

Revenue Requirement Work Form: Instructions for Completing

The RRWF consists of several sheets, in a format similar to the 2006 EDR and the 2nd and 3rd Generation IRM models. However, the RRWF is intended primarily to document the determination of the revenue requirement and to summarize the bill impacts. This information is useful for reviewing the draft Rate Order, and as key historical information for use in future rate-setting applications.

The RRWF has a formulaic approach and requires minimal inputs on selected sheets only. Input cells are indicated in pale green; all other cells are locked and cannot be changed. Most of the information is input on the Data Input Sheet. Sheets 1 through 6 will be populated automatically from the Data Input Sheet. Further inputs are required on the Sheet 7, Bill Impacts.

The distributor is expected to use its own models and calculations, and may have to make calculations to derive some inputs. The distributor is expected to provide adequate explanation and supporting documentation to support the data in the completed RRWF, which will calculate the revenue requirement reflecting the implementation of the Board's Decision..

The following are the inputs required on each sheet:

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1. Input the distributor's name.
2. Input the Board file number assigned to the COS application, in the format EB-year-xxxx (e.g. EB-2008-0235).
3. Input the rate year (e.g. 2008, 2009).

A. Data Input Sheet

The following information must be provided on the **Data Input Sheet**:

1. In the first column, populate the required input fields under Rate Base, Utility Income, Taxes/PILS and Capitalization/Cost of Capital as per the original application.
2. Calculate and document adjustments required to implement the Board's Decision under Rate Base and Operating Expenses and enter the amounts in the appropriate spaces. The adjustments will reflect adjustments as ordered by the Board in the Decision. The applicant may have to separately calculate the adjustments, and should explain them in notes or elsewhere in their draft Rate Order filing.
3. Enter Working Capital Rate, Operating Revenue, Other Revenues, Taxable Income, Taxes and Rates as well as Capital Structure and Cost

of Capital amounts as per the Board's Decision in the appropriate cells on the input sheet.

4. Negative numbers can be indicated by a minus sign or in brackets, but will be shown in red and in brackets (e.g. **(\$100,000)**).
5. Percentages should be entered as numbers only (e.g. enter 15.25 not 15.25%).
6. A notes section has been inserted on the Data Input Sheet and on each of the other sheets of the RRWF. Some notes have already been provided to aid in understanding and filling out the RRWF. The use of notes is at the distributor's discretion. A distributor may use a note to provide a short summary or a reference to an external source, such as an Exhibit number to aid readers in understanding the datum. The spaces indicated in pale green should be used for reference numbers within the worksheet and the notes section at the bottom of the page should be used to provide any notes. Notes can be provided on the following pages:
 - A. Data Input Page
 1. Rate Base
 2. Utility Income
 3. Taxes_PILs
 4. Cost_of_Capital; and
 7. Bill Impacts

7. **Bill Impacts Sheet**

Bill impacts have to be extracted from the distributor's own models and calculations. The **Bill Impact Sheet**, sheet 7, requires the following additional data inputs derived from the distributor's own calculations:

1. Bill impacts for the Monthly Delivery Charge for the two customer classes (Residential at 1,000 kWh/month and General Service <50kW with 2,000 kWh/month) need to be entered as per current Board-approved rates and as per the proposed draft Rate Order.
2. Additionally, the Total Bill Impact as per current rates and as per the proposed draft Rate Order need to be entered for the above two typical customer profiles.

The distributor should provide separately the detailed bill impact calculations from its model in support of its draft Rate Order filing.

Questions about the RRWF

Questions or comments on the RRWF should be directed to the assigned Case Manager handling the distributor's rate application. Alternatively, questions of comments may be directed to the Market Operations hotline at 416-440-7604 or through the e-mail address market.operations@oeb.gov.on.ca .

Filing the RRWF

Upon completion, the distributor is expected to file the completed RRWF, in working Microsoft Excel format, as part of its draft Rate Order filing, and to file additional explanation and documentation to allow the completed RRWF to be related to the Board's Decision and to the proposed rates.