Waterloo North Hydro Inc. EB-2015-0108 Exhibit 6 Page 1 of 10 Filed: May 1, 2015

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ATTACHMENT 6-1 - REVENUE REQUIREMENT WORK FORM

2.9 EXHIBIT 6: CALCULATION OF REVENUE DEFICIENCY OR SUFFICIENCY

Waterloo North Hydro Inc. ("WNH") has included the following information in this Exhibit, excluding energy costs (i.e. Cost of Power and associated costs) and revenues:

Determination of Net Utility Income

- Statement of Rate Base
- Actual Utility Return on Rate Base
- Indicated Rate of Return
- Requested Rate of Return
- Deficiency or Sufficiency in Revenue
- Gross Deficiency or Sufficiency in Revenue
- The information in this Exhibit supports WNH's request in this Application for an increase in its Revenue Requirement to support the proposed capital and operating
- budgets for 2016 to service debt, to pay deemed PILs and to return the allowed Return
- on Equity.

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- 20 WNH has determined that the Revenue Deficiency for the 2016 Test Year is
- 21 \$4,154,517.
- 23 The calculations on which this determination is based are set out below. The Revenue
- 24 Deficiency calculation does not include the following:
- Recovery of Deferral and Variance Accounts
- Other electricity charges which include Energy Commodity, Transmission
 Charges and Wholesale Market Service Charges

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- 1 These items are considered elsewhere in this Application and are treated either as
- 2 recoveries of regulatory assets or regulatory liabilities on the Balance Sheet, or as
- 3 energy related costs recorded in the OEB-prescribed Retail Settlement Variance
- 4 Accounts.

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Revenue Requirement

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8 WNH's Revenue Requirement consists of the following:

9

- Operations, Maintenance and Administration Expense
- Property Taxes
- Depreciation/Amortization Expense
- 13 PILs
- Return on Rate Base (Deemed Interest & Return on Equity)

15

- WNH's Revenue Requirement is primarily received through electricity distribution rates
- 17 with Other Revenue from Board-approved specific service charges such as Late
- 18 Payment Charges and Other Miscellaneous Charges.

19

- These Other Revenues, as described in Exhibit 3, are treated as offsets against WNH's
- 21 Service Revenue Requirement to calculate the Base Revenue Requirement upon which
- 22 class-specific distribution rates are calculated.

23

- 24 WNH has included the OEB's Revenue Requirement Work Form ("RRWF") as
- 25 Attachment 6-1 of this Exhibit as a PDF document and has also included an excel
- 26 version.

27

- 28 WNH has ensured that numbers entered in the RRWF reconcile with the appropriate
- 29 numbers in other Exhibits of this Application.

2.9.1 Determination of Net Utility Income

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- 2 WNH has determined its allowable 2016 Net Income as \$8,090,210. Table 6-1 provides
- 3 the detailed Net Income calculation for the 2016 Test Year.

Table 6-1 – Determination of Net Utility Net Income

Details	Initial Application
Operating Revenues:	
Distribution Revenue (at Proposed Rates)	35,412,468
Other Revenue	1,181,606
Total Operating Revenues	36,594,074
Operating Expenses:	
OM&A Expenses	13,721,334
Depreciation/Amortization	8,151,672
Property taxes	489,734
Capital taxes	-
Other expense	-
Total Operating Expenses	22,362,740
Deemed Interest Expense	5,337,309
Total Expenses	27,700,049
Utility income before income taxes	8,894,025
Income taxes (grossed-up)	803,815
Utility net income	8,090,209

2.9.2 Statement of Rate Base

- 2 A summary of WNH's Rate Base for the 2016 Test Year, calculated on WNH's deemed
- 3 capital structure in accordance with the OEB Filing Requirements, is summarized in
- 4 Table 6-2. WNH's 2016 Rate Base is \$217,478,742.

5 6

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Table 6-2 – Rate Base

Rate Base							
Details	Initial Application						
Net Fixed Assets							
Gross Fixed Assets (average) Accumulated Depreciation (average)	340,984,238 (146,617,357)						
Net Fixed Assets (average)	194,366,880						
Allowance for Working Capital	23,111,861						
Total Rate Base	217,478,742						
Allowance for Working Capital - Derivation							
Controllable Expenses	13,457,054						
Cost of Power	164,326,495						
Working Capital Base	177,783,549						
Working Capital Rate %	13%						
Working Capital Allowance	23,111,861						

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2.9.3 Actual Utility Return on Rate Base

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Table 6-3 summarizes the computation of WNH's 2016 Test Year at Existing Rates and 3

the 2016 Test Year at Proposed Rates in order to achieve the Required Revenue. 4

Table 6-3 Return on Rate Base

Description	2016 Test Existing Rates	2016 Test Required Revenue	
Actual Return on Rate Base			
Rate Base	217,478,742	217,478,742	
Interest Expense Net Income	5,337,309 5,036,639	5,337,309 8,090,209	
Total Actual Return on Rate Base	10,373,949	13,427,518	
Actual Return on Rate Base	4.77%	6.17%	
Required Return on Rate Base			
Rate Base	217,478,742	217,478,742	
Return Rates: Return on Debt (Weighted) Return on Equity	4.09% 9.30%		
Deemed Interest Expense Return on Equity	5,337,309 8,090,209	5,337,309 8,090,209	
Total Return	13,427,518	13,427,518	
Expected Return on Rate Base	6.17%	6.17%	

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2.9.3.1 Indicated Rate of Return

1

- 3 WNH's 2016 Indicated Rate of Return is 6.17% as presented in Table 6-4 line 21 and is
- 4 calculated as the sum of Utility Net Income and Deemed Interest Expense divided by
- 5 the Utility Rate of Return on Rate Base.

6 7

2.9.3.2 Requested Rate of Return

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9 WNH has determined its requested Rate of Return on Base to be 6.17% or \$8,090,209.

10

- 11 Table 6-3 above summarizes the computation of WNH's 2016 Requested Rate of
- 12 Return on Rate Base of 6.17%.

13

- As summarized in Table 6-3, in the absence of a change to distribution rates for 2016,
- as proposed in this Application, and assuming that the 2015 Approved rates remained
- unchanged, WNH's Return on Rate Base would be \$10,373,949 or 4.77%.

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2.9.4 Deficiency or Sufficiency in Revenue

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- 20 WNH has provided a detailed calculation supporting its 2016 Revenue Deficiency in
- Table 6-4 in this Exhibit.

22

2.9.5 Gross Deficiency or Sufficiency in Revenue

23 24

- 25 WNH has provided a detailed calculation supporting its 2016 Revenue Deficiency in
- Table 6-4. The Gross Revenue Deficiency is calculated at \$4,154,517. Table 6-4
- 27 provides the Revenue Deficiency calculation for the 2016 Test Year at Proposed Rates,
- which balances the Revenue Deficiency, Net Income and Total Return on Rate Base.

	Initial App						
Line No.	Particulars	At Current Approved Rates	At Proposed Rates				
1	Revenue Deficiency from Below		4,154,517				
2	Distribution Revenue	31,257,951	31,257,951				
3	Other Operating Revenue Offsets - net	1,181,606	1,181,606				
4	Total Revenue	32,439,557	36,594,074				
5	Operating Expenses	22,362,740	22,362,740				
6	Deemed Interest Expense	5,337,309	5,337,309				
8	Total Cost and Expenses	27,700,049	27,700,049				
9	Utility Income Before Income Taxes	4,739,508	8,894,025				
10	Tax Adjustments to Accounting Income per 2013 PILs model	(5,334,266)	(5,334,266)				
11	Taxable Income	(594,759)	3,559,759				
12	Income Tax Rate	26.50%	26.50%				
13	Income Tax on Taxable Income	(157,611)	943,336				
14	Income Tax Credits	(139,521)	(139,521)				
15	Utility Net Income	5,036,639	8,090,210				
16	Utility Rate Base	217,478,742	217,478,742				
17	Deemed Equity Portion of Rate Base	86,991,497	86,991,497				
18	Income/(Equity Portion of Rate Base)	5.79%	9.30%				
19	Target Return - Equity on Rate Base	9.30%					
20	Deficiency/Sufficiency in Return on Equity	-3.51%	0.00%				
21	Indicated Rate of Return	4.77%					
22	Requested Rate of Return on Rate Base	6.17%					
23	Deficiency/Sufficiency in Rate of Return	-1.40%	0.00%				
24	Target Return on Equity	8,090,209	8,090,209				
25	Revenue Deficiency/(Sufficiency)	3,053,570	0				
26	Gross Revenue Deficiency/(Sufficiency)	4,154,517					

2.9.6 Cost Drivers on Revenue Deficiency

Table 6-5 below outlines the contributors to the Revenue Deficiency by Revenue Requirement component. Column A lists the 2011 Approved amounts. Column B lists the 2016 Revenue at Existing Rates shown in Table 6-4 allocated to Revenue Requirement component based on the proportions in Column A. It is WNH's view that Column B estimates the Revenue Requirement components for revenue at existing rates based on the components assumed in existing rates. Column C lists the 2016 Proposed Components. Finally, Column D represents the difference between Column C and Column B which provides an estimate of the revenue requirement components for the Revenue Deficiency of \$4,154,517.

Table 6-5 Revenue Deficiency by Revenue Requirement Component

Service Revenue Requirement	2011 Approved (A)	2016 Revenue at Existing Rates Allocated in Proportion to 2011 Approved (B)	2016 Proposed (C)	Revenue Deficiency (D = C - B)
OM&A	10,004,338	11,134,995	13,679,334	2,544,338
LEAP	34,944	38,893	42,000	3,107
Property Tax	-	-	489,734	489,734
Depreciation	7,749,422	8,625,236	8,151,672	(473,564)
Return on Rate Base	10,345,067	11,514,232	13,427,518	1,913,286
PILs	1,011,845	1,126,200	803,815	(322,384)
Total	29,145,614	32,439,557	36,594,074	4,154,517

	2011 Approved (A)	2016 Proposed (C)	Difference (C - A)
Rate Base	150,996,206	217,478,742	66,482,536

There are two main contributors to the revenue deficiency of \$4,154,517 for the 2016 Test Year:

The first contributor is the increase in OM&A as detailed in Exhibit 4. Please refer to Exhibit 4, Table 4-2 – Overall Cost Trends for 2016 Test Year OM&A Expenditures and the supporting explanation for the increase of \$3,674,995 in OM&A since 2011 Board Approved balances. This increase is very close to the revenue deficiency component for OM&A of \$3,037,179 (OM&A, LEAP and

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Property Taxes added in order to be comparable to 2011) shown above. The difference represents the different methods in calculating the two numbers. The \$3,037,179 is the difference between 2016 Test Year Proposed and 2011 Approved which is the difference between Column C and B for OM&A in Table 6-5. However, based on the evidence in Exhibit 4 and the information in the above Table 6-5 it can be concluded that the increase in OM&A is a main contributor to the revenue deficiency.

• The second contributor relates to the increase in Return on Rate Base resulting from an increase in Rate Base of approximately \$66M which is detailed in Exhibit 2. Please refer to Exhibit 2, Table 2-1 Summary of Rate Base which supports the Rate Base values shown above for 2011 Approved and 2016 Proposed. The rationale that supports the \$66M increase in Rate Base since 2011 is provided in the evidence in Exhibit 2.

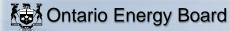
As shown in Table 6-5, the increases in OM&A and Return on Rate Base are offset by decreases in depreciation and PILs resulting from changes in useful life of assets since 2011. This change lowers depreciation and also lowers PILs since the tax adjustment for accounting depreciation, which increases PILs, is lower but the tax adjustment for capital cost allowance (i.e. deprecation for tax purposes), which reduces PILs, does not change with the change in useful life.

ATTACHMENT 6-1

REVENUE REQUIREMENT WORK FORM

ATTACHMENT 6-1

REVENUE REQUIREMENT WORK FORM



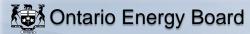


Version 5.00

Utility Name	Waterloo North Hydro Inc.
Service Territory	
Assigned EB Number	EB-2015-0108
Name and Title	Albert P. Singh, VP Finance & CFO
Phone Number	519-888-5542
Email Address	asingh@wnhydro.com

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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.



1. Info 6. Taxes_PILs

2. Table of Contents 7. Cost_of_Capital

3. Data_Input_Sheet 8. Rev_Def_Suff

4. Rate_Base 9. Rev_Reqt

5. Utility Income 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

Data Input (1)

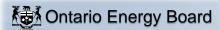
		Initial Application	(2)			(6)	_	Per Board Decision	
1	Rate Base								
·	Gross Fixed Assets (average) Accumulated Depreciation (average)	\$340,984,238 (\$146,617,357)	(5)		340,984,238 146,617,357)			\$340,984,238 (\$146,617,357)	
	Allowance for Working Capital:		,	• • •	, ,			., ., ,, ,, ,	
	Controllable Expenses Cost of Power	\$13,457,054			13,457,054			\$13,457,054	
	Working Capital Rate (%)	\$164,326,495 13.00%	(0)	\$ 1	164,326,495 13.00%	(9)		\$164,326,495 13.00%	(9)
		10.0070	(3)		13.0070	(3)		13.0070	(3)
2	Utility Income								
	Operating Revenues: Distribution Revenue at Current Rates	\$31,257,951							
	Distribution Revenue at Proposed Rates Other Revenue:	\$35,412,468							
	Specific Service Charges	\$242,900							
	Late Payment Charges	\$315,500							
	Other Distribution Revenue	\$445,683							
	Other Income and Deductions	\$177,523							
	Total Revenue Offsets	\$1,181,606	(7)						
	Operating Expenses:								
	OM+A Expenses	\$13,721,334		\$	13,721,334			\$13,721,334	
	Depreciation/Amortization	\$8,151,672		\$	8,151,672			\$8,151,672	
	Property taxes	\$489,734		\$	489,734			\$489,734	
	Other expenses								
3	Taxes/PILs								
	Taxable Income:								
	Adjustments required to arrive at taxable income	(\$5,334,266)	(3)						
	Utility Income Taxes and Rates:								
	Income taxes (not grossed up)	\$590,804							
	Income taxes (grossed up) Federal tax (%)	\$803,815							
	Provincial tax (%)	15.00% 11.50%							
	Income Tax Credits	(\$139,521)							
4	Capitalization/Cost of Capital	(0.00,02.7)							
	Capital Structure:	FC 00/							
	Long-term debt Capitalization Ratio (%) Short-term debt Capitalization Ratio (%)	56.0% 4.0%	(0)			(8)			(8)
	Common Equity Capitalization Ratio (%)	40.0%	(0)			(0)			(0)
	Prefered Shares Capitalization Ratio (%)	10.070							
		100.0%							
	Cost of Capital								
	Long-term debt Cost Rate (%)	4.23%							
	Short-term debt Cost Rate (%)	2.16%							
	Common Equity Cost Rate (%)	9.30%							
	Prefered Shares Cost Rate (%)								

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 (%)

 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 colimn M and Adjustments in column I
- Net of addbacks and deductions to arrive at taxable income. Average of Gross Fixed Assets at beginning and end of the Test Year
- Average of Accumulated Depreciation at the beginning and end of the Test Year. Enter as a negative amount.
- 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.
- Input total revenue offsets for deriving the base revenue requirement from the service revenue requirement
- 4.0% unless an Applicant has proposed or been approved for another amount.

 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



Rate Base and Working Capital

Rate Base

	Nate Base							
Line No.	Particulars	_	Initial Application					Per Board Decision
1 2 3	Gross Fixed Assets (average) Accumulated Depreciation (average) Net Fixed Assets (average)	(3) _(3) (3)	\$340,984,238 (\$146,617,357) \$194,366,880	_	\$ - \$ - \$ -	\$340,984,238 (\$146,617,357) \$194,366,880	\$ - \$ - \$ -	\$340,984,238 (\$146,617,357) \$194,366,880
4	Allowance for Working Capital	(1)	\$23,111,861		\$ -	\$23,111,861	\$ -	\$23,111,861
5	Total Rate Base	_	\$217,478,742		\$ -	\$217,478,742	<u> </u>	\$217,478,742

(1) Allowance for Working Capital - Derivation

Controllable Expenses Cost of Power Working Capital Base		\$13,457,054 \$164,326,495 \$177,783,549	\$ - \$ - \$ -	\$13,457,054 \$164,326,495 \$177,783,549	\$ - \$ - \$ -	\$13,457,054 \$164,326,495 \$177,783,549
Working Capital Rate %	(2)	13.00%	0.00%	13.00%	0.00%	13.00%
Working Capital Allowance		\$23,111,861		\$23,111,861		\$23,111,861

10 Notes

9

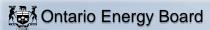
Some Applicants may have a unique rate as a result of a lead-lag study. The default rate for 2014 cost of service applications is 13%.

Average of opening and closing balances for the year.



Utility Income

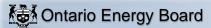
- \$- - \$- - \$-
\$
- \$13,721,334 - \$8,151,672 - \$489,734 - \$ -
- \$22,362,740
\$-
- \$22,362,740
- (\$22,362,740)
- \$803,815
- (\$23,166,555)
\$ - \$ - \$ -



Taxes/PILs

Line No.	Particulars	Application		Per Board Decision
	Determination of Taxable Income			
1	Utility net income before taxes	\$8,090,209	\$ -	\$ -
2	Adjustments required to arrive at taxable utility income	(\$5,334,266)	\$ -	(\$5,334,266)
3	Taxable income	\$2,755,943	\$ -	(\$5,334,266)
	Calculation of Utility income Taxes			
4	Income taxes	\$590,804	\$590,804	\$590,804
6	Total taxes	\$590,804	\$590,804	\$590,804
7	Gross-up of Income Taxes	\$213,011	\$213,011	\$213,011
8	Grossed-up Income Taxes	\$803,815	\$803,815	\$803,815
9	PILs / tax Allowance (Grossed-up Income taxes + Capital taxes)	\$803,815	\$803,815	\$803,815
10	Other tax Credits	(\$139,521)	(\$139,521)	(\$139,521)
	Tax Rates			
11 12 13	Federal tax (%) Provincial tax (%) Total tax rate (%)	15.00% 11.50% 26.50%	15.00% 11.50% 26.50%	15.00% 11.50% 26.50%

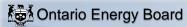
Notes



Capitalization/Cost of Capital

Line No.	Particulars	Capitali	zation Ratio	Cost Rate	Return			
		Initial A	Application					
		(%)	(\$)	(%)	(\$)			
	Debt	50.000/	0404 700 005	4.000/	05.440.400			
1	Long-term Debt	56.00%	\$121,788,095	4.23%	\$5,149,408			
2 3	Short-term Debt Total Debt	4.00% 60.00%	\$8,699,150 \$130,487,245	<u>2.16%</u> 4.09%	\$187,902 \$5,337,309			
3	Total Debt	00.0076	\$130,407,243	4.09 /6	φ3,337,309			
	Equity							
4	Common Equity	40.00%	\$86,991,497	9.30%	\$8,090,209			
5 6	Preferred Shares	0.00%	\$ -	0.00%	\$ -			
0	Total Equity	40.00%	\$86,991,497	9.30%	\$8,090,209			
7	Total	100.00%	\$217,478,742	6.17%	\$13,427,518			
	Debt	(%)	(\$)	(%)	(\$)			
1	Long-term Debt	0.00%	\$ -	0.00%	\$ -			
2	Short-term Debt	0.00%	\$ -	0.00%	\$ -			
3	Total Debt	0.00%	\$ -	0.00%	\$ -			
	Equity							
4	Common Equity	0.00%	\$ -	0.00%	\$ -			
5	Preferred Shares	0.00%	\$ -	0.00%	\$ -			
6	Total Equity	0.00%	\$ -	0.00%	\$ -			
7	Total	0.00%	\$217,478,742	0.00%	\$ -			
,	Total	0.00%	\$217,470,742	0.00%	<u> </u>			
		Per Boa	rd Decision					
	Debt	(%)	(\$)	(%)	(\$)			
8	Long-term Debt	0.00%	\$ -	4.23%	\$ -			
9	Short-term Debt	0.00%	\$ -	2.16%	\$ -			
10	Total Debt	0.00%	\$ -	0.00%	\$ -			
	Equity							
11	Common Equity	0.00%	\$ -	9.30%	\$ -			
12	Preferred Shares	0.00%	\$ -	0.00%	\$ -			
13	Total Equity	0.00%	\$ -	0.00%	\$ -			

14	Total	0.00%	\$217,478,742	0.00%	<u> </u>			
Notes								
(1)			filed. For updated revenue					
	responses, technical or	settlement conferences	, etc., use colimn M and Ac	ljustments in column	I			



Revenue Deficiency/Sufficiency

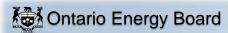
Initial	Application

Per Board Decision

		пппа Арр					Decision
Line No.	Particulars	At Current Approved Rates	At Proposed Rates	At Current Approved Rates	At Proposed Rates	At Current Approved Rates	At Proposed Rates
1 2 3	Revenue Deficiency from Below Distribution Revenue Other Operating Revenue Offsets - net	\$31,257,951 \$1,181,606	\$4,154,517 \$31,257,951 \$1,181,606	\$31,257,951 \$ -	(\$11,008,274) \$46,420,742 \$-	\$ - \$ -	\$22,362,740 (\$22,362,740) \$ -
4	Total Revenue	\$32,439,557	\$36,594,074	\$31,257,951	\$35,412,468	\$ -	\$ -
5 6 8	Operating Expenses Deemed Interest Expense Total Cost and Expenses	\$22,362,740 \$5,337,309 \$27,700,049	\$22,362,740 \$5,337,309 \$27,700,049	\$22,362,740 \$- \$22,362,740	\$22,362,740 \$- \$22,362,740	\$22,362,740 \$ - \$22,362,740	\$22,362,740 \$ - \$22,362,740
9	Utility Income Before Income Taxes	\$4,739,508	\$8,894,025	\$8,895,211	\$13,049,728	(\$22,362,740)	(\$22,362,740)
10	Tax Adjustments to Accounting Income per 2013 PILs model	(\$5,334,266)	(\$5,334,266)	(\$5,334,266)	(\$5,334,266)	\$ -	\$ -
11	Taxable Income	(\$594,759)	\$3,559,759	\$3,560,945	\$7,715,462	(\$22,362,740)	(\$22,362,740)
12 13	Income Tax Rate Income Tax on Taxable Income	26.50% (\$157,611)	26.50% \$943,336	26.50% \$943,650	26.50% \$2,044,597	26.50% (\$5,926,126)	26.50% (\$5,926,126)
14	Income Tax Credits	(\$139,521)	(\$139,521)	(\$139,521)	(\$139,521)	\$ -	\$ -
15	Utility Net Income	\$5,036,639	\$8,090,210	\$8,091,081	(\$23,166,555)	(\$16,436,614)	(\$23,166,555)
16	Utility Rate Base	\$217,478,742	\$217,478,742	\$217,478,742	\$217,478,742	\$217,478,742	\$217,478,742
17	Deemed Equity Portion of Rate Base	\$86,991,497	\$86,991,497	\$ -	\$ -	\$ -	\$ -
18	Income/(Equity Portion of Rate Base)	5.79%	9.30%	0.00%	0.00%	0.00%	0.00%
19	Target Return - Equity on Rate Base	9.30%	9.30%	0.00%	0.00%	0.00%	0.00%
20	Deficiency/Sufficiency in Return on Equity	-3.51%	0.00%	0.00%	0.00%	0.00%	0.00%
21	Indicated Rate of Return	4.77%	6.17%	3.72%	0.00%	-7.56%	0.00%
22	Requested Rate of Return on	6.17%	6.17%	0.00%	0.00%	0.00%	0.00%
	Rate Base	0117,0	0,0	0.0070	0.0070	0.0070	0.0070
23	Deficiency/Sufficiency in Rate of Return	-1.40%	0.00%	3.72%	0.00%	-7.56%	0.00%
24 25 26	Target Return on Equity Revenue Deficiency/(Sufficiency) Gross Revenue Deficiency/(Sufficiency)	\$8,090,209 \$3,053,570 \$4,154,517 (1)	\$8,090,209 \$0	\$ - (\$8,091,081) (\$11,008,274) (1)	\$ - \$ -	\$ - \$16,436,614 \$22,362,740 (1)	\$ - \$ -

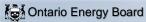
Notes:

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



Revenue Requirement

Line No.	Particulars	Application				Per Board Decision	
1 2 3 5 6	OM&A Expenses Amortization/Depreciation Property Taxes Income Taxes (Grossed up) Other Expenses	\$13,721,334 \$8,151,672 \$489,734 \$803,815 \$ -		\$13,721,334 \$8,151,672 \$489,734 \$803,815		\$13,721,334 \$8,151,672 \$489,734 \$803,815	
7	Return Deemed Interest Expense Return on Deemed Equity	\$5,337,309 \$8,090,209		\$ - \$ -		\$ - \$ -	
8	Service Revenue Requirement (before Revenues)	\$36,594,074		\$23,166,555		\$23,166,555	
9 10	Revenue Offsets Base Revenue Requirement (excluding Tranformer Owership Allowance credit adjustment)	\$1,181,606 \$35,412,468		\$ - \$23,166,555		\$ - \$23,166,555	
11 12	Distribution revenue Other revenue	\$35,412,468 \$1,181,606		\$ - \$ -		\$ - \$ -	
13	Total revenue	\$36,594,074		\$ -		\$ -	
14	Difference (Total Revenue Less Distribution Revenue Requirement before Revenues)	<u>\$0</u>	(1)	(\$23,166,555)	(1)	(\$23,166,555)	(1)
Notes (1)	Line 11 - Line 8						



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

			Cost of	Capital	Rate Base and Capital Expenditures			Operating Expenses			Revenue Requirement			
R	eference ⁽¹⁾	Item / Description ⁽²⁾	Regulated Return on Capital	Regulated Rate of Return	Rate Base	Working Capital	Working Capital Allowance (\$)		Taxes/PILs	OM&A	Service Revenue Requirement	Other Revenues	Base Revenue Requirement	
		Original Application	\$ 13,427,518	6.17%	\$ 217,478,742	\$ 177,783,549	\$ 23,111,861	\$ 8,151,672	\$ 803,815	\$ 13,721,334	\$ 36,594,074	\$ 1,181,606	\$ 35,412,468	\$ 4,154,517