User Instructions for Completion of 2011 IRM3 Incremental Capital Workform for Electricity Distributors

Chapter 1 Getting Started

Objective of Workform

Mechanism to calculate an electricity distributor's incremental capital projects rate rider.

Glossary

Billing Determinants – Are retail components applied against applicable tariffs to determine an end user customer's energy bill.

Scope and Purpose of Instructions

This document is designed to help the user complete the 2011 IRM3 Incremental Capital Workform.

Tools to Complete Workform

- Incremental Capital Project Worksheet

- Chapter 3 of the Filing Requirements for Transmission and Distribution Applications, version 2.0, July 9, 2010

- Report of the Board on Electricity Distributors' Deferral and Variance Account Review Initiative (EDDVAR), July 31, 2009.

- 2009 RRR Filings

- 2006 EDR Decision and/or last Cost of Service Decision and Order

Chapter 2 Using the 2011 IRM3 Incremental Capital Workform

Format of the Workform

The workform consists of various worksheets, which are password protected. The naming convention for the worksheets is a letter, then a number, and then a title. The input worksheets, where the user is expected to input data, are indicated by green worksheet tabs and cells. Yellow cells indicate a drop down menu, where the user selects their applicable information. The formulaic worksheets, where inputted results are calculated, are indicated by blue worksheet tabs and cells.

Contact Board staff if any problems are to occur.

Completing the Workform

Sheet: A1.1. LDC Information	*User Input Required:* Yes

Purpose:

Identify applicant's name, application number, and licence number.

Instructions:

User will select their LDC from yellow drop down menu into cell D20. User will also click on "Update Sheet" button.

Note: The workform will update (once the user moves off the current worksheet).

Sheet: A2.1 Table of Contents	*User Input Required:* No

Purpose:

Summarize all the worksheets in the work form.

Instructions:

User does not input any data into this worksheet.

Sheet: B1.1. Rate Class and Re-Based Billing Determinants & Rates	*User Input Required:* Yes

Purpose:

Record re-based billing determinants.

Instructions:

User will select applicable rate groups and rate class from yellow drop down menu. User will input number of customers (or connections) into column "I" and the corresponding billed kWh or billed kW into column "J" and/or "K" respectively from 2009 application. User will also input fixed service charge and volumetric rate (kWh) and/or volumetric rate (kW) from most current approved tariff of rates and charges.

Sheet: B1.2 Removal of Rate Adders	*User Input Required:* Yes (if applicable)

Purpose:

Calculate distribution volumetric rate per kWh and/or kW excluding service charge and/or distribution rate adders.

Instructions:

User will input any applicable Service Charge rate adders into column "I". User will also

input applicable distribution volumetric rate adders (both kWh and/or kW).

Sheet: B1.3 Calculated Re-Based Revenue from Rates	*User Input Required:* No

Purpose:

Calculate revenue requirements from rates excluding any rate adders and/or revenue offsets.

Instructions

User does not input any data into this worksheet.

Sheet: B1.4 Detailed Re-Based Revenue from Rates 2006 Deferral Variance – Continuity Schedule	*User Input Required:* Yes

Purpose:

Calculate detailed revenue requirement from distribution rates including revenue offsets.

Instructions:

User will input all green highlighted cells utilizing most current Revenue Requirement Work Form.

Sheet: C1.1 Load Actual – Most Recent Year	*User Input Required:* Yes

Purpose:

Calculate the breakdown of total revenue by rate class and setting up numerator and denominator for growth calculation.

Instructions:

User will input average number of customers (or connections) and corresponding billed kWh and/or kW.

Sheet: D1.1 Current Revenue from Rates	*User Input Required:* Yes

Purpose:

Summarize current allocation of revenue.

Instructions:

If applicant has 2011 revenue to cost ratio adjustments, then user will input values from

C1.8 of the 2011 IRM3 Revenue Cost Ratio Adjustment Workform. If there are no 2011 revenue to cost ratio adjustments, then user will input values from C7.1 of the 2011 IRM3 Rate Generator.

Sheet: E1.1 Threshold Parameters	*User Input Required:* No

Purpose:

Calculate the growth, or percentage difference in distribution revenues between most current complete year and the base year.

Instructions:

User does not input any data into this worksheet.

Sheet: E2.1 Threshold Test	*User Input Required:* No

Purpose:

Calculate if the threshold is exceeded for capital expenditures.

Instructions:

User does not input any data into this worksheet.

Sheet: E3.1 Summary of Incremental Capital Projects	*User Input Required:* Yes (if applicable)

Purpose:

Summarize the number of incremental capital projects.

Instructions:

User will select applicable number of incremental capital projects currently underway from yellow drop down menu. User will then click on "Update Sheet" button. User will input description of each incremental capital project and the corresponding incremental capital expenditure, amortization expense and capital cost allowance.

Note: User can complete this worksheet using Incremental Capital Project Worksheet

Sheet: E4.1 Incremental Capital Adjustment	*User Input Required:* Yes

Purpose:

Calculate the incremental revenue requirement.

Instructions:

User will input current tax rate into cell D63 as a percentage. If applicable, user will also input any capital exemptions into F73.

Sheet: F1.1 Calculation of Incremental Capital Rate Rider – Option A Fixed and Variable	*User Input Required:* No

Purpose:

Calculate the incremental capital adjustment rate rider as a fixed and volumetric charge.

Instructions:

User does not input any data into this worksheet.

Sheet: F1.2 Calculation of Incremental Capital Rate Rider – Option B Variable	*User Input Required:* No

Purpose:

Calculate the incremental capital adjustment rate rider as a volumetric charge.

Instructions:

User does not input any data into this worksheet.

Submitting the Completed Workform

User should save completed workform and submit electronic version and hard copy print out through the Board's online e-Filing services and with the Board Secretary's Office.