



EXHIBIT 6

REVENUE REQUIREMENT

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Exhibit 6: Revenue Deficiency Or Sufficiency

Tab 1 (of 1): Overview

REVENUE DEFICIENCY OR SUFFICIENCY

6.1 Revenue Deficiency or Sufficiency Overview

NPEI has included the following information in this Exhibit, excluding energy costs and energy sales (i.e. cost of power and other associated costs):

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

These items are presented in Table 6.2-1 Revenue Deficiency Calculation. The information supports NPEI's request in this Application for an increase in its Revenue Requirement to support the proposed operating and capital expenditures for the 2021 Test Year, to service debt, and provide the allowed Return on Equity. The proposed Revenue Requirement will allow NPEI to continue to provide safe and reliable service to its customers, comply with all regulations and to earn its permitted return.

NPEI's revenue deficiency for the 2021 Test Year is \$ 2,395,224. This deficiency is calculated as the difference between the 2021 Test Year Service Revenue Requirement of \$37,840,675 and the Forecast 2021 Test Year Revenue, based on the 2020 approved rates, at \$35,445,452. The 2021 Test Year Revenue Deficiency reflects an increase of \$6,966,823 or 22.6% increase relative to the 2015 Board Approved Service Revenue Requirement of \$30,873,852, (see Appendix 6-5 RRWF 2015 Final). Amortization of capital contributions in the amount of \$903,332 is restated for 2015, as an increase to Revenue Offsets and an increase to Depreciation expense for comparison purposes.

1 NPEI has completed the Revenue Requirement Work Form for 2020 filers version 9.00
2 (RRWF) as provided by the Board, as a version for 2021 filers is not available. The
3 RRWF has been filed in live Excel format and is also included as a pdf version in
4 Appendix 6-1 to this Exhibit.

5

6 The current rates are based on Board approved rates effective May 1, 2020 through IRM
7 proceeding (EB-2019-0054). Existing revenues based on existing Board approved
8 rates, which are used in calculating utility income are comprised of distribution revenue
9 and excludes:

10

- 11 I. Recovery of Deferral and Variance Accounts; or
- 12 II. Other electricity charges which include Energy Commodity, Transmission
13 Charges, and Wholesale Market Service Charges.

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15 These items are considered elsewhere in this Application and are treated either as
16 recoveries/dispositions of regulatory assets/liabilities or as energy related costs recorded
17 in the OEB's prescribed Retail Settlement Variance Accounts.

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19 **6.2 Calculation of Revenue Requirement**

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21 NPEI's Revenue Requirement consists of the following:

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- 23 • Administrative and General, Billing and Collecting Expenses
- 24 • Operation and Maintenance Expenses
- 25 • Depreciation Expense
- 26 • Property Taxes
- 27 • PILS
- 28 • Deemed Interest and Return on Equity

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1 NPEI's Revenue Requirement is primarily through electricity distribution rates with
2 supplemental revenue from Board-approved specific service charges, late payment
3 charges and other operating income.

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Table 6.2-1-Revenue Deficiency Calculation

	2021 Test Year at Existing Rates	2021 Test Proposed Rates
Revenue		
Suff/ Def From Below		2,395,224
Distribution Revenue	32,474,115	32,474,115
Other Operating Revenue (Net)	2,971,337	2,971,337
Total Revenue	35,445,452	37,840,675
Distribution Costs		
Operation, Maintenance, and Administration	20,120,915	20,120,915
Depreciation & Amortization	8,442,650	8,442,650
Property Taxes	263,095	263,095
Interest- Deemed Interest	2,887,958	2,887,958
Total Costs and Expenses	31,714,619	31,714,619
Utility Income Before Income Taxes	3,730,833	6,126,057
Income Taxes		
Corporate Income Taxes	351,400	986,135
Total Income Taxes	351,400	986,135
Utility Income	3,379,433	5,139,922
Income Tax Expense Calculation		
Accounting Income	3,730,833	6,126,057
Tax Adjustments to Accounting Income	(2,404,794)	(2,404,794)
Taxable Income	1,326,039	3,721,263
Income Tax expense before credits	351,400	986,135
Tax Credits	(17,315)	(17,315)
Tax Rate	26.50%	26.50%
Income Tax Expense	334,085	968,820
Actual Return on Rate Base		
Rate Base	169,952,205	169,952,205
Interest Expense	2,887,958	2,887,958
Net Income	3,396,748	5,791,971
Actual Return on Rate Base	6,284,706	8,679,929
Actual Return on Rate Base %	3.70%	5.11%
Required Return on Rate Base		
Rate Base	169,952,205	169,952,205
Short Term Debt Rate	2.75%	2.75%
Long Term Debt Rate	2.84%	2.84%
Return on Equity	8.52%	8.52%
Deemed Interest Expense	2,887,958	2,887,958
Return on Equity	5,791,971	5,791,971
Total Return	8,679,929	8,679,929
Revenue (Deficiency)/Sufficiency	(2,395,224)	0
Expected Return on Rate Base	5.11%	5.11%

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1 **6.2.1 Proposed Revenue Requirement**

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3 Table 6.2-1 shows the proposed Revenue Requirement for NPEI for 2021. This
 4 matches Tab 9 of the RRWF.

5

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Table 6.2.1-1-Proposed Revenue Requirement

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	2015 Settlement WAC at 13%	2015 Board Approved WAC at 10.48%	2021 Test Year	\$ Change	% Change
OM&A	16,137,763	16,137,763	20,120,915	3,983,152	24.68%
Depreciation	5,937,406	5,937,406	8,442,650	2,505,244	42.19%
Property Taxes	287,232	287,232	263,095	(24,137)	-8.40%
Distribution Expenses	22,362,401	22,362,401	28,826,660	6,464,259	28.91%
Regulated Return on Capital	5,357,105	5,206,576	5,791,971	585,395	11.24%
Deemed Interest Expense	3,288,110	3,195,718	2,887,958	(307,760)	-9.63%
Grossed Up PILS	163,430	109,157	334,085	224,928	206.06%
Service Revenue Requirement	31,171,046	30,873,852	37,840,675	6,966,823	22.57%
Less Revenue Offsets	2,505,854	2,505,854	2,971,337	465,483	18.58%
Base Revenue Requirement	28,665,192	28,367,998	34,869,338	6,501,340	22.92%

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10 **6.2.2 Statement of Rate Base**

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12 Table 6.2.2-1 below details NPEI's Rate Base for the 2021 Test Year and compares it to
 13 the Board approved Rate Base in 2015:

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Table 6.2.2-1-Rate Base

	2015 Settlement WCA at 13%	2015 Board Approved WCA at 10.48%	2021 Test Year
Gross Average Fixed Assets	246,244,429	246,244,429	314,442,219
Average Accumulated Depreciation	(123,110,940)	(123,110,940)	(157,819,664)
Average Net Fixed Assets	123,133,489	123,133,489	156,622,556
Allowance for Working Capital	20,874,706	16,828,225	13,329,650
Total Rate Base	144,008,195	139,961,714	169,952,205

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4 **6.2.3 Actual Utility Return on Rate Base**

5 Table 6.2.3-1 below illustrates NPEI's return on its Rate Base in the 2021 Test Year
 6 applying the capital parameters provided by the Board (letter dated October 31, 2019
 7 "Cost of Capital Parameter Updates for 2020 Applications"). The Cost of debt rate
 8 decreased from 3.81% to 2.83%, a 0.98% reduction. The Cost of Equity also decreased
 9 from 9.30% for 2015 COS filers to 8.52% for 2020 COS filers.

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Table 6.2.3-1- 2021 Proposed Utility Return on Rate Base

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	Captalization Ratio		Cost Rate	Return
	(%)	(\$)	(%)	(\$)
Debt				
Long-term Debt	56.00%	95,173,235	2.84%	2,701,011
Short-term Debt	4.00%	6,798,088	2.75%	186,947
Total Debt	60.00%	101,971,323	2.83%	2,887,958
Equity				
Common Equity	40.00%	67,980,882	8.52%	5,791,971
Preferred Shares	0.00%	0	0.00%	0
Total Equity	40.00%	67,980,882	8.52%	5,791,971
Total	100.00%	169,952,205	5.11%	8,679,929

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1 **6.2.4 Requested and Indicated Rate of Return**

2 The requested weighted average cost of capital is 5.11% as per the Cost of Capital
 3 calculation in Table 6.2.3-1 above for the 2021 Test Year. The weighted average cost of
 4 capital for the 2015 COS approved after the adjustment for the Working Capital
 5 Allowance was 6.00% as noted in Table 6.2.4-1 below.

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Table 6.2.4-1 Cost of Capital 2015 COS

	Captilization Ratio		Cost Rate (%)	Return (\$)
	(%)	(\$)		
Debt				
Long-term Debt	56.00%	78,378,560	3.92%	3,074,791
Short-term Debt	4.00%	5,598,469	2.16%	120,927
Total Debt	60.00%	83,977,028	3.81%	3,195,718
Equity				
Common Equity	40.00%	55,984,686	9.30%	5,206,576
Preferred Shares	0.00%	-	0.00%	-
Total Equity	40.00%	55,984,686	9.30%	5,206,576
Total	100.00%	139,961,714	6.00%	8,402,293

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10 **6.2.5 Utility Income at Proposed Revenue Requirement**

11 Table 6.2.5-1 below calculates NPEI's income at 2021 proposed rates.

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1 **Table 6.2.5-1 – Utility Income at Proposed Revenue Requirement**

	2015 Settlement WCA at 13%	2015 Board Approved WCA at 10.48%	2021 Test Year
Operating Revenue:			
Distribution Revenue (at Proposed Rates)	28,665,192	28,367,998	34,869,338
Other Revenue	2,505,854	2,505,854	2,971,337
Total Revenue	31,171,046	30,873,852	37,840,675
Operating Expenses			
OM&A Expenses	16,137,763	16,137,763	20,120,915
Depreciation/Amortization	5,937,406	5,937,406	8,442,650
Property Taxes	287,232	287,232	263,095
Total Expenses before Interest	22,362,401	22,362,401	28,826,660
Deemed Interest Expense	3,288,110	3,195,718	2,887,958
Total Expenses	25,650,511	25,558,119	31,714,619
Utility income before income taxes	5,520,535	5,315,733	6,126,057
Income taxes (grossed-up)	163,430	109,157	334,085
Utility Net Income	5,357,105	5,206,576	5,791,971

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4 **6.3 Revenue Deficiency or Sufficiency**

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6 Table 6.3-1 below summarizes the contributors to the revenue deficiency by revenue
7 requirement component. Column A lists the 2015 Board Approved amounts updated for
8 the change in WCA from 13% to 10.48% only. Column B lists the 2021 Test Year
9 revenue at existing rates shown in Table 6.3-1 allocated to revenue requirement
10 components based on the proportions in Column A. It is NPEI's view that Column B
11 estimates the revenue requirement components for revenue at existing rates based on
12 the components assumed in existing rates. Column C lists NPEI's proposed
13 components. Finally, Column D represents the difference between Column C and
14 Column B which provides an estimate of the revenue requirement components for the
15 revenue deficiency of \$2,395,224.

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Table 6.3-1- Cause of Revenue Deficiency

Service Revenue Requirement	2015 Board Approved	2021 Revenue at Existing rates	2021 Proposed	Revenue Deficiency	% Change
	(A)	(B)	(C)	(D)	
OM&A including LEAP	16,137,763	18,527,338	20,120,915	1,593,576	8.60%
Depreciation	5,937,406	6,816,579	8,442,650	1,626,072	23.85%
Property Taxes	287,232	329,763	263,095	(66,668)	-20.22%
Return on Rate Base	5,206,576	5,977,532	5,791,971	(185,561)	-3.10%
PILS	109,157	125,320	334,085	208,765	166.59%
Deemed Interest	3,195,718	3,668,919	2,887,958	(780,961)	-21.29%
Total	30,873,852	35,445,452	37,840,675	2,395,224	6.76%
			Difference (D) = (C) - (A)		
Rate Base	139,961,714		169,952,205	29,990,491	21.43%

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4 The revenue deficiency of \$2,395,224 for the 2021 Test Year is principally as a result of
5 increases in the following components:

6

- 7 I. Increase in OM&A;
- 8 II. Increased depreciation
- 9 III. Decrease in Property Taxes
- 10 IV. Decrease in Return on Rate Base due to decrease in rate of return
- 11 V. Increase in PILS
- 12 VI. Decrease in deemed interest expense due to decrease in debt rates

13

14 These factors are further explained below:

15

- 16 • 2021 Test Year OM&A expenses, including LEAP donation, have increased from
17 the 2015 Board approved and are discussed thoroughly in (Exhibit 4). A
18 summary of the significant cost drivers can be found in Table 4.2.3-2 in Exhibit 4.
19 Meter reading, IT maintenance expenses and cyber security, regulatory
20 expenses related to OEB assessment fees and the 2021 COS rate application,
21 transformer station maintenance expenses and studies related to future capacity
22 requirements, postage, the closing of the RCVA regulatory deferral and variance
23 account expenses and three additional FTE's for customer engagement and
regulatory compliance. OM&A expenses have increased due to both inflationary

1 increases and NPEI's total customer count increased by 4,952 or 9.5% from the
2 2015 Board Approved to the 2021 Test Year.

- 3 • Depreciation increased as a result of the increase in net fixed assets in service.
4 The 2015 Board Approved average net fixed assets was \$123,133,489
5 compared to \$156,622,556 in the 2021 Test Year (Exhibit 2). Details with
6 respect to the increases in the net fixed assets is provided in evidence in Exhibit
7 2.
- 8 • The return on rate base has decreased as a result of an increase in total Rate
9 Base (Exhibit 2) offset by a decrease in the rate of return from 9.30% to 8.52%.
- 10 • Total Rate Base increased by \$29,990,491 which is due to an increase in
11 average net fixed assets of \$33,489,067 that is offset by a reduction in the
12 working capital allowance of \$(3,498,575). The Working Capital Allowance
13 ("WCA") has decreased as a result of a reduction in the working capital
14 allowance percentage from 10.48% to 7.5% based on the Board Approved
15 working capital allowance. Included in the working capital is the Cost of Power,
16 which was also lower due to the implementation of the Fair Hydro Plan, which
17 has reduced commodity prices (Exhibit 2).
- 18 • PILS has increased as a result of higher utility income before taxes (Exhibit 4)
- 19 • Deemed interest has decreased due to a decrease in the average cost of long
20 term debt from 3.92% in 2015 to 2.84% in the 2021 Test Year which is a result of
21 NPEI refinancing all shareholder promissory notes with third party debt as well as
22 a decrease in the short-term debt rates.

23

24 **6.4 Changes in Methodologies**

25 The methodologies used in this Application are generally consistent with those applied in
26 NPEI's last Cost of Service Application (EB-2014-0096). Historical amounts are the
27 same as approved by the Board in EB-2014-0096 except as noted in Note 21 of the
28 2015 Audited Financial Statements see Appendix 1-31; Explanation of transition to IFRS
29 where the net income for 2014 was reduced by \$27,501 as a result measurement and

1 recognition differences between CGAAP (Canadian Generally Accepted Accounting
2 Principles) and IFRS (International Financial Reporting Standards).

3

4 The \$27,501 adjustment to the 2014 closing Retained Earnings is a result of the
5 following two adjustments:

6 1) Increase to General & Admin Expense in the amount of \$65,519 for Past Service
7 Costs and amortization of actuarial gains no longer allowed under IFRS offset by

8 2) a decrease in Income Tax expense in the amount of \$(38,018).

9

10 See Appendix 1-31, 2015 Audited Financial Statements, note 21 for the details of the
11 2014 IFRS conversion.

12

13 NPEI has also made changes as required as the Filing Requirements have evolved
14 since the 2015 Cost of Service Application. This Application is prepared in accordance
15 with MIFRS which is consistent with NPEI's last Cost of Service Rate Application in
16 2015.

17

18 The transition to IFRS required that NPEI revalue its Other Post-Employment Benefits
19 ("OPEB") using IFRS assumptions as well as record a liability for the non-vested sick
20 leave benefits.

21

22 Prior to the conversion to IFRS, OPEB was valued using CGAAP assumptions, which
23 are different than the ones used for IFRS. As shown in Table 6.4-2 below, the value of
24 the liability changed effective January 1, 2014 reducing the liability by \$1,570,621. The
25 unamortized Actuarial Gains/Losses are disallowed under IFRS. NPEI requested an
26 Accounting Order for a Deferral and Variance Account under sub-account 1508 in its
27 2015 COS rate application to record the unamortized Actuarial Gain. Section 4.2 of
28 NPEI's Amended Proposed Partial Settlement Agreement dated March 25, 2015 details
29 the request for an OPEB Deferral Account. The OEB's Decision and Order dated May
30 14, 2015 approved this Deferral Account. As a result, the OPEB liability was decreased
31 and the gain (credit balance) was recorded in sub-account 1508-05. NPEI completed a
32 second Actuarial valuation in 2017. The result of this valuation was an Actuarial loss in

1 the amount of \$713,200. This loss was recorded in the OPEB Deferral Account. An
2 Actuarial valuation in 2019 was completed which resulted in an Actuarial loss of
3 \$458,942. The balance of the OPEB Deferral Account at the end of 2019 is \$398,479.
4 There is no effect on revenue requirement as a result of the OPEB accounting change
5 from CGAAP to IFRS.

6
7 In addition to the revaluation of OPEB, a liability for sick leave adjustments was also
8 recorded effective January 1, 2014, shown in Table 6.4-3. An adjustment of \$20,000
9 was recorded to retained earnings with no effect on net income. Annually, NPEI
10 estimates a liability for sick leave entitlements greater than one year. Any adjustments
11 to the liability are included in NPEI's payroll overhead burden. The liability balance was
12 \$8,900 at the end of 2018 and it is projected to be the same at the end of 2019. For the
13 2021 Test Year NPEI does not anticipate a material change to this liability.

14
15 There are no changes in methodologies for the 2021 Test Year that impact NPEI's
16 revenue deficiency.

17
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Appendix 6-1
2020 Revenue Requirement Work Form
For the 2021 Test Year



Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2020 Filers



Version 9.00

Utility Name	Niagara Peninsula Energy Inc.
Service Territory	
Assigned EB Number	EB-2020-0040
Name and Title	Suzanne Wilson, Senior VP Finance
Phone Number	905-353-6004
Email Address	suzanne.wilson@npei.ca
Test Year	2021
Bridge Year	2020
Last Rebasing Year	2015

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.

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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 the



Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2020 Filers

[1. Info](#)

[2. Table of Contents](#)

[3. Data Input Sheet](#)

[4. Rate Base](#)

[5. Utility Income](#)

[6. Taxes PILs](#)

[7. Cost of Capital](#)

[8. Rev Def Suff](#)

[9. Rev Reqt](#)

[10. Load Forecast](#)

[11. Cost Allocation](#)

[12. Residential Rate Design](#)

[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 yellow 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 2020 Filers

Data Input ⁽¹⁾

	Initial Application ⁽²⁾	Adjustments	Application Update ⁽⁶⁾	Adjustments	Per Board Decision
1 Rate Base					
Gross Fixed Assets (average)	\$314,442,219		\$ 314,442,219		\$314,442,219
Accumulated Depreciation (average)	(\$157,819,664) ⁽⁵⁾		(\$157,819,664)		(\$157,819,664)
Allowance for Working Capital:					
Controllable Expenses	\$20,384,010		\$ 20,384,010		\$20,384,010
Cost of Power	\$157,344,654		\$ 157,344,654		\$157,344,654
Working Capital Rate (%)	7.50% ⁽⁹⁾	\$0	7.50% ⁽⁹⁾	\$0	7.50% ⁽⁹⁾
2 Utility Income					
Operating Revenues:					
Distribution Revenue at Current Rates	\$32,474,115	\$0	\$32,474,115		
Distribution Revenue at Proposed Rates	\$34,869,338	\$0	\$34,869,338		
Other Revenue:					
Specific Service Charges	\$264,866	\$0	\$264,866		
Late Payment Charges	\$341,000	\$0	\$341,000		
Other Distribution Revenue	\$2,148,156	\$0	\$2,148,156		
Other Income and Deductions	\$217,315	\$0	\$217,315		
Total Revenue Offsets	\$2,971,337 ⁽⁷⁾	\$0	\$2,971,337		
Operating Expenses:					
OM+A Expenses	\$20,120,915	\$ 20,120,915	\$ 20,120,915		\$20,120,915
Depreciation/Amortization	\$8,442,650	\$ 8,442,650	\$ 8,442,650		\$8,442,650
Property taxes	\$263,095	\$ 263,095	\$ 263,095		\$263,095
Other expenses					
3 Taxes/PILs					
Taxable Income:					
Adjustments required to arrive at taxable income	(\$2,404,794) ⁽³⁾	\$0	(\$2,404,794)		
Utility Income Taxes and Rates:					
Income taxes (not grossed up)	\$245,553	\$0	\$245,553		
Income taxes (grossed up)	\$334,085	\$0	\$334,085		
Federal tax (%)	15.00%	\$0	15.00%		
Provincial tax (%)	11.50%	\$0	11.50%		
Income Tax Credits	(\$17,315)	\$0	-1731506.85%		
4 Capitalization/Cost of Capital					
Capital Structure:					
Long-term debt Capitalization Ratio (%)	56.0%	\$0	56.0%		
Short-term debt Capitalization Ratio (%)	4.0% ⁽⁸⁾	\$0	4.0% ⁽⁸⁾		⁽⁸⁾
Common Equity Capitalization Ratio (%)	40.0%	\$0	40.0%		
Preferred Shares Capitalization Ratio (%)	0.0%	\$0	0.0%		
	100.0%		100.0%		
Cost of Capital					
Long-term debt Cost Rate (%)	2.84%	\$0	2.84%		
Short-term debt Cost Rate (%)	2.75%	\$0	2.75%		
Common Equity Cost Rate (%)	8.52%	\$0	8.52%		
Preferred Shares Cost Rate (%)	0.00%	\$0	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) All inputs are in dollars (\$) except where inputs are individually identified as percentages (%)
 - (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. 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.
 - (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 for 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 2020 Filers

Rate Base and Working Capital

Line No.	Rate Base Particulars	Initial Application	Adjustments	Application Update	Adjustments	Per Board Decision
1	Gross Fixed Assets (average) ⁽²⁾	\$314,442,219	\$ -	\$314,442,219	\$ -	\$314,442,219
2	Accumulated Depreciation (average) ⁽²⁾	(\$157,819,664)	\$ -	(\$157,819,664)	\$ -	(\$157,819,664)
3	Net Fixed Assets (average) ⁽²⁾	\$156,622,556	\$ -	\$156,622,556	\$ -	\$156,622,556
4	Allowance for Working Capital ⁽¹⁾	\$13,329,650	\$ -	\$13,329,650	\$ -	\$13,329,650
5	Total Rate Base	\$169,952,205	\$ -	\$169,952,205	\$ -	\$169,952,205

(1) Allowance for Working Capital - Derivation

6	Controllable Expenses	\$20,384,010	\$ -	\$20,384,010	\$ -	\$20,384,010
7	Cost of Power	\$157,344,654	\$ -	\$157,344,654	\$ -	\$157,344,654
8	Working Capital Base	\$177,728,664	\$ -	\$177,728,664	\$ -	\$177,728,664
9	Working Capital Rate % ⁽¹⁾	7.50%	0.00%	7.50%	0.00%	7.50%
10	Working Capital Allowance	\$13,329,650	\$ -	\$13,329,650	\$ -	\$13,329,650

Notes

(1) Some Applicants may have a unique rate as a result of a lead-lag study. The default rate for 2020 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 2020 Filers

Utility Income

Line No.	Particulars	Initial Application	Adjustments	Application Update	Adjustments	Per Board Decision
Operating Revenues:						
1	Distribution Revenue (at Proposed Rates)	\$34,869,338	\$ -	\$34,869,338	\$ -	\$34,869,338
2	Other Revenue ⁽¹⁾	\$2,971,337	\$ -	\$2,971,337	\$ -	\$2,971,337
3	Total Operating Revenues	\$37,840,675	\$ -	\$37,840,675	\$ -	\$37,840,675
Operating Expenses:						
4	OM+A Expenses	\$20,120,915	\$ -	\$20,120,915	\$ -	\$20,120,915
5	Depreciation/Amortization	\$8,442,650	\$ -	\$8,442,650	\$ -	\$8,442,650
6	Property taxes	\$263,095	\$ -	\$263,095	\$ -	\$263,095
7	Capital taxes	\$ -	\$ -	\$ -	\$ -	\$ -
8	Other expense	\$ -	\$ -	\$ -	\$ -	\$ -
9	Subtotal (lines 4 to 8)	\$28,826,660	\$ -	\$28,826,660	\$ -	\$28,826,660
10	Deemed Interest Expense	\$2,887,958	\$ -	\$2,887,958	\$ -	\$2,887,958
11	Total Expenses (lines 9 to 10)	\$31,714,619	\$ -	\$31,714,619	\$ -	\$31,714,619
12	Utility income before income taxes	\$6,126,057	\$ -	\$6,126,057	\$ -	\$6,126,057
13	Income taxes (grossed-up)	\$334,085	\$ -	\$334,085	\$ -	\$334,085
14	Utility net income	\$5,791,971	\$ -	\$5,791,971	\$ -	\$5,791,971

Notes

Other Revenues / Revenue Offsets

⁽¹⁾	Specific Service Charges	\$264,866	\$ -	\$264,866	\$ -	\$264,866
	Late Payment Charges	\$341,000	\$ -	\$341,000	\$ -	\$341,000
	Other Distribution Revenue	\$2,148,156	\$ -	\$2,148,156	\$ -	\$2,148,156
	Other Income and Deductions	\$217,315	\$ -	\$217,315	\$ -	\$217,315
	Total Revenue Offsets	\$2,971,337	\$ -	\$2,971,337	\$ -	\$2,971,337



Revenue Requirement Workform (RRWF) for 2020 Filers

Taxes/PILs

<u>Line No.</u>	<u>Particulars</u>	<u>Application</u>	<u>Application Update</u>	<u>Per Board Decision</u>
<u>Determination of Taxable Income</u>				
1	Utility net income before taxes	\$5,791,971	\$5,791,971	\$5,791,971
2	Adjustments required to arrive at taxable utility income	(\$2,404,794)	(\$2,404,794)	(\$2,404,794)
3	Taxable income	<u>\$3,387,178</u>	<u>\$3,387,178</u>	<u>\$3,387,178</u>
<u>Calculation of Utility income Taxes</u>				
4	Income taxes	<u>\$245,553</u>	<u>\$245,553</u>	<u>\$245,553</u>
6	Total taxes	<u>\$245,553</u>	<u>\$245,553</u>	<u>\$245,553</u>
7	Gross-up of Income Taxes	<u>\$88,533</u>	<u>\$88,533</u>	<u>\$88,533</u>
8	Grossed-up Income Taxes	<u>\$334,085</u>	<u>\$334,085</u>	<u>\$334,085</u>
9	PILs / tax Allowance (Grossed-up Income taxes + Capital taxes)	<u>\$334,085</u>	<u>\$334,085</u>	<u>\$334,085</u>
10	Other tax Credits	(\$17,315)	(\$17,315)	(\$17,315)
<u>Tax Rates</u>				
11	Federal tax (%)	15.00%	15.00%	15.00%
12	Provincial tax (%)	11.50%	11.50%	11.50%
13	Total tax rate (%)	<u>26.50%</u>	<u>26.50%</u>	<u>26.50%</u>

Notes



Revenue Requirement Workform (RRWF) for 2020 Filers

Capitalization/Cost of Capital

Line No.	Particulars	Capitalization Ratio		Cost Rate	Return
Initial Application					
		(%)	(\$)	(%)	(\$)
	Debt				
1	Long-term Debt	56.00%	\$95,173,235	2.84%	\$2,701,011
2	Short-term Debt	4.00%	\$6,798,088	2.75%	\$186,947
3	Total Debt	60.00%	\$101,971,323	2.83%	\$2,887,958
	Equity				
4	Common Equity	40.00%	\$67,980,882	8.52%	\$5,791,971
5	Preferred Shares	0.00%	\$ -	0.00%	\$ -
6	Total Equity	40.00%	\$67,980,882	8.52%	\$5,791,971
7	Total	100.00%	\$169,952,205	5.11%	\$8,679,929
Application Update					
		(%)	(\$)	(%)	(\$)
	Debt				
1	Long-term Debt	56.00%	\$95,173,235	2.84%	\$2,701,011
2	Short-term Debt	4.00%	\$6,798,088	2.75%	\$186,947
3	Total Debt	60.00%	\$101,971,323	2.83%	\$2,887,958
	Equity				
4	Common Equity	40.00%	\$67,980,882	8.52%	\$5,791,971
5	Preferred Shares	0.00%	\$ -	0.00%	\$ -
6	Total Equity	40.00%	\$67,980,882	8.52%	\$5,791,971
7	Total	100.00%	\$169,952,205	5.11%	\$8,679,929
Per Board Decision					
		(%)	(\$)	(%)	(\$)
	Debt				
8	Long-term Debt	56.00%	\$95,173,235	2.84%	\$2,701,011
9	Short-term Debt	4.00%	\$6,798,088	2.75%	\$186,947
10	Total Debt	60.00%	\$101,971,323	2.83%	\$2,887,958
	Equity				
11	Common Equity	40.00%	\$67,980,882	8.52%	\$5,791,971
12	Preferred Shares	0.00%	\$ -	0.00%	\$ -
13	Total Equity	40.00%	\$67,980,882	8.52%	\$5,791,971
14	Total	100.00%	\$169,952,205	5.11%	\$8,679,929

Notes



Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2020 Filers

Revenue Deficiency/Sufficiency

Line No.	Particulars	Initial Application		Application Update		Per Board Decision	
		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		\$3,258,808		\$3,258,808		\$3,258,808
2	Distribution Revenue	\$32,474,115	\$31,610,531	\$32,474,115	\$31,610,531	\$32,474,115	\$31,610,531
3	Other Operating Revenue Offsets - net	\$2,971,337	\$2,971,337	\$2,971,337	\$2,971,337	\$2,971,337	\$2,971,337
4	Total Revenue	\$35,445,452	\$37,840,675	\$35,445,452	\$37,840,675	\$35,445,452	\$37,840,675
5	Operating Expenses	\$28,826,660	\$28,826,660	\$28,826,660	\$28,826,660	\$28,826,660	\$28,826,660
6	Deemed Interest Expense	\$2,887,958	\$2,887,958	\$2,887,958	\$2,887,958	\$2,887,958	\$2,887,958
8	Total Cost and Expenses	\$31,714,619	\$31,714,619	\$31,714,619	\$31,714,619	\$31,714,619	\$31,714,619
9	Utility Income Before Income Taxes	\$3,730,833	\$6,126,057	\$3,730,833	\$6,126,057	\$3,730,833	\$6,126,057
10	Tax Adjustments to Accounting Income per 2013 PILs model	(\$2,404,794)	(\$2,404,794)	(\$2,404,794)	(\$2,404,794)	(\$2,404,794)	(\$2,404,794)
11	Taxable Income	\$1,326,039	\$3,721,263	\$1,326,039	\$3,721,263	\$1,326,039	\$3,721,263
12	Income Tax Rate	26.50%	26.50%	26.50%	26.50%	26.50%	26.50%
13	Income Tax on Taxable Income	\$351,400	\$986,135	\$351,400	\$986,135	\$351,400	\$986,135
14	Income Tax Credits	(\$17,315)	(\$17,315)	(\$17,315)	(\$17,315)	(\$17,315)	(\$17,315)
15	Utility Net Income	\$3,396,748	\$5,791,971	\$3,396,748	\$5,791,971	\$3,396,748	\$5,791,971
16	Utility Rate Base	\$169,952,205	\$169,952,205	\$169,952,205	\$169,952,205	\$169,952,205	\$169,952,205
17	Deemed Equity Portion of Rate Base	\$67,980,882	\$67,980,882	\$67,980,882	\$67,980,882	\$67,980,882	\$67,980,882
18	Income/(Equity Portion of Rate Base)	5.00%	8.52%	5.00%	8.52%	5.00%	8.52%
19	Target Return - Equity on Rate Base	8.52%	8.52%	8.52%	8.52%	8.52%	8.52%
20	Deficiency/Sufficiency in Return on Equity	-3.52%	0.00%	-3.52%	0.00%	-3.52%	0.00%
21	Indicated Rate of Return	3.70%	5.11%	3.70%	5.11%	3.70%	5.11%
22	Requested Rate of Return on Rate Base	5.11%	5.11%	5.11%	5.11%	5.11%	5.11%
23	Deficiency/Sufficiency in Rate of Return	-1.41%	0.00%	-1.41%	0.00%	-1.41%	0.00%
24	Target Return on Equity	\$5,791,971	\$5,791,971	\$5,791,971	\$5,791,971	\$5,791,971	\$5,791,971
25	Revenue Deficiency/(Sufficiency)	\$2,395,224	\$ -	\$2,395,224	\$ -	\$2,395,224	\$ -
26	Gross Revenue Deficiency/(Sufficiency)	\$3,258,808 ⁽¹⁾		\$3,258,808 ⁽¹⁾		\$3,258,808 ⁽¹⁾	

Notes:

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



Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2020 Filers

Revenue Requirement

Line No.	Particulars	Application	Application Update	Per Board Decision
1	OM&A Expenses	\$20,120,915	\$20,120,915	\$20,120,915
2	Amortization/Depreciation	\$8,442,650	\$8,442,650	\$8,442,650
3	Property Taxes	\$263,095	\$263,095	\$263,095
5	Income Taxes (Grossed up)	\$334,085	\$334,085	\$334,085
6	Other Expenses	\$ -		
7	Return			
	Deemed Interest Expense	\$2,887,958	\$2,887,958	\$2,887,958
	Return on Deemed Equity	\$5,791,971	\$5,791,971	\$5,791,971
8	Service Revenue Requirement (before Revenues)	<u>\$37,840,675</u>	<u>\$37,840,675</u>	<u>\$37,840,675</u>
9	Revenue Offsets	\$2,971,337	\$2,971,337	\$ -
10	Base Revenue Requirement (excluding Transformer Ownership Allowance credit adjustment)	<u>\$34,869,338</u>	<u>\$34,869,338</u>	<u>\$37,840,675</u>
11	Distribution revenue	\$34,869,338	\$34,869,338	\$34,869,338
12	Other revenue	\$2,971,337	\$2,971,337	\$2,971,337
13	Total revenue	<u>\$37,840,675</u>	<u>\$37,840,675</u>	<u>\$37,840,675</u>
14	Difference (Total Revenue Less Distribution Revenue Requirement before Revenues)	<u>\$ -</u> ⁽¹⁾	<u>\$ -</u> ⁽¹⁾	<u>\$ -</u> ⁽¹⁾

Summary Table of Revenue Requirement and Revenue Deficiency/Sufficiency

	Application	Application Update	Δ% ⁽²⁾	Per Board Decision	Δ% ⁽²⁾
Service Revenue Requirement	\$37,840,675	\$37,840,675	\$0	\$37,840,675	(\$1)
Grossed-Up Revenue					
Deficiency/(Sufficiency)	\$3,258,808	\$3,258,808	\$0	\$3,258,808	(\$1)
Base Revenue Requirement (to be recovered from Distribution Rates)	\$34,869,338	\$34,869,338	\$0	\$37,840,675	(\$1)
Revenue Deficiency/(Sufficiency) Associated with Base Revenue Requirement	\$2,395,224	\$2,395,224	\$0	\$ -	(\$1)

Notes

- (1) Line 11 - Line 8
 (2) Percentage Change Relative to Initial Application



Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2020 Filers

Load Forecast Summary

This spreadsheet provides a summary of the customer and load forecast on which the test year revenue requirement is derived. The amounts serve as the denominators for deriving the rates to recover the test year revenue requirement for purposes of this RRWF.

The information to be input is inclusive of any adjustments to kWh and kW to reflect the impacts of CDM programs up to and including CDM programs planned to be executed in the test year. i.e., the load forecast adjustments determined in **Appendix 2-I** should be incorporated into the entries. The inputs should correspond with the summary of the Load Forecast for the Test Year in **Appendix 2-IB** and in Exhibit 3 of the application.

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

Stage in Process:		Initial Application			Application Update			Per Board Decision		
Customer Class		Customer / Connections	kWh	kW/kVA ⁽¹⁾	Customer / Connections	kWh	kW/kVA ⁽¹⁾	Customer / Connections	kWh	kW/kVA ⁽¹⁾
Input the name of each customer class.		Test Year average or mid-year	Annual	Annual	Test Year average or mid-year	Annual	Annual	Test Year average or mid-year	Annual	Annual
1	Residential	51,935	454,614,210							
2	General Service < 50 kW	4,541	131,961,769							
3	General Service > 50 kW	810	694,096,099	1,775,257						
4	Unmetered Scattered Load	325	1,481,614							
5	Sentinel	283	218,613	653						
6	Streetlight	13,634	4,469,101	12,545						
7										
8										
9										
10										
11										
12										
13										
14										
15										
16										
17										
18										
19										
20										
Total			1,286,841,405	1,788,455		-	-		-	-

Notes:

⁽¹⁾ Input kW or kVA for those customer classes for which billing is based on demand (kW or kVA) versus energy consumption (kWh)
 General Service > 50kW, Sentinel and Streetlight are billed on kW
 Residential, General Service < 50 kW and Unmetered Scattered Load are billed on kWh



Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2020 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 Previous Study ⁽¹⁾	%	Allocated Class Revenue Requirement ⁽¹⁾	%
<i>From Sheet 10. Load Forecast</i>				
(7A)				
1 Residential	\$ 20,940,354	69.18%	\$ 26,186,121	69.20%
2 General Service < 50 kW	\$ 3,203,396	10.58%	\$ 4,029,621	10.65%
3 General Service > 50 kW	\$ 5,604,282	18.52%	\$ 7,305,786	19.31%
4 Unmetered Scattered Load	\$ 109,566	0.36%	\$ 91,375	0.24%
5 Sentinel	\$ 89,264	0.29%	\$ 91,894	0.24%
6 Streetlight	\$ 320,851	1.06%	\$ 135,878	0.36%
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
Total	\$ 30,267,713	100.00%	\$ 37,840,675	100.00%
Service Revenue Requirement (from Sheet 9)			\$ 37,840,675.30	

- (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 (7B)	LF X current approved rates X (1+d) (7C)	LF X Proposed Rates (7D)	Miscellaneous Revenues (7E)
1	Residential	\$ 20,983,817	\$ 22,531,540	\$ 22,531,540	\$ 2,159,996
2	General Service < 50 kW	\$ 4,114,496	\$ 4,417,972	\$ 4,417,972	\$ 325,409
3	General Service > 50 kW	\$ 6,928,887	\$ 7,439,947	\$ 7,577,389	\$ 467,053
4	Unmetered Scattered Load	\$ 102,299	\$ 109,845	\$ 104,329	\$ 5,321
5	Sentinel	\$ 76,021	\$ 81,628	\$ 81,628	\$ 6,984
6	Streetlight	\$ 268,595	\$ 288,406	\$ 156,479	\$ 6,575
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
	Total	\$ 32,474,115	\$ 34,869,338	\$ 34,869,338	\$ 2,971,337

- (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.
- (6) 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.
- (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: 2015	(7C + 7E) / (7A)	(7D + 7E) / (7A)	
	%	%	%	%
1 Residential	91.65%	94.29%	94.29%	85 - 115
2 General Service < 50 kW	120.00%	117.71%	117.71%	80 - 120
3 General Service > 50 kW	120.00%	108.23%	110.11%	80 - 120
4 Unmetered Scattered Load	119.83%	126.04%	120.00%	80 - 120
5 Sentinel	91.65%	96.43%	96.43%	80 - 120
6 Streetlight	91.65%	217.09%	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 2012 with further adjustments to move within the range over two years, the Most Recent Year would be 2015. However, the ratios in 2015 would be equal to those after the adjustment in 2014.
- (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 2021	Price Cap IR Period 2022 2023		
1 Residential	94.29%	94.29%	94.29%	85 - 115
2 General Service < 50 kW	117.71%	117.71%	117.71%	80 - 120
3 General Service > 50 kW	110.11%	110.11%	110.11%	80 - 120
4 Unmetered Scattered Load	120.00%	120.00%	120.00%	80 - 120
5 Sentinel	96.43%	96.43%	96.43%	80 - 120
6 Streetlight	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 2020 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 2021 and 2022 Price Cap IR models, as necessary. For 2021 and 2022, enter the planned revenue-to-cost ratios that will be "Change" or "No Change" in 2019 (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 2020 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	51,935
kWh	454,614,210

Proposed Residential Class Specific Revenue Requirement ¹	\$ 22,531,540.39
--	------------------

Residential Base Rates on Current Tariff	
Monthly Fixed Charge (\$)	\$ 33.67
Distribution Volumetric Rate (\$/kWh)	\$ -

B Current Fixed/Variable Split

	Base Rates	Billing Determinants	Revenue	% of Total Revenue
Fixed	33.67	51,935	\$ 20,983,817.40	100.00%
Variable	0	454,614,210	\$ -	0.00%
TOTAL	-	-	\$ 20,983,817.40	-

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	\$ 22,531,540.39	36.15	\$ 22,529,403.00
Variable	\$ -	0	\$ -
TOTAL	\$ 22,531,540.39	-	\$ 22,529,403.00

	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:

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

Revenue Requirement Workform (RRWF) for 2020 Filers

Tracking Form

The first row shown, labelled "Original Application", summarizes key statistics based on the data inputs into the RRWF. After the original application filing, the applicant provides key changes in capital and operating expenses, load forecasts, cost of capital, etc., as revised through the processing of the application. This could be due to revisions or responses to interrogatories. The last row shown is the most current estimate of the cost of service data reflecting the original application and any updates provided by the applicant distributor (for updated evidence, responses to interrogatories, undertakings, etc.)

Please ensure a Reference (Column B) and/or Item Description (Column C) is entered. Please note that unused rows will automatically be hidden and the PRINT AREA set when the PRINT BUTTON on Sheet 1 is activated.

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

⁽²⁾ Short description of change, issue, etc.

Summary of Proposed Changes

Reference ⁽¹⁾	Item / Description ⁽²⁾	Cost of Capital		Rate Base and Capital Expenditures			Operating Expenses			Revenue Requirement			
		Regulated Return on Capital	Regulated Rate of Return	Rate Base	Working Capital	Working Capital Allowance (\$)	Amortization / Depreciation	Taxes/PILs	OM&A	Service Revenue Requirement	Other Revenues	Base Revenue Requirement	Grossed up Revenue Deficiency / Sufficiency
	Original Application	\$ 8,679,929	5.11%	\$ 169,952,205	\$ 177,728,664	\$ 13,329,650	\$ 8,442,650	\$ 334,085	\$ 20,120,915	\$ 37,840,675	\$ 2,971,337	\$ 34,869,338	\$ 3,258,808

Appendix 6-2
OEB Appendix 2-JA

File Number: EB-2020-0040
 Exhibit: 4
 Tab: 2
 Schedule: 1
 Page:
 Date: 8/31/2020

TO BE UPDATED AT THE DRAFT RATE ORDER STAGE

Appendix 2-JA
 Summary of **Recoverable** OM&A Expenses

	2015	2016	2017	2018	2019	2020	2021	
	2015 Last Rebasings Year OEB Approved	2015 Last Rebasings Year Actuals	2016 Actuals	2017 Actuals	2018 Actuals	2019 Actuals	2020 Bridge Year	2021 Test Year
Reporting Basis								
Operations	\$ 4,181,150	\$ 4,310,481	\$ 4,411,325	\$ 4,732,154	\$ 4,458,287	\$ 4,985,677	\$ 4,848,724	\$ 4,798,729
Maintenance	\$ 2,439,001	\$ 2,345,782	\$ 2,203,115	\$ 2,660,236	\$ 2,589,112	\$ 2,678,573	\$ 2,567,275	\$ 2,577,832
SubTotal	\$ 6,620,151	\$ 6,656,263	\$ 6,614,440	\$ 7,392,390	\$ 7,047,399	\$ 7,664,251	\$ 7,415,999	\$ 7,376,561
%Change (year over year)		0.5%	-0.6%	11.8%	-4.7%	8.8%	-3.2%	-0.5%
%Change (Test Year vs Last Rebasings Year - Actual)								10.8%
Billing and Collecting	\$ 5,248,882	\$ 5,283,210	\$ 5,295,777	\$ 5,620,257	\$ 5,717,281	\$ 5,966,076	\$ 6,406,032	\$ 6,792,581
Community Relations	\$ 69,600	\$ 82,819	\$ 99,714	\$ 161,253	\$ 132,561	\$ 133,276	\$ 129,200	\$ 102,200
Administrative and General	\$ 4,486,361	\$ 4,851,149	\$ 5,136,589	\$ 5,094,537	\$ 5,123,353	\$ 5,395,203	\$ 5,672,162	\$ 6,112,668
SubTotal	\$ 9,804,844	\$ 10,217,178	\$ 10,532,080	\$ 10,876,047	\$ 10,973,195	\$ 11,494,555	\$ 12,207,393	\$ 13,007,449
%Change (year over year)		4.2%	3.1%	3.3%	0.9%	4.8%	6.2%	6.6%
%Change (Test Year vs Last Rebasings Year - Actual)								27.3%
Total	\$ 16,424,995	\$ 16,873,441	\$ 17,146,520	\$ 18,268,438	\$ 18,020,595	\$ 19,158,806	\$ 19,623,392	\$ 20,384,010
%Change (year over year)		2.7%	1.6%	6.5%	-1.4%	6.3%	2.4%	3.9%

Note:

- 1 Historical actuals going back to the last cost of service application are required to be entered by the applicant.
- 2 Recoverable OM&A that is included on these tables should be identical to the recoverable OM&A that is shown for the corresponding periods on Appendix 2-JB.

	2015			2016		2017		2018		2019		2020		2021	
	Last Rebasings Year 2015 OEB Approved	Last Rebasings Year 2015 Actuals	Variance 2015 OEB Approved - 2015 Actuals	2016 Actuals	2017 Actuals	2018 Actuals	2019 Actuals	2020 Bridge Year	Variance 2020 Bridge vs. 2019 Actuals	2021 Test Year	Variance 2021 Test vs. 2020 Bridge				
Operations	\$ 4,181,150	\$ 4,310,481	-\$ 129,331	\$ 4,411,325	\$ 4,732,154	\$ 4,458,287	\$ 4,985,677	\$ 4,848,724	-\$ 136,953	\$ 4,798,729	-\$ 49,995				
Maintenance	\$ 2,439,001	\$ 2,345,782	\$ 93,219	\$ 2,203,115	\$ 2,660,236	\$ 2,589,112	\$ 2,678,573	\$ 2,567,275	-\$ 111,299	\$ 2,577,832	\$ 10,558				
Billing and Collecting	\$ 5,248,882	\$ 5,283,210	-\$ 34,328	\$ 5,295,777	\$ 5,620,257	\$ 5,717,281	\$ 5,966,076	\$ 6,406,032	\$ 439,955	\$ 6,792,581	\$ 386,549				
Community Relations	\$ 69,600	\$ 82,819	-\$ 13,219	\$ 99,714	\$ 161,253	\$ 132,561	\$ 133,276	\$ 129,200	-\$ 4,076	\$ 102,200	-\$ 27,000				
Administrative and General	\$ 4,486,361	\$ 4,851,149	-\$ 364,788	\$ 5,136,589	\$ 5,094,537	\$ 5,123,353	\$ 5,395,203	\$ 5,672,162	\$ 276,958	\$ 6,112,668	\$ 440,506				
Total OM&A Expenses	\$ 9,804,844	\$ 10,217,178	-\$ 412,334	\$ 10,532,080	\$ 10,876,047	\$ 10,973,195	\$ 11,494,555	\$ 12,207,393	\$ 712,838	\$ 13,007,449	\$ 800,056				
Adjustments for Total non-recoverable items (from Appendices 2-JA and 2-JB)															
Total Recoverable OM&A Expenses	\$ 9,804,844	\$ 10,217,178	-\$ 412,334	\$ 10,532,080	\$ 10,876,047	\$ 10,973,195	\$ 11,494,555	\$ 12,207,393	\$ 712,838	\$ 13,007,449	\$ 800,056				
Variance from previous year				\$ 314,901	\$ 343,968	\$ 97,148	\$ 521,360	\$ 712,838		\$ 800,056					
Percent change (year over year)				0%	3%	1%	5%	6%		7%					
Percent Change: Test year vs. Most Current Actual										13.16%					
Simple average of % variance for all years										4.33%					
Compound Annual Growth Rate for all years												4.1%			
Compound Growth Rate (2019 vs. 2015 Actuals)												3.0%			

	2015 Last Rebasing Year OEB Approved	2015 Last Rebasing Year Actuals	2015 Actuals	2018 Actuals	2019 Actuals	2020 Bridge Year	2021 Test Year
Operations	\$ 4,181,150	\$ 4,310,481	\$ 4,732,154	\$ 4,458,287	\$ 4,985,677	\$ 4,848,724	\$ 4,798,729
Maintenance	\$ 2,439,001	\$ 2,345,782	\$ 2,660,236	\$ 2,589,112	\$ 2,678,573	\$ 2,567,275	\$ 2,577,832
Billing and Collecting	\$ 5,248,882	\$ 5,283,210	\$ 5,620,257	\$ 5,717,281	\$ 5,966,076	\$ 6,406,032	\$ 6,792,581
Community Relations	\$ 69,600	\$ 82,819	\$ 161,253	\$ 132,561	\$ 133,276	\$ 129,200	\$ 102,200
Administrative and General	\$ 4,486,361	\$ 4,851,149	\$ 5,094,537	\$ 5,123,353	\$ 5,395,203	\$ 5,672,162	\$ 6,112,668
Total	\$ 16,424,995	\$ 16,873,441	\$ 18,268,438	\$ 18,020,595	\$ 19,158,806	\$ 19,623,392	\$ 20,384,010
%Change (year over year)		2.7%	8.3%	-1.4%	6.3%	2.4%	3.9%

Appendix 6-3
OEB Appendix 2-JB

Appendix 6-4
OEB Appendix 2-JC

Appendix 6-5
NPEI 2015 Final RRWF

Revenue Requirement Workform (RRWF) for 2015 Filers



Version 5.00

Utility Name	Niagara Peninsula Energy Inc.
Service Territory	
Assigned EB Number	EB-2014-0096
Name and Title	Suzanne Wilson, VP Finance
Phone Number	905-353-6004
Email Address	suzanne.wilson@npei.ca

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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 the results.



Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2015 Filers

[1. Info](#)

[2. Table of Contents](#)

[3. Data Input Sheet](#)

[4. Rate Base](#)

[5. Utility Income](#)

[6. Taxes PILs](#)

[7. Cost of Capital](#)

[8. Rev Def Suff](#)

[9. Rev Req](#)

[10. 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 yellow 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**

Revenue Requirement Workform (RRWF) for 2015 Filers

Data Input ⁽¹⁾

	Initial Application	(2)	Adjustments	Settlement Agreement	(6)	Adjustments	Per Board Decision
1 Rate Base							
Gross Fixed Assets (average)	\$247,689,793		(\$1,445,365)	\$ 246,244,429			\$246,244,429
Accumulated Depreciation (average)	(\$123,945,922)	(5)	\$834,982	(\$123,110,940)			(\$123,110,940)
Allowance for Working Capital:							
Controllable Expenses	\$17,041,580		(\$616,585)	\$ 16,424,995			\$16,424,995
Cost of Power	\$136,943,243		\$7,206,425.71	\$ 144,149,669			\$144,149,669
Working Capital Rate (%)	13.00%	(9)		13.00%	(9)		10.48% (9)
2 Utility Income							
Operating Revenues:							
Distribution Revenue at Current Rates	\$28,371,080		(\$3,082)	\$28,367,998		\$0	\$28,367,998
Distribution Revenue at Proposed Rates	\$29,374,853		(\$709,662)	\$28,665,191		\$0	\$28,665,191
Other Revenue:							
Specific Service Charges	\$803,285		(\$0)	\$803,285		\$0	\$803,285
Late Payment Charges	\$361,000		\$0	\$361,000		\$0	\$361,000
Other Distribution Revenue	\$251,187		\$6,047	\$257,234		\$0	\$257,234
Other Income and Deductions	\$181,003		\$0	\$181,003		\$0	\$181,003
Total Revenue Offsets	\$1,596,475	(7)	\$6,047	\$1,602,522		\$0	\$1,602,522
Operating Expenses:							
OM+A Expenses	\$16,754,348		(\$616,585)	\$ 16,137,763		\$ -	\$16,137,763
Depreciation/Amortization	\$4,936,879		\$97,195	\$ 5,034,074			\$5,034,074
Property taxes	\$287,232			\$ 287,232			\$287,232
Other expenses							
3 Taxes/PILs							
Taxable Income:							
Adjustments required to arrive at taxable income	(\$4,814,861)	(3)		(\$4,598,147)			(\$4,598,147)
Utility Income Taxes and Rates:							
Income taxes (not grossed up)	\$34,407			\$120,121			\$80,231
Income taxes (grossed up)	\$43,189			\$163,430			\$109,157
Federal tax (%)	15.00%			15.00%			15.00%
Provincial tax (%)	5.33%			11.50%			11.50%
Income Tax Credits	(\$81,003)			(\$81,003)			(\$81,003)
4 Capitalization/Cost of Capital							
Capital Structure:							
Long-term debt Capitalization Ratio (%)	56.0%			56.0%			56.0%
Short-term debt Capitalization Ratio (%)	4.0%	(8)		4.0%	(8)		4.0% (8)
Common Equity Capitalization Ratio (%)	40.0%			40.0%			40.0%
Preferred Shares Capitalization Ratio (%)							
	100.0%			100.0%			100.0%
Cost of Capital							
Long-term debt Cost Rate (%)	4.28%			3.92%			3.92%
Short-term debt Cost Rate (%)	2.11%			2.16%			2.16%
Common Equity Cost Rate (%)	9.36%			9.30%			9.30%
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) All inputs are in dollars (\$) except where inputs are individually identified as percentages (%)
- (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 M10. 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.
- (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 for another amount.
- (9) Starting with 2013, default Working Capital Allowance factor is 13% (of Cost of Power plus controllable expenses). Alternatively, WCA factor based on lead-lag study or approved WCA factor for another distributor, with supporting rationale.



Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2015 Filers

Rate Base and Working Capital

Line No.	Particulars		Initial Application	Adjustments	Settlement Agreement	Adjustments	Per Board Decision
1	Gross Fixed Assets (average)	(3)	\$247,689,793	(\$1,445,365)	\$246,244,429	\$ -	\$246,244,429
2	Accumulated Depreciation (average)	(3)	(\$123,945,922)	\$834,982	(\$123,110,940)	\$ -	(\$123,110,940)
3	Net Fixed Assets (average)	(3)	\$123,743,871	(\$610,383)	\$123,133,488	\$ -	\$123,133,488
4	Allowance for Working Capital	(1)	\$20,018,027	\$856,679	\$20,874,706	(\$4,046,482)	\$16,828,225
5	Total Rate Base		<u>\$143,761,898</u>	<u>\$246,296</u>	<u>\$144,008,195</u>	<u>(\$4,046,482)</u>	<u>\$139,961,713</u>

(1) Allowance for Working Capital - Derivation

6	Controllable Expenses		\$17,041,580	(\$616,585)	\$16,424,995	\$ -	\$16,424,995
7	Cost of Power		\$136,943,243	\$7,206,426	\$144,149,669	\$ -	\$144,149,669
8	Working Capital Base		\$153,984,823	\$6,589,841	\$160,574,664	\$ -	\$160,574,664
9	Working Capital Rate %	(2)	13.00%	0.00%	13.00%	-2.52%	10.48%
10	Working Capital Allowance		<u>\$20,018,027</u>	<u>\$856,679</u>	<u>\$20,874,706</u>	<u>(\$4,046,482)</u>	<u>\$16,828,225</u>

Notes

- (2) Some Applicants may have a unique rate as a result of a lead-lag study. The default rate for 2014 cost of service applications is 13%.
 (3) Average of opening and closing balances for the year.



Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2015 Filers

Utility Income

Line No.	Particulars	Initial Application	Adjustments	Settlement Agreement	Adjustments	Per Board Decision
Operating Revenues:						
1	Distribution Revenue (at Proposed Rates)	\$29,374,853	(\$709,662)	\$28,665,191	\$ -	\$28,665,191
2	Other Revenue	(1) \$1,596,475	\$6,047	\$1,602,522	\$ -	\$1,602,522
3	Total Operating Revenues	\$30,971,328	(\$703,615)	\$30,267,713	\$ -	\$30,267,713
Operating Expenses:						
4	OM+A Expenses	\$16,754,348	(\$616,585)	\$16,137,763	\$ -	\$16,137,763
5	Depreciation/Amortization	\$4,936,879	\$97,195	\$5,034,074	\$ -	\$5,034,074
6	Property taxes	\$287,232	\$ -	\$287,232	\$ -	\$287,232
7	Capital taxes	\$ -	\$ -	\$ -	\$ -	\$ -
8	Other expense	\$ -	\$ -	\$ -	\$ -	\$ -
9	Subtotal (lines 4 to 8)	\$21,978,459	(\$519,390)	\$21,459,069	\$ -	\$21,459,069
10	Deemed Interest Expense	\$3,567,234	(\$279,124)	\$3,288,110	(\$92,393)	\$3,195,718
11	Total Expenses (lines 9 to 10)	\$25,545,693	(\$798,514)	\$24,747,179	(\$92,393)	\$24,654,787
12	Utility income before income taxes	\$5,425,635	\$94,899	\$5,520,534	\$92,393	\$5,612,926
13	Income taxes (grossed-up)	\$43,189	\$120,241	\$163,430	(\$54,273)	\$109,157
14	Utility net income	\$5,382,446	(\$25,342)	\$5,357,104	\$146,665	\$5,503,769

Notes

Other Revenues / Revenue Offsets

(1)	Specific Service Charges	\$803,285	(\$0)	\$803,285	\$ -	\$803,285
	Late Payment Charges	\$361,000	\$ -	\$361,000	\$ -	\$361,000
	Other Distribution Revenue	\$251,187	\$6,047	\$257,234	\$ -	\$257,234
	Other Income and Deductions	\$181,003	\$ -	\$181,003	\$ -	\$181,003
	Total Revenue Offsets	\$1,596,475	\$6,047	\$1,602,522	\$ -	\$1,602,522



Revenue Requirement Workform (RRWF) for 2015 Filers

Taxes/PILs

<u>Line No.</u>	<u>Particulars</u>	<u>Application</u>	<u>Settlement Agreement</u>	<u>Per Board Decision</u>
<u>Determination of Taxable Income</u>				
1	Utility net income before taxes	\$5,382,445	\$5,357,105	\$5,206,576
2	Adjustments required to arrive at taxable utility income	(\$4,814,861)	(\$4,598,147)	(\$4,598,147)
3	Taxable income	<u>\$567,584</u>	<u>\$758,958</u>	<u>\$608,429</u>
<u>Calculation of Utility income Taxes</u>				
4	Income taxes	<u>\$34,407</u>	<u>\$120,121</u>	<u>\$80,231</u>
6	Total taxes	<u>\$34,407</u>	<u>\$120,121</u>	<u>\$80,231</u>
7	Gross-up of Income Taxes	<u>\$8,782</u>	<u>\$43,309</u>	<u>\$28,927</u>
8	Grossed-up Income Taxes	<u>\$43,189</u>	<u>\$163,430</u>	<u>\$109,157</u>
9	PILs / tax Allowance (Grossed-up Income taxes + Capital taxes)	<u>\$43,189</u>	<u>\$163,430</u>	<u>\$109,157</u>
10	Other tax Credits	(\$81,003)	(\$81,003)	(\$81,003)
<u>Tax Rates</u>				
11	Federal tax (%)	15.00%	15.00%	15.00%
12	Provincial tax (%)	5.33%	11.50%	11.50%
13	Total tax rate (%)	<u>20.33%</u>	<u>26.50%</u>	<u>26.50%</u>

Notes



Revenue Requirement Workform (RRWF) for 2015 Filers

Capitalization/Cost of Capital

Line No.	Particulars	Capitalization Ratio		Cost Rate	Return
		(%)	(\$)	(%)	(\$)
Initial Application					
	Debt				
1	Long-term Debt	56.00%	\$80,506,663	4.28%	\$3,445,899
2	Short-term Debt	4.00%	\$5,750,476	2.11%	\$121,335
3	Total Debt	60.00%	\$86,257,139	4.14%	\$3,567,234
	Equity				
4	Common Equity	40.00%	\$57,504,759	9.36%	\$5,382,445
5	Preferred Shares	0.00%	\$ -	0.00%	\$ -
6	Total Equity	40.00%	\$57,504,759	9.36%	\$5,382,445
7	Total	100.00%	\$143,761,898	6.23%	\$8,949,680
Settlement Agreement					
	Debt				
1	Long-term Debt	56.00%	\$80,644,589	3.92%	\$3,163,687
2	Short-term Debt	4.00%	\$5,760,328	2.16%	\$124,423
3	Total Debt	60.00%	\$86,404,917	3.81%	\$3,288,110
	Equity				
4	Common Equity	40.00%	\$57,603,278	9.30%	\$5,357,105
5	Preferred Shares	0.00%	\$ -	0.00%	\$ -
6	Total Equity	40.00%	\$57,603,278	9.30%	\$5,357,105
7	Total	100.00%	\$144,008,195	6.00%	\$8,645,215
Per Board Decision					
	Debt				
8	Long-term Debt	56.00%	\$78,378,559	3.92%	\$3,074,791
9	Short-term Debt	4.00%	\$5,598,469	2.16%	\$120,927
10	Total Debt	60.00%	\$83,977,028	3.81%	\$3,195,718
	Equity				
11	Common Equity	40.00%	\$55,984,685	9.30%	\$5,206,576
12	Preferred Shares	0.00%	\$ -	0.00%	\$ -
13	Total Equity	40.00%	\$55,984,685	9.30%	\$5,206,576
14	Total	100.00%	\$139,961,713	6.00%	\$8,402,294

Notes

(1)

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





Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2015 Filers

Revenue Deficiency/Sufficiency

Line No.	Particulars	Initial Application		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
1	Revenue Deficiency from Below		\$1,003,772		\$297,194		(\$0)
2	Distribution Revenue	\$28,371,080	\$28,371,081	\$28,367,998	\$28,367,997	\$28,367,998	\$28,665,191
3	Other Operating Revenue Offsets - net	\$1,596,475	\$1,596,475	\$1,602,522	\$1,602,522	\$1,602,522	\$1,602,522
4	Total Revenue	\$29,967,555	\$30,971,328	\$29,970,520	\$30,267,713	\$29,970,520	\$30,267,713
5	Operating Expenses	\$21,978,459	\$21,978,459	\$21,459,069	\$21,459,069	\$21,459,069	\$21,459,069
6	Deemed Interest Expense	\$3,567,234	\$3,567,234	\$3,288,110	\$3,288,110	\$3,195,718	\$3,195,718
8	Total Cost and Expenses	\$25,545,693	\$25,545,693	\$24,747,179	\$24,747,179	\$24,654,787	\$24,654,787
9	Utility Income Before Income Taxes	\$4,421,862	\$5,425,635	\$5,223,341	\$5,520,534	\$5,315,733	\$5,612,926
10	Tax Adjustments to Accounting Income per 2013 PILs model	(\$4,814,861)	(\$4,814,861)	(\$4,598,147)	(\$4,598,147)	(\$4,598,147)	(\$4,598,147)
11	Taxable Income	(\$392,999)	\$610,774	\$625,194	\$922,387	\$717,586	\$1,014,779
12	Income Tax Rate	20.33%	20.33%	26.50%	26.50%	26.50%	26.50%
13	Income Tax on Taxable Income	(\$79,911)	\$124,192	\$165,676	\$244,432	\$190,160	\$268,917
14	Income Tax Credits	(\$81,003)	(\$81,003)	(\$81,003)	(\$81,003)	(\$81,003)	(\$81,003)
15	Utility Net Income	\$4,582,775	\$5,382,446	\$5,138,667	\$5,357,104	\$5,206,576	\$5,503,769
16	Utility Rate Base	\$143,761,898	\$143,761,898	\$144,008,195	\$144,008,195	\$139,961,713	\$139,961,713
17	Deemed Equity Portion of Rate Base	\$57,504,759	\$57,504,759	\$57,603,278	\$57,603,278	\$55,984,685	\$55,984,685
18	Income/(Equity Portion of Rate Base)	7.97%	9.36%	8.92%	9.30%	9.30%	9.83%
19	Target Return - Equity on Rate Base	9.36%	9.36%	9.30%	9.30%	9.30%	9.30%
20	Deficiency/Sufficiency in Return on Equity	-1.39%	0.00%	-0.38%	0.00%	0.00%	0.53%
21	Indicated Rate of Return	5.67%	6.23%	5.85%	6.00%	6.00%	6.22%
22	Requested Rate of Return on Rate Base	6.23%	6.23%	6.00%	6.00%	6.00%	6.00%
23	Deficiency/Sufficiency in Rate of Return	-0.56%	0.00%	-0.15%	0.00%	0.00%	0.21%
24	Target Return on Equity	\$5,382,445	\$5,382,445	\$5,357,105	\$5,357,105	\$5,206,576	\$5,206,576
25	Revenue Deficiency/(Sufficiency)	\$799,670	\$0	\$218,438	(\$1)	(\$0)	\$297,193
26	Gross Revenue Deficiency/(Sufficiency)	\$1,003,772 (1)		\$297,194 (1)		(\$0) (1)	

Notes:

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



Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2015 Filers

Revenue Requirement

Line No.	Particulars	Application	Settlement Agreement	Per Board Decision
1	OM&A Expenses	\$16,754,348	\$16,137,763	\$16,137,763
2	Amortization/Depreciation	\$4,936,879	\$5,034,074	\$5,034,074
3	Property Taxes	\$287,232	\$287,232	\$287,232
5	Income Taxes (Grossed up)	\$43,189	\$163,430	\$109,157
6	Other Expenses	\$ -		
7	Return			
	Deemed Interest Expense	\$3,567,234	\$3,288,110	\$3,195,718
	Return on Deemed Equity	\$5,382,445	\$5,357,105	\$5,206,576
8	Service Revenue Requirement (before Revenues)	<u>\$30,971,328</u>	<u>\$30,267,714</u>	<u>\$29,970,520</u>
9	Revenue Offsets	\$1,596,475	\$1,602,522	\$1,602,522
10	Base Revenue Requirement (excluding Tranformer Owership Allowance credit adjustment)	<u>\$29,374,853</u>	<u>\$28,665,192</u>	<u>\$28,367,998</u>
11	Distribution revenue	\$29,374,853	\$28,665,191	\$28,665,191
12	Other revenue	\$1,596,475	\$1,602,522	\$1,602,522
13	Total revenue	<u>\$30,971,328</u>	<u>\$30,267,713</u>	<u>\$30,267,713</u>
14	Difference (Total Revenue Less Distribution Revenue Requirement before Revenues)	<u>\$0</u>	<u>(\$1)</u>	<u>\$297,193</u>

Notes

(1)

Line 11 - Line 8





Revenue Requirement Workform (RRWF) for 2015 Filers

Tracking Form

The last row shown is the most current estimate of the cost of service data reflecting the original application and any updates provided by the applicant distributor (for updated evidence, responses to interrogatories, undertakings, etc.) Please ensure a Reference (Column B) and/or Item Description (Column C) is entered. Please note that unused rows will automatically be hidden and the PRINT AREA set when the PRINT BUTTON on Sheet 1 is activated.

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

⁽²⁾ Short description of change, issue, etc.

60 Tracking Rows have been provided below. If you require more, please contact Industry Relations @ IndustryRelations@ontarioenergyboard.ca.

Summary of Proposed Changes

Reference ⁽¹⁾	Item / Description ⁽²⁾	Cost of Capital		Rate Base and Capital Expenditures			Operating Expenses			Revenue Requirement			
		Regulated Return on Capital	Regulated Rate of Return	Rate Base	Working Capital	Working Capital Allowance (\$)	Amortization / Depreciation	Taxes/PILs	OM&A	Service Revenue Requirement	Other Revenues	Base Revenue Requirement	Grossed up Revenue Deficiency / Sufficiency
	Original Application	\$ 8,949,680	6.23%	\$ 143,761,898	\$ 153,984,823	\$ 20,018,027	\$ 4,936,879	\$ 43,189	\$ 16,754,348	\$ 30,971,328	\$ 1,596,475	\$ 29,374,853	\$ 1,003,772

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