u>26.50%</u>	<u>26.50%</u>	<u>26.50%</u>	<u>26.50%</u>

Notes



Ontario Energy Board

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%	\$20,014,990	4.76%	\$953,140
2	Short-term Debt	4.00%	\$1,429,642	6.23%	\$89,067
3	Total Debt	60.00%	\$21,444,632	4.86%	\$1,042,207
Equity					
4	Common Equity	40.00%	\$14,296,421	9.21%	\$1,316,700
5	Preferred Shares	0.00%	\$ -	0.00%	\$ -
6	Total Equity	40.00%	\$14,296,421	9.21%	\$1,316,700
7	Total	100.00%	\$35,741,053	6.60%	\$2,358,907
Interrogatory Responses					
		(%)	(\$)	(%)	(\$)
	Debt				
1	Long-term Debt	0.00%	\$ -	0.00%	\$ -
2	Short-term Debt	0.00%	\$ -	0.00%	\$ -
3	Total Debt	0.00%	\$ -	0.00%	\$ -
Equity					
4	Common Equity	0.00%	\$ -	0.00%	\$ -
5	Preferred Shares	0.00%	\$ -	0.00%	\$ -
6	Total Equity	0.00%	\$ -	0.00%	\$ -
7	Total	0.00%	\$32,577,671	0.00%	\$ -
Settlement Agreement					
		(%)	(\$)	(%)	(\$)
	Debt				
8	Long-term Debt	0.00%	\$ -	4.76%	\$ -
9	Short-term Debt	0.00%	\$ -	6.23%	\$ -
10	Total Debt	0.00%	\$ -	0.00%	\$ -
Equity					
11	Common Equity	0.00%	\$ -	9.21%	\$ -
12	Preferred Shares	0.00%	\$ -	0.00%	\$ -
13	Total Equity	0.00%	\$ -	0.00%	\$ -
14	Total	0.00%	\$32,577,671	0.00%	\$ -
Per Board Decision					
		(%)	(\$)	(%)	(\$)
	Debt				
8	Long-term Debt	0.00%	\$ -	4.76%	\$ -
9	Short-term Debt	0.00%	\$ -	6.23%	\$ -
10	Total Debt	0.00%	\$ -	0.00%	\$ -
Equity					
11	Common Equity	0.00%	\$ -	9.21%	\$ -
12	Preferred Shares	0.00%	\$ -	0.00%	\$ -
13	Total Equity	0.00%	\$ -	0.00%	\$ -
14	Total	0.00%	\$32,577,671	0.00%	\$ -

Notes



Ontario Energy Board

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		\$797,356		(\$753,917)		\$11,812,648		\$11,812,648
2	Distribution Revenue	\$9,236,425	\$9,236,425	\$9,236,425	\$10,787,698	\$ -	(\$11,812,648)	\$ -	(\$11,812,648)
3	Other Operating Revenue Offsets - net	\$1,140,879	\$1,140,879	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4	Total Revenue	\$10,377,304	\$11,174,660	\$9,236,425	\$10,033,781	\$ -	\$ -	\$ -	\$ -
5	Operating Expenses	\$8,682,296	\$8,682,296	\$8,682,296	\$8,682,296	\$8,682,296	\$8,682,296	\$8,682,296	\$8,682,296
6	Deemed Interest Expense	\$1,042,207	\$1,042,207	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8	Total Cost and Expenses	\$9,724,503	\$9,724,503	\$8,682,296	\$8,682,296	\$8,682,296	\$8,682,296	\$8,682,296	\$8,682,296
9	Utility Income Before Income Taxes	\$652,801	\$1,450,157	\$554,129	\$1,351,485	(\$8,682,296)	(\$8,682,296)	(\$8,682,296)	(\$8,682,296)
10	Tax Adjustments to Accounting Income per 2013 PILs model	(\$946,547)	(\$946,547)	(\$946,547)	(\$946,547)	\$ -	\$ -	\$ -	\$ -
11	Taxable Income	(\$293,746)	\$503,610	(\$392,418)	\$404,938	(\$8,682,296)	(\$8,682,296)	(\$8,682,296)	(\$8,682,296)
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	(\$77,843)	\$133,457	\$ -	\$107,309	\$ -	\$ -	\$ -	\$ -
14	Income Tax Credits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
15	Utility Net Income	\$730,644	\$1,316,700	\$554,129	(\$8,815,753)	(\$8,682,296)	(\$8,815,753)	(\$8,682,296)	(\$8,815,753)
16	Utility Rate Base	\$35,741,053	\$35,741,053	\$32,577,671	\$32,577,671	\$32,577,671	\$32,577,671	\$32,577,671	\$32,577,671
17	Deemed Equity Portion of Rate Base	\$14,296,421	\$14,296,421	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
18	Income/(Equity Portion of Rate Base)	5.11%	9.21%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
19	Target Return - Equity on Rate Base	9.21%	9.21%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
20	Deficiency/Sufficiency in Return on Equity	-4.10%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
21	Indicated Rate of Return	4.96%	6.60%	1.70%	0.00%	-26.65%	0.00%	-26.65%	0.00%
22	Requested Rate of Return on Rate Base	6.60%	6.60%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
23	Deficiency/Sufficiency in Rate of Return	-1.64%	0.00%	1.70%	0.00%	-26.65%	0.00%	-26.65%	0.00%
24	Target Return on Equity	\$1,316,700	\$1,316,700	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
25	Revenue Deficiency/(Sufficiency)	\$586,057	(\$1)	(\$554,129)	\$ -	\$8,682,296	\$ -	\$8,682,296	\$ -
26	Gross Revenue Deficiency/(Sufficiency)	\$797,356 ⁽¹⁾		(\$753,917) ⁽¹⁾		\$11,812,648 ⁽¹⁾		\$11,812,648 ⁽¹⁾	

Notes:

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



Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2025 Filers

Revenue Requirement

Line No.	Particulars	Application	Interrogatory Responses	Settlement Agreement	Per Board Decision
1	OM&A Expenses	\$6,580,856	\$6,580,856	\$6,580,856	\$6,580,856
2	Amortization/Depreciation	\$2,032,770	\$2,032,770	\$2,032,770	\$2,032,770
3	Property Taxes	\$68,670	\$68,670	\$68,670	\$68,670
5	Income Taxes (Grossed up)	\$133,457	\$133,457	\$133,457	\$133,457
6	Other Expenses	\$ -	\$ -	\$ -	\$ -
7	Return				
	Deemed Interest Expense	\$1,042,207	\$ -	\$ -	\$ -
	Return on Deemed Equity	\$1,316,700	\$ -	\$ -	\$ -
8	Service Revenue Requirement (before Revenues)	\$11,174,660	\$8,815,753	\$8,815,753	\$8,815,753
9	Revenue Offsets	\$1,140,879	\$ -	\$ -	\$ -
10	Base Revenue Requirement (excluding Tranformer Owership Allowance credit adjustment)	\$10,033,782	\$8,815,753	\$8,815,753	\$8,815,753
11	Distribution revenue	\$10,033,781	\$ -	\$ -	\$ -
12	Other revenue	\$1,140,879	\$ -	\$ -	\$ -
13	Total revenue	\$11,174,660	\$ -	\$ -	\$ -
14	Difference (Total Revenue Less Distribution Revenue Requirement before Revenues)	(\$1) ⁽¹⁾	(\$8,815,753) ⁽¹⁾	(\$8,815,753) ⁽¹⁾	(\$8,815,753) ⁽¹⁾

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	\$11,174,660	\$8,815,753	###	\$8,815,753	#####	\$8,815,753	(21.11%)
Grossed-Up Revenue							
Deficiency/(Sufficiency)	\$797,356	(\$753,917)	###	\$11,812,648	#####	\$11,812,648	1381.48%
Base Revenue Requirement (to be recovered from Distribution Rates)	\$10,033,782	\$8,815,753	###	\$8,815,753	#####	\$8,815,753	(12.14%)
Revenue Deficiency/(Sufficiency) Associated with Base Revenue Requirement	\$797,356	\$ -	###	\$ -	#####	\$ -	(100.00%)

Notes

⁽¹⁾ Line 11 - Line 8

⁽²⁾ Percentage Change Relative to Initial Application



Ontario Energy Board

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 2-4** should be incorporated into the entries. The inputs should correspond with the summary of the Load Forecast for the Test Year in **Appendix 2-IB** and in Exhibit 3 of the application.

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

Stage in Process:

Initial Application

Customer Class		Initial Application			Interrogatory Responses			Settlement Agreement			Per Board Decision		
Input the name of each customer class.		Customer / Connections	kWh	kW/kVA ⁽¹⁾	Customer / Connections	kWh	kW/kVA ⁽¹⁾	Customer / Connections	kWh	kW/kVA ⁽¹⁾	Customer / Connections	kWh	kW/kVA ⁽¹⁾
		Test Year average or mid-year	Annual	Annual	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	12,400	118,317,067										
2	General Service < 50 kW	2,229	61,352,783										
3	General Service >= 50 kW	122	116,858,492	284,699									
4	Unmetered Scattered Load Connections	65	175,370										
5	Sentinel Lighting Connections	29	27,553	77									
6	Street Lighting Connections	2,853	1,059,533	2,994									
7													
8													
9													
10													
11													
12													
13													
14													
15													
16													
17													
18													
19													
20													
Total			297,790,798	287,770		-	-		-	-			

Notes:

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



Ontario Energy Board

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: *Initial Application*

A) Allocated Costs

Name of Customer Class ⁽³⁾		Costs Allocated from	%	Allocated Class	%
From Sheet 10. Load Forecast		Previous Study ⁽¹⁾		Revenue Requirement ⁽¹⁾	
				(7A)	
1 Residential	\$	5,219,412	63.90%	\$ 7,187,600	64.32%
2 General Service < 50 kW	\$	1,872,519	22.93%	\$ 2,251,923	20.15%
3 General Service >= 50 kW	\$	964,802	11.81%	\$ 1,620,103	14.50%
4 Unmetered Scattered Load Connections	\$	9,487	0.12%	\$ 16,047	0.14%
5 Sentinel Lighting Connections	\$	4,949	0.06%	\$ 4,919	0.04%
6 Street Lighting Connections	\$	96,791	1.19%	\$ 94,068	0.84%
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
Total		\$ 8,167,960	100.00%	\$ 11,174,661	100.00%
Service Revenue Requirement (from Sheet 9)				\$ 11,174,660.45	

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

B) Calculated Class Revenues

Name of Customer Class		Load Forecast (LF) X current approved rates	LF X current approved rates X (1+d)	LF X Proposed Rates	Miscellaneous Revenues
		(7B)	(7C)	(7D)	(7E)
1	Residential	\$ 5,893,968	\$ 6,402,780	\$ 6,402,780	\$ 741,525
2	General Service < 50 kW	\$ 2,014,854	\$ 2,188,791	\$ 2,188,791	\$ 217,669
3	General Service >= 50 kW	\$ 1,194,023	\$ 1,297,101	\$ 1,328,742	\$ 159,625
4	Unmetered Scattered Load Connections	\$ 14,481	\$ 15,731	\$ 15,731	\$ 1,971
5	Sentinel Lighting Connections	\$ 3,995	\$ 4,340	\$ 4,340	\$ 605
6	Street Lighting Connections	\$ 115,103	\$ 125,039	\$ 93,397	\$ 19,485
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
Total		\$ 9,236,425	\$ 10,033,781	\$ 10,033,781	\$ 1,140,879

- (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	Status Quo Ratios	Proposed Ratios	Policy Range
		Most Recent Year:	(7C + 7E) / (7A)	(7D + 7E) / (7A)	
		2019			
		%	%	%	%
1	Residential	96.95%	99.40%	99.40%	85 - 115
2	General Service < 50 kW	97.00%	106.86%	106.86%	80 - 120
3	General Service >= 50 kW	120.00%	89.92%	91.87%	80 - 120
4	Unmetered Scattered Load Connections	120.00%	110.31%	110.31%	80 - 120
5	Sentinel Lighting Connections	120.00%	100.51%	100.52%	80 - 120
6	Street Lighting Connections	120.00%	153.64%	120.00%	80 - 120
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	99.40%	99.40%	99.40%	85 - 115
2	General Service < 50 kW	106.86%	106.86%	106.86%	80 - 120
3	General Service >= 50 kW	91.87%	91.87%	91.87%	80 - 120
4	Unmetered Scattered Load Connections	110.31%	110.31%	110.31%	80 - 120
5	Sentinel Lighting Connections	100.52%	100.52%	100.52%	80 - 120
6	Street Lighting Connections	120.00%	120.00%	120.00%	80 - 120
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'.



Ontario Energy Board

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	12,400
kWh	118,317,067

Proposed Residential Class Specific Revenue Requirement ¹	\$ 6,402,779.51
--	-----------------

Residential Base Rates on Current Tariff	
Monthly Fixed Charge (\$)	\$ 39.61
Distribution Volumetric Rate (\$/kWh)	\$ -

B Current Fixed/Variable Split

	Base Rates	Billing Determinants	Revenue	% of Total Revenue
Fixed	39.61	12,400	\$ 5,893,968.00	100.00%
Variable	0	118,317,067	\$ -	0.00%
TOTAL	-	-	\$ 5,893,968.00	-

C Calculating Test Year Base Rates

Number of Remaining Rate Design Policy Transition Years ²	0
--	---

	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	\$ 6,402,779.51	43.03	\$ 6,402,864.00
Variable	\$ -	0	\$ -
TOTAL	\$ 6,402,779.51	-	\$ 6,402,864.00

	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:

- ¹ 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).
- ² 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.
- ³ 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)

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/P.L.s., etc.

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: $\text{MSC} \times (\text{average number of customers or connections}) \times 12 \text{ months}) / (\text{Class Allocated Revenue Requirement})$.

³ The Volumetric rate is calculated as $(\text{allocated volumetric revenue requirement for the class} + \text{transformer allowance credit for the class}) / (\text{annual estimate of the charge determinant for the test year (either kW or kVA for demand-billed customer classes, or kWh for non-demand-billed classes)})$

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.)

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

Summary of Proposed Changes

[illegible]

Appendix B

**OEB Appendix 2-H Other Operating
Revenue**

1

2

[illegible]

<u>Description</u>	<u>Account(s)</u>
Specific Service Charges:	4235
Late Payment Charges:	4225
Other Distribution Revenues:	4082, 4084, 4086, 4090, 4205, 4210, 4215, 4220, 4230, 4240, 4245
Other Income and Expenses:	4305, 4310, 4315, 4320, 4325, 4330, 4335, 4340, 4345, 4350, 4355, 4357, 4360, 4362, 4365, 4370, 4375, 4380, 4385, 4390, 4395, 4398, 4405, 4410, 4415, 4420

Note: Add all applicable accounts listed above to the table and include all relevant information.

Account Breakdown Details

For each "Other Operating Revenue" and "Other Income or Deductions" Account, a detailed breakdown of the account components is required. See the example below for Account 4405, Interest and Dividend Income. Tables for the detailed breakdowns will be generated after cell B101 is filled in.

Example: Account 4405 - Interest and Dividend Income

	2019 Actual ¹	2020 Actual ¹	2021 Actual ¹	2022 Actual ¹	2023 Actual	Bridge Year	Test Year
	2019	2020	2021	2022	2023	2024	2025
Reporting Basis	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS
Short-term Investment Interest							
Bank Deposit Interest							
Miscellaneous Interest Revenue							
etc. ¹							
Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Notes:

- 1 List and specify any other interest revenue.
- 2 For applicants rebasing under IFRS for the first time, in the transition year (2014) to IFRS, the applicant is to present information in both MIFRS and CGAAP.

6 Enter the number of "Other Operating Revenue" and "Other Income or Deductions" Accounts that require a detailed breakdown of the account components.

4235 - Miscellaneous Service Revenues							
	2019 Actual ¹	2020 Actual ¹	2021 Actual ¹	2022 Actual ¹	2023 Actual	Bridge Year	Test Year
	2019	2020	2021	2022	2023	2024	2025
Reporting Basis	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS
Change of Occupancy Charges	-\$ 52,620	-\$ 50,340	-\$ 57,210	-\$ 51,961	-\$ 50,970	-\$ 50,970	-\$ 50,970
Reconnection Charges	-\$ 7,305	-\$ 3,825	-\$ 4,140	-\$ 4,420	\$ 5,720	-\$ 4,002	-\$ 4,002
NSF Returned Cheque Charges	-\$ 6,674	-\$ 4,374	-\$ 3,945	-\$ 4,695	\$ 5,205	-\$ 4,695	-\$ 4,695
MicroFIT Service Charges	-\$ 5,600	-\$ 6,954	-\$ 7,020	-\$ 6,931	-\$ 6,771	-\$ 6,771	-\$ 6,771
Miscellaneous Charges (Historical Usage/Arrears/Credit Reference)	-\$ 105	\$ -	-\$ 210	-\$ 15	-\$ 118	\$ -	\$ -
Total	-\$ 72,304	-\$ 65,493	-\$ 72,525	-\$ 68,021	-\$ 57,344	-\$ 66,438	-\$ 66,438

4210 - Rent from Electric Property							
	2019 Actual ¹	2020 Actual ¹	2021 Actual ¹	2022 Actual ¹	2023 Actual	Bridge Year	Test Year
	2019	2020	2021	2022	2023	2024	2025
Reporting Basis	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS
Pole Rental	-\$ 287,502	-\$ 344,667	-\$ 347,834	-\$ 354,981	-\$ 377,711	-\$ 377,448	-\$ 338,921
Building Rental	-\$ 6,000	-\$ 6,173	-\$ 30,000	-\$ 30,480	-\$ 30,970	-\$ 31,469	-\$ 31,469
Building Rental - Intercompany	-\$ 48,000	-\$ 48,000	-\$ 48,000	-\$ 48,000	-\$ 48,000	-\$ 48,000	-\$ 48,000
Sentinel Rental	-\$ 132	-\$ 117	-\$ 45	\$ -	\$ -	\$ -	\$ -
Total	-\$ 341,634	-\$ 398,956	-\$ 425,879	-\$ 433,461	-\$ 456,681	-\$ 456,917	-\$ 418,390

4375 - Revenues from Non Rate-Regulated Utility Operations							
	2019 Actual ¹	2020 Actual ¹	2021 Actual ¹	2022 Actual ¹	2023 Actual	Bridge Year	Test Year
	2019	2020	2021	2022	2023	2024	2025
Reporting Basis	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS
Intercompany Wages (On-Call & Trouble Call Assistance)	-\$ 56,731	-\$ 224,527	-\$ 207,767	-\$ 15,450	-\$ 10,712	\$ -	\$ -
Mutual Assistance with other LDC's	-\$ 5,798	-\$ 5,559	-\$ 35,545	-\$ 73,125	-\$ 95,223	\$ -	\$ -
Billable Union Work (Power Workers Union)	-\$ 5,616	\$ -	-\$ 4,160	-\$ 2,080	-\$ 4,160	\$ -	\$ -
IESO Grid Innovation - AP Study	-\$ 29,520	-\$ 70,460	\$ -	\$ -	\$ -	\$ -	\$ -
Billable Customer Work	-\$ 9,625	-\$ 910	-\$ 1,208	-\$ 6,190	-\$ 265,562	\$ -	\$ -
Net Metering/Load Displacement Connection Charges	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	-\$ 107,291	-\$ 301,457	-\$ 248,679	-\$ 96,845	-\$ 375,658	\$ -	\$ -

4380 - Expenses of Non Rate-Regulated Utility Operations							
	2019 Actual ¹	2020 Actual ¹	2021 Actual ¹	2022 Actual ¹	2023 Actual	Bridge Year	Test Year
	2019	2020	2021	2022	2023	2024	2025
Reporting Basis	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS
Intercompany Wages (On-Call & Trouble Call Assistance)	\$ 53,960	\$ 218,892	\$ 204,018	\$ 10,187	\$ 10,066	\$ -	\$ -
Mutual Assistance with other LDC's	\$ 5,155	\$ 4,267	\$ 33,411	\$ 59,985	\$ 73,888	\$ -	\$ -
Billable Union Work (Power Workers Union)	\$ 5,539	\$ -	\$ 4,457	\$ 2,431	\$ 5,339	\$ -	\$ -
IESO Grid Innovation - AP Study	\$ 30,326	\$ 69,430	\$ -	\$ -	\$ -	\$ -	\$ -
Billable Customer Work	\$ 9,626	\$ 1,909	\$ 1,271	\$ 1,630	\$ 310,191	\$ -	\$ -
Amortization on Approved REG Rate Protection Amount			\$ 147,324	\$ 15,144		\$ -	\$ -
CDM Program Final Expense					\$ 2,172	\$ -	\$ -
Total	\$ 104,606	\$ 294,498	\$ 390,481	\$ 89,377	\$ 401,656	\$ -	\$ -

4390 - Miscellaneous Non-Operating Income							
	2019 Actual ¹	2020 Actual ¹	2021 Actual ¹	2022 Actual ¹	2023 Actual	Bridge Year	Test Year
	2019	2020	2021	2022	2023	2024	2025
Reporting Basis	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS
Charge for Interval Data Access	-\$ 16,800	-\$ 16,800	-\$ 16,803	-\$ 16,845	-\$ 16,800	-\$ 16,800	-\$ 16,800

FIT Admin Service Charges	-\$ 9,000	-\$ 9,000	-\$ 9,000	-\$ 9,000	-\$ 9,000	-\$ 9,000	-\$ 9,000
Admin Charge for Service Layouts, New Connections, etc	-\$ 67,364	-\$ 91,275	-\$ 88,887	-\$ 68,068	-\$ 63,568	-\$ 65,000	-\$ 65,000
Sale of Scrap Metal	-\$ 14,420	-\$ 5,444	-\$ 21,577	-\$ 20,986	-\$ 11,619	-\$ 12,238	-\$ 12,238
Total	-\$ 107,585	-\$ 122,519	-\$ 136,267	-\$ 114,898	-\$ 100,987	-\$ 103,038	-\$ 103,038

4405 - Interest and Dividend Income

	2019 Actual ²	2020 Actual ²	2021 Actual ²	2022 Actual ²	2023 Actual	Bridge Year	Test Year
	2019	2020	2021	2022	2023	2024	2025
Reporting Basis	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS
Bank Deposit Interest	-\$ 79,886	-\$ 24,339	-\$ 21,147	-\$ 56,357	-\$ 159,014	-\$ 100,000	-\$ 15,000
OEB Carrying Charges	-\$ 46,075	-\$ 14,971	-\$ 4,431	-\$ 19,698	-\$ 77,770	\$ -	\$ -
Total	-\$ 125,961	-\$ 39,309	-\$ 25,578	-\$ 76,055	-\$ 236,784	-\$ 100,000	-\$ 15,000