



**London
Hydro**

EXHIBIT 7 – COST ALLOCATION

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7.1 COST ALLOCATION STUDY REQUIREMENTS

7.1.1 Overview

London Hydro is filing a cost allocation study based on the model provided by the Board for distributors filing 2027 cost of service applications released on January 15, 2026. The cost allocation model (Appendix 7-1) has been used to determine the proportion of London Hydro's revenue requirement attributable to each rate class. The revenue-to-cost ratio for each rate class is calculated by comparing distribution revenues to distribution costs for each rate class for the 2027 Test Year. London Hydro has used the allocators prescribed in worksheet E4 "TB Allocation Details" of the model in all instances. The cost allocation model is included in live Excel format as part of London Hydro's pre-filed evidence.

London Hydro proposes to retain the existing rate class definitions. With the exception of Co-Generation and Backup/Standby, each load customer and distributed generation customer is assigned to a single class. Distributed generation entities are not treated as a class because there is no allocation of costs to these entities.

The OEB's Exhibit 7 - Cost Allocation requirements are contained in Section 2.7 of the Chapter 2 Filing Requirements. The OEB outlined its cost allocation policies in the OEB's reports of November 28, 2007 Report of the Board: Application of Cost Allocation for Electricity Distributors (EB-2007-0667), March 31, 2011 Report of the Board: Review of Electricity Distribution Cost Allocation Policy (EB-2010-0219), December 19, 2013 Report of the Board: Review of the Board's Cost Allocation Policy for Unmetered Loads (EB-2012-0383) and the OEB's June 12, 2015 letter regarding the Issuance of New Cost Allocation Policy for Street Lighting Rate Class. London Hydro's 2027 cost allocation study is compliant with these policy directions of the OEB.

7.1.2 Cost Allocation Model Modifications

The OEB's cost allocation model was designed for CGAAP. London Hydro uses MIFRS.

The following changes to the OEB's cost allocation model were needed to get the model to balance (i.e. get numeric values to flow through other parts of the model):

I3 "TB Data"

Account 1611 was relabelled as 1925

Account 1612 was relabelled as 1906

I3 "TB Data" & I4 "BO ASSETS"

Account 1609 values were entered into Account 1806

Account 1610 values were entered into Account 1820

7.1.3 Functionalization of USoA Accounts

The values of the various allocators shown in worksheet E2 "Allocators" are continued unchanged from London Hydro's 2022 Cost of Service submission. Most allocators are 100%. The model requires that four accounts be split according to voltage level (above and below 750V) in worksheet I4 "Break-Out Assets". The purpose of these splits is to accurately allocate primary system costs to all distribution customers while allocating secondary system costs only to those customer classes that receive their power at the lower voltages. Table 7-1 below shows the proportions of each of the four accounts in the respective sub-accounts.

Table 7-1: Split According to Voltage Level (above and below 750V)

Split According to Voltage Level (Above and Below 750V)		
Account	Description	BO %
1830	Poles, Towers and Fixtures - Subtransmission	
1830-4	Poles, Towers and Fixtures - Primary	60%
1830-5	Poles, Towers and Fixtures - Secondary	40%
1835	Overhead Conductors and Devices - Subtransmission	
1835-4	Overhead Conductors and Devices - Primary	74%
1835-5	Overhead Conductors and Devices - Secondary	26%
1840	Underground Conduit	
1840-4	Underground Conduit - Primary	88%
1840-5	Underground Conduit - Secondary	12%
1845	Underground Conductors and Devices	
1845-4	Underground Conductors and Devices - Primary	92%
1845-5	Underground Conductors and Devices - Secondary	8%

The proportion of Pole Rental attributed to primary and secondary voltage matches USoA account 1830. The model attributes the revenue offset to the customer classes in the corresponding proportions.

7.1.4 Weighting Factors

The weighting factors for Services, and Billing and Collecting are shown in worksheet I5.2 "Weighting Factors" in the Cost Allocation Model.

Services: London Hydro has updated the weighting factors used to allocate service connection costs to reflect London Hydro's practice of customers paying for these costs directly in the rate

classes other than the residential rate class. London Hydro proposes to use the weighting factors as shown in Table 7-2 below for the 2027 Test Year.

Billing & Collections: There has not been any significant change in billing and collecting activity since London Hydro's last Cost of Service filing. Hydro proposes to continue to use the weighting factors as shown in Table 7-2 below for the 2027 Test Year.

Table 7-2: 2027 Cost Allocation Inputs: Services and Billing & Collecting - Weighting Factors

Weighting Factors		
Rate Classes	Weighting Factor for Services Account 1855	Weighting Factor for Billing & Collecting
Residential	1.0	1.0
GS < 50	0.0	1.3
GS > 50 to 4,999	0.0	1.3
Cogen	0.0	23.0
Standby	0.0	23.0
Large Use > 5 MW	0.0	60.5
Street Light	0.0	0.0
Sentinel	0.0	0.6
Unmetered Scattered Load	0.0	1.3

Meter Capital: The numbers of each type of meter forecast for mid-2027 are shown in worksheet I7.1 "Meter Capital" in the Cost Allocation Model. As described in Sections 5.3.3e.3 and 5.4.1.2 of the DSP London Hydro's investment in meters has remained relatively stable (relatively low meter plant additions recently). The weighting factors in Table 7-3 are derived from the 2027 meter numbers and installed costs.

Table 7-3: Cost Allocation Inputs - Meter Capital Cost Weighting Factors

Meter Capital Cost Relative to Residential Average		
Rate Classes	2022	2027
Residential	1.00	1
GS < 50	1.14	1.06
GS > 50 to 4,999	13.08	6.08
Cogen	68.99	21.23
Standby		
Large Use > 5 MW	72.70	25.94
Street Light		
Sentinel		
Unmetered Scattered Load		

Meter Reading: Meter reading has been replaced by the uploading of data from meters into London Hydro's billing system. The cost of meter reading relative to the monthly per-customer cost of uploading load data is shown in the model worksheet I7.2 "Meter Reading", and the derived weighting factors are shown in Table 7-4.

Table 7-4: Cost Allocation Inputs - Meter Reading Weights

Meter Reading Cost Relative to Residential Average Cost		
Classes	2022	2027
Residential	1.0	1.0
GS < 50	1.0	1.0
GS > 50 to 4,999	8.7	9.0
Cogen	9.0	9.0
Standby		
Large Use > 5 MW	9.0	9.0
Street Light		
Sentinel		
Unmetered Scattered Load		

7.1.5 Customer and Revenue Data

The amount of cost that is categorized as customer-related, and hence allocated to classes based on customer data, is shown in the cost allocation model at worksheet E1 “Categorization”. The proportion of various rate base accounts that is categorized as customer-related is determined by customer density. London Hydro’s forecast total length of distribution line is 3,137 km, shown in worksheet I5.1 “Miscellaneous Data”. With the forecast increase in customer numbers, the customer density will remain above 60 customers per km, leaving the proportion of asset accounts as between customer-related and demand-related costs unchanged from London Hydro’s previous cost allocation studies.

The forecast of 2027 electricity consumption and billing quantities for each class is described in Exhibit 3. This information is input to the cost allocation model at worksheet I6.1 “Revenue”, along with the currently approved rates. The number of customers and connections in each class is required to calculate the allocators for customer-related costs. The forecast number of customers is described in Exhibit 3 and is entered in worksheet I6.2 “Customer Data” of the model. The forecast number of customer connections and devices is required in worksheet I6.2 “Customer Data” for classes where these do not correspond one-to-one with the number of customers.

Revenue from each class at the current approved rates is calculated at the bottom of worksheet I6.1 “Revenue”. Later in the model, the revenue from each class is multiplied by a constant factor to calculate “Distribution Revenue at Status Quo Rates”.

7.1.6 Customer Load Profiles

Demand-related costs are the predominant factor in the allocation of costs to customer classes. The input data for the demand-related allocators is found in worksheet I8 “Demand Data”. London Hydro’s load profiles have been updated for all rate classes.

Power Advisory derived London Hydro’s load profiles using weather-normalized January 2019 to December 2025 (excluding 2020) hourly load data. Adjustments were made to align the annual

January to December load profiles with the proposed 2027 Load Forecast (i.e. consumption forecast).

The weather-normalization process involves three steps:

- a) Derive weather profile of a typical year;
- b) Determine the impact of heating degree days (“HDD”) and cooling degree days (“CDD”) on hourly load and adjust actual load to typical load with the degree day impacts; and
- c) Scale annual weather-normalized demand to the 2027 load forecast, with adjustments for additional EV and heating loads.

Power Advisory’s report can be found at Appendix 7-2. The results have been summarized below in Table 7-5.

Table 7-5: Demand Allocators

Demand Allocators By Rate Class										
Demand Allocator	Total	Residential	GS < 50	GS > 50 to 4,999	Cogen	Stand-by	Large Use > 5 MW	Street Light	Sentinel	Unmetered Scattered Load
1CP	671,161	297,548	83,992	247,650	3,197	9,316	28,793	42	1	622
4CP	2,510,279	1,085,328	315,213	949,494	11,736	34,201	111,465	343	10	2,489
12CP	6,500,403	2,762,799	820,005	2,526,526	21,655	63,107	278,069	20,311	478	7,453
1NCP	727,285	321,587	89,056	261,353	4,768	13,894	31,637	4,209	157	624
4NCP	2,750,017	1,188,634	336,916	1,016,426	16,816	49,005	122,313	16,822	592	2,493
12NCP	7,136,303	2,983,799	900,251	2,743,562	35,991	104,884	308,757	50,166	1,439	7,454

7.2 SPECIFIC CUSTOMER CLASSES

7.2.1 Embedded Distributor Class

London Hydro confirms that it is not a host utility or embedded distributor and no partially embedded distributor status exists.

7.2.2 Unmetered Loads (Including Street Lighting)

London Hydro acknowledges that the OEB expects distributors to document its communications with unmetered load customers, including street lighting customers, and how the distributor assisted them in understanding the regulatory context in which distributors operate and how it affects unmetered load customers.

London Hydro confirms communication with unmetered load customers, street lighting and sentinel lighting customers with respect to notification of the filing of this application.

7.2.3 MicroFIT

London Hydro is not proposing to include MicroFIT as a separate class.

7.2.4 Stand-by Rates

London Hydro has Board approved final stand-by rates. London Hydro is not proposing new stand-by rates or changes to the structure of its existing stand-by rates.

7.2.5 Elimination of Customer Class

London Hydro is not proposing to eliminate any customer classes.

7.2.6 New Customer Class

London Hydro is not proposing to include any new customer classes or make any changes to its existing customer classes.

7.3 CLASS REVENUE REQUIREMENTS

7.3.1 Revenue at Existing Rates

The allocated cost by rate class for the 2022 OEB Approved and the 2027 Test Year are provided in Table 7-6 below. This table is consistent with Table A of Sheet 11, the Cost Allocation tab in the Revenue Requirement Workform (RRWF).

In the table, the 2027 class revenue requirements are shown, along with those approved in London Hydro's previous 2022 cost of service rate application EB-2021-0041. The table also shows each class revenue requirement as a proportion of the whole revenue requirement. The changes in these proportions parallel the changing shares of electricity consumption amongst London Hydro's customers, as described in Exhibit 3.

Table 7-6: 2022 Approved and 2027 Test Year Allocated Costs

2022 Approved and 2027 Test Year Allocated Costs				
Rate Class	2022 OEB Approved Cost		2027 Proposed Cost Allocation	
	Allocation Study	%	Study	%
Residential	\$ 51,027,434	61.08%	\$ 77,238,368	64.51%
GS < 50	\$ 9,563,135	11.45%	\$ 12,237,373	10.22%
GS > 50 to 4,999	\$ 19,326,423	23.13%	\$ 25,449,306	21.26%
Cogen	\$ 113,165	0.14%	\$ 289,380	0.24%
Standby	\$ 671,665	0.80%	\$ 793,346	0.66%
Large Use > 5 MW	\$ 842,223	1.01%	\$ 1,985,717	1.66%
Street Light	\$ 1,674,171	2.00%	\$ 1,324,957	1.11%
Sentinel	\$ 67,800	0.08%	\$ 79,930	0.07%
Unmetered Scattered Load	\$ 252,477	0.30%	\$ 329,757	0.28%
Total	\$ 83,538,493	100.00%	\$ 119,728,134	100.00%

Table 7-7 below provides information on calculated revenue by rate class. The resulting Proposed Base Revenue will be the amount used in Exhibit 8 to design the proposed distribution charges in this Application. This table is consistent with Table B of Sheet 11, the Cost of Allocation tab in the Revenue Requirement Workform (RRWF).

Table 7-7: Calculated Rate Class Revenue

Calculated Rate Class Revenue				
Rate Class	Load Forecast at Existing Rates	Load Forecast at Status Quo Rates	2027 Proposed Base Revenue	Miscellaneous Revenue
Residential	\$ 59,429,018	\$ 70,458,865	\$ 70,458,865	\$ 6,736,484
GS < 50	\$ 12,539,551	\$ 14,866,855	\$ 13,534,359	\$ 1,150,488
GS > 50 to 4,999	\$ 16,278,535	\$ 19,299,783	\$ 21,101,697	\$ 1,736,357
Cogen	\$ 219,930	\$ 260,749	\$ 260,749	\$ 35,586
Standby	\$ 683,013	\$ 809,778	\$ 809,778	\$ 35,087
Large Use > 5 MW	\$ 1,520,876	\$ 1,803,146	\$ 1,803,146	\$ 102,389
Street Light	\$ 1,606,319	\$ 1,904,447	\$ 1,414,951	\$ 174,997
Sentinel	\$ 61,162	\$ 72,513	\$ 72,513	\$ 4,766
Unmetered Scattered Load	\$ 216,045	\$ 256,143	\$ 276,221	\$ 19,701
Total	\$ 92,554,449	\$ 109,732,279	\$ 109,732,279	\$ 9,995,855

7.4 REVENUE-TO-COST RATIOS

The results of a cost allocation study are typically presented in the form of revenue-to-cost ratios. The ratio is shown by rate class and is the percentage of distribution revenue collected by rate class divided by the costs allocated to the class. The percentage identifies which rate classes are being subsidized and those that are over-contributing. A percentage of less than 100% means the rate class is under-contributing and is being subsidized by other rate classes. A percentage of greater than 100% indicates that the rate class is over-contributing and is subsidizing other rate classes.

The range of acceptable revenue-to-cost ratios was published by the OEB in its March 31, 2011 Report of the Board: Review of Electricity Distribution Cost Allocation Policy (EB-2010-0219). The OEB's June 12, 2015 letter regarding the Issuance of New Cost Allocation Policy for Street Lighting Rate Class narrowed the revenue-to-cost ratio for the street lighting rate class from 70% - 120% to 80% - 120%. The revenue-to-cost ranges proposed by London Hydro are within these ranges.

Table 7-8 below shows the Previously Approved revenue-to-cost ratios, the Status Quo revenue-to-cost ratios and the Proposed revenue-to-cost ratios. This table is consistent with Table C of Sheet 11, the Cost Allocation tab in the Revenue Requirement Workform (RRWF). The revenue-to-cost ratios reflected in the "Previously Approved" column represent the amounts approved in London Hydro's 2022 Cost of Service Application (EB-2021-0041). The revenue-to-cost ratios reflected in the "Status Quo" column represent the ratios calculated by the Cost Allocation Model based on the current rate structure and assigned costs. The revenue-to-cost ratios in the "Proposed" column reflect the revenue-to-cost ratios London Hydro is proposing. Changes have been made to the Status Quo revenue-to-cost ratios, primarily to ensure all rate classes are within the OEB approved revenue-to-cost ranges.

Table 7-8: Revenue-to-Cost Ratios

Revenue-to-Cost Ratios				
Rate Class	2022 OEB Approved Cost Allocation Study	2027 Cost Allocation Study	2027 Proposed Ratios	Policy Range
Residential	105.35%	99.94%	99.94%	85 - 115
GS < 50	117.75%	130.89%	120.00%	80 - 120
GS > 50 to 4,999	80.00%	82.66%	89.74%	80 - 120
Cogen	120.00%	102.40%	102.40%	80 - 120
Standby	80.00%	106.49%	106.49%	80 - 120
Large Use > 5 MW	91.30%	95.96%	95.96%	85 - 115
Street Light	81.42%	156.94%	120.00%	80 - 120
Sentinel	80.00%	96.68%	96.68%	80 - 120
Unmetered Scattered Load	80.00%	83.65%	89.74%	80 - 120

As the revenue-to-cost ratios derived using the 2027 Cost Allocation Study for the GS < 50 and Street Light rate classes are above the OEB's policy range, London Hydro is proposing to decrease the revenue-to-cost ratios of these rate classes and increase the revenue-to-cost ratios for the rate class with the lowest revenue-to-cost ratios; the GS > 50 and the Unmetered Scattered Load rate classes in the 2027 Test Year. By doing so London Hydro moves the revenue-to-cost ratio of all four rate classes closer to unity (as per the OEB's policy) and maintains revenue neutrality. London Hydro is not proposing to adjust revenue-to-cost ratios after the 2027 Test Year.

7.5 OTHER COST ALLOCATION INFORMATION

Board worksheet I6.1, I6.2, I8, O1, and O2 are provided in the appendix below.

Per the Filing Requirements the Cost Allocation Model, Load Profile Derivation Model and Revenue Requirement Work Form (RRWF) has been filed in live Excel format.

- Appendix 7-1: Cost Allocation Model (Live Excel)
- Appendix 7-2: Power Advisory Report: London Hydro 2027 Load Profiles
- Appendix 7-3: Power Advisory: London Hydro 2027 Derivation of Load Profiles (Live Excel)
- Appendix 7-4: Revenue Requirement Work Form (Live Excel)

APPENDIX 7-1: COST ALLOCATION MODEL (LIVE EXCEL)

APPENDIX 7-2:

POWER ADVISORY REPORT: LONDON HYDRO 2027 LOAD PROFILES



London Hydro 2027 Load Profiles

July 3, 2026



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1. INTRODUCTION

Power Advisory was retained to derive 2027 weather-normalized load profiles for each rate class. The load profiles are used to determine forecast coincident and non-coincident peak demands for the purpose of calculating demand allocators in the cost allocation model.

London Hydro's load profiles have been updated for all rate classes. Load profiles were derived using a multivariate regression methodology, as described in section "2.7.1.1 Load Profiles and Demand Allocators" of the OEB's Chapter 2 Filing Requirements for 2027 Rate Applications. Load profiles were derived using January 2019 to December 2025 (excluding 2020) hourly load data provided by London Hydro. Adjustments were then made to align the annual January to December load profiles with the proposed 2027 Load Forecast (i.e. consumption forecast).

The weather-normalization process involves three steps:

- a) Derive weather profile of a typical year;
- b) Determine the impact of heating degree days ("HDD") and cooling degree days ("CDD") on hourly load and adjust actual load to typical load with the degree day impacts; and
- c) Scale annual weather-normalized demand to the 2027 load forecast, with adjustments for additional EV and heating loads.

Section 2 of this appendix describes the methodology used to calculate weather-normalized load profiles. Section 3 provides the summary results that are used in London Hydro's cost allocation model.

2. METHODOLOGY

2.1 Defining a Weather-Normal Year

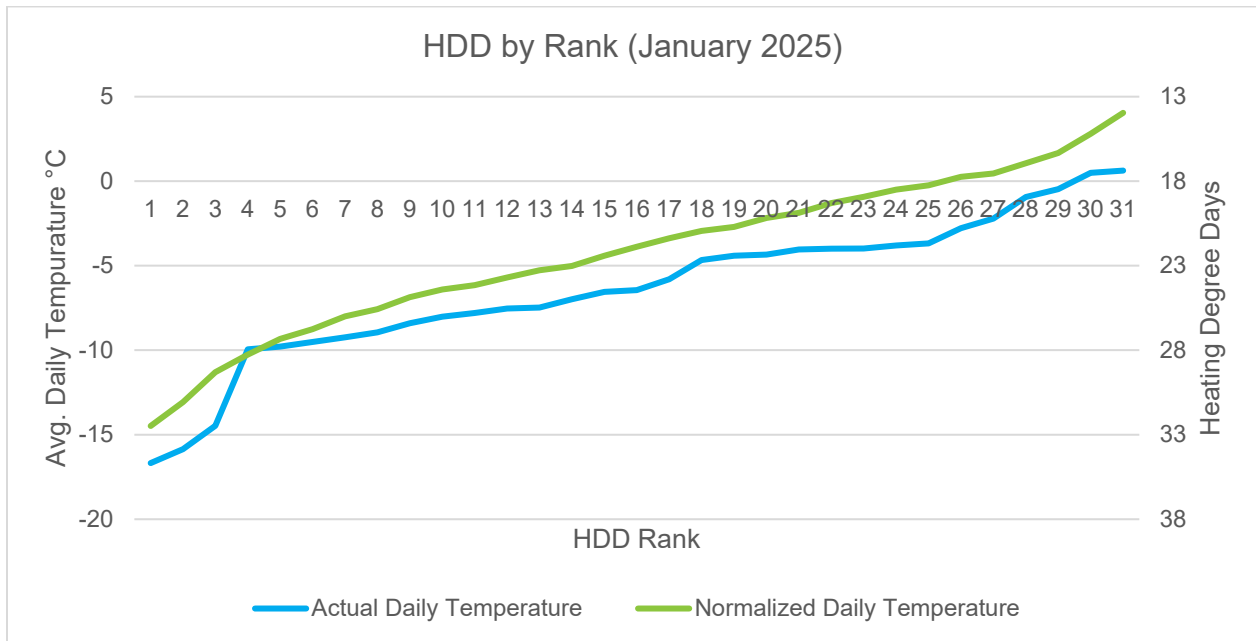
The weather profile of a typical year in London Hydro's service territory is calculated using average daily temperatures from January 2016 to December 2025. Average daily temperatures are defined as the average highest to lowest daily temperatures within a month (i.e. average of the coldest January day in each January from 2016 to 2025), rather than average temperatures on a specific calendar date (i.e. the average temperature on each January 1st). This process maintains the shape of the load profiles by determining typical monthly peaks and lows without smoothing those peaks.

Average daily temperatures are derived by first ranking each day in each month from January 2016 to December 2025 from highest to lowest by HDD as measured at Environment Canada's London A Weather Station.¹ HDD and CDD are typically defined as the differences between daily temperatures and 18°C. Base values other than 18°C were calculated and tested for each weather-sensitive rate class. The average HDDs among equivalently ranked days within a given month are used as the average HDD for that ranked day in that month. For example, the days in January 2016 are ranked from 1 to 31 by HDD and this is repeated for each year from 2017 to 2025. The average HDD of the January days ranked 1 is calculated to provide the typical highest HDD day in January. All days in January ranked 1 are assigned this calculated average HDD. This process is repeated for the January days ranked 2 to 31. An example of average daily temperatures

¹ "London A" operated by NAVCAN, Latitude:43°01'59" N, Longitude:81°09'04" W, Elevation: 278.0 m

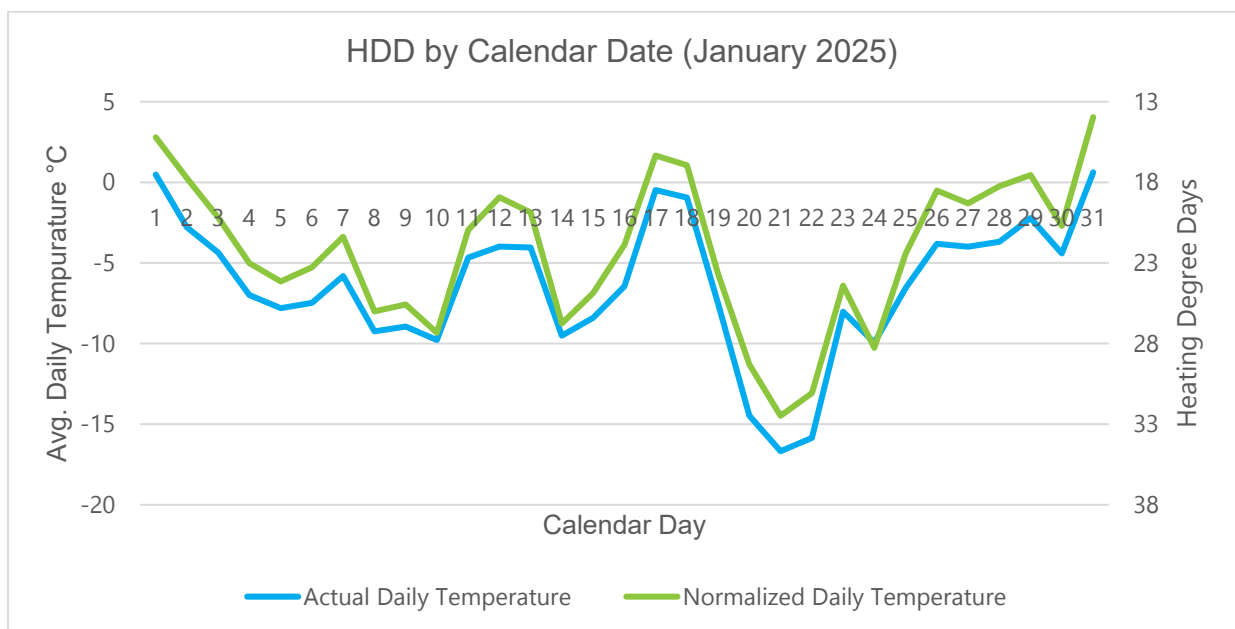
from January 2016 to January 2025 and actual temperatures in January 2025 ranked from 1 to 31 is provided in Figure 1 below.

Figure 1: 10-Year Avg. Daily HDD and Actual January 2025 HDD by Rank



Average daily temperatures reflect the January normal-weather profile in London. Figure 2 below displays the same information by calendar date using the average and actual temperatures associated with each ranked day.

Figure 2: 10-Year Avg. Daily HDD and Actual January 2025 HDD by Calendar Date



Typical daily HDDs are determined by the same ranking and averaging methodology described above, using average daily CDD data from January 2016 to December 2025.

2.2 Determine the Impact of Heating and Cooling Degree Days

The impact of HDDs and CDDs on hourly load is calculated with a regression of four years of actual hourly loads (January 2019 to December 2019 and January 2021 to December 2025) on daily HDDs and CDDs. The regression results provide the estimated impact of a change in degree days on load.

Temperatures impact load differently depending on the time of the day. Consequently, HDD and CDD variables are converted to interaction variables between degree days, the hour of the day, and whether the day is a weekday or a weekend/holiday. There are 24 variables for each weekday HDD, weekday CDD, weekend/holiday HDD, and weekend/holiday CDD equal to the actual degree days in the corresponding hour and 0 in all other hours. A set of 24 binary variables, equal to 1 in the corresponding hour and 0 in all other hours, a time trend, a binary weekend flag, and a binary holiday flag variables are also included. The resulting coefficients reflect the impact of one HDD or CDD that considers different impacts depending on the hour of the day and type of day.

Actual January 2025 to December 2025 hourly load is adjusted by calculating the difference between actual hourly temperatures and the corresponding ranked typical hourly temperature and applying the regression coefficient to the difference.

2.3 Scaling and Additional Load Adjustments

After January 2019 to December 2025 (excluding 2020) weather-normalized demand is derived for each hour, the load in each hour is adjusted by the same scaling factor such that the sum of hourly loads in each year is equal to the proposed 2027 Load Forecast (i.e. consumption forecast) excluding incremental EV and heating loads. Incremental EV and heating loads were then added based on an average hourly use profile for EVs and a weather-normal HDD profile for heating loads.

Table 1 below provides the calculations used to adjust actual January 1, 2025 weather variables to typical weather for the Residential class.

Table 1: January 1 Noon Residential Example

Date	Hour	Temp °C	HDD (18)	HDD Rank	Average HDD at Rank	CDD (14)	CDD Rank	Average CDD at Rank
		A	$B = 18 - A$	C	D	$E = A - 14$	F	G
1-Jan	12	0.3	17.7	30	21.6	0	2	0

Date	Hour	2025 Load (kW)	HDD Diff.	HDD18 Coef.	CDD Diff.	CDD14 Coef.	2025 Normal Load (kW)
		H	$I = D - B$	J	$K = G - E$	L	$M = H + (I * J) + (K * L)$
1-Jan	12	149,980	3.9	3,190	0	9,401	162,357

Date	Hour	2025 Normal Load (kW)	Sum of 2025 Normal Loads	2027 Forecast Consumption Excluding EVs & Heating	2025 to 2027 Load Adjustment	2027 Normal Load (kW) Excluding EV & Heating
		M	N	O	$P = O / N$	$Q = M * P$
1-Jan	12	162,357	1,201,358,161	1,223,419,737	1.018	165,339

Date	Hour	2025 Normal Load (kW) Excl. EV&H	2027 EV Load (kWh)	Hourly EV Load	2027 Heating Load	HDD in Hour as % of total annual HDD	Hourly Heating Load (kWh)	Total 2027 Normal Load (kW)
		Q	R	$S = R * 0.014\%$	T	U	$V = T * U$	$W = Q + S + V$
1-Jan	12	165,339	6,240,535	874.5	17,146,544	0.019%	3,304.1	169,516

**Figures may not sum due to rounding*

The HDD at noon on January 1st, 2025 was 17.7 HDD, which was the 30th highest HDD in the month. The 30th highest January HDD in each year from 2016 to 2025 was, on average, 21.6 HDD. The difference, 3.9 HDD, is multiplied by the weekday HDD Hour 23 coefficient of 3,190 kW/CDD from the load profile regression to produce the 12,377 kW adjustment. This adjustment is applied to actual load in the noon hour of January 1, 2025 (149,980 kW) to reach the weather-normalized load (162,357 kW). The 2027 Residential load forecast, excluding additional EV and heating loads, is 1.8% higher than the sum of 2025 weather-normalized hourly loads so the initial January 1, 2027 weather-normalized demand increases to 165,339. Incremental EV load of 874.5 kW is added based on an indicative Residential EV load profile based on the hourly Residential EV charging load profile from New York state. Incremental hourly heating load is added by multiplying the total annual incremental heating load by the share of total weather-normal HDD in the noon hour of January 1, which is 0.019% or 3,304.1 kW.

General Service < 50 kW, General Service 50 to 4,999 kW, General Service 1,000 to 4,999 kW (Co-Generation), and Large Use load profiles are derived by the same methodology. The General Service 1,000 to 4,999 kW (Co-Generation) and Large Use models weather-normalize CDD, but HDD variables are not used because they were not statistically significant. The Street Light and Sentinel Light classes are not weather sensitive and as such their loads are not weather-normalized. The USL class was assumed to have a constant load in each month.

3. COINCIDENT AND NON-COINCIDENT PEAKS

After load profiles are derived for all classes, total system and class-specific peaks within each month are compiled to produce Coincident Peak ("CP") and Non-Coincident Peak ("NCP") figures. Load profiles are derived separately based on weather normalization applied to the January 2019 to December 2019, January 2021 to December 2021, January 2022 to December 2022, January 2023 to December 2023, January 2024 to December 2024, and January 2025 to December 2025 load profiles.

The average of the resulting CP and NCP figures based on both profiles is used in Tab "I8 Demand Data" of the OEB's Cost Allocation Model. General Service 1,000 to 4,999 kW (Co-Generation) are apportioned between the General Service 1,000 to 4,999 kW (Co-Generation) and Standby rate classes based on the relative billed demands of each class. This method is consistent with the approach used in EB-2021-0041. A live excel model illustrating how demand data was derived has been filed with this application.

The following Table 2 outlines the scaling factors used by rate class:

Table 2: Load Profiling Scaling Factors

	Residential	GS < 50 kW	GS 50 to 4,999 kW	GS 1,000 to 4,999 Co-Gen	Standby
1CP	297,548	83,992	247,650	3,197	9,316
4CP	1,085,328	315,213	949,494	11,736	34,201
12CP	2,762,799	820,005	2,526,526	21,655	63,107
1NCP	321,587	89,056	261,353	4,768	13,894
4NCP	1,188,634	336,916	1,016,426	16,816	49,005
12NCP	2,983,799	900,251	2,743,562	35,991	104,884
	Large Use	Street Light	Sentinel Light	USL	Total
1CP	28,793	42	1	622	671,161
4CP	111,465	343	10	2,489	2,510,279
12CP	278,069	20,311	478	7,453	6,500,403
1NCP	31,637	4,209	157	624	727,285
4NCP	122,313	16,822	592	2,493	2,750,017
12NCP	308,757	50,166	1,439	7,454	7,136,303

APPENDIX 7-3:
POWER ADVISORY: LONDON HYDRO 2027
DERIVATION OF LOAD PROFILES (LIVE EXCEL)

APPENDIX 7-4: REVENUE REQUIREMENT WORK FORM (LIVE EXCEL)
