

User Instructions for Completion of 2011 IRM3 Revenue to Cost Ratio Adjustment Workform for Electricity Distributors

Chapter 1 Getting Started

Objective of Workform

Mechanism to calculate an electricity distributor's revenue to cost ratio adjustment to proposed rates.

Glossary

Revenue Offsets – Miscellaneous revenue from regulated business (other than revenue from rates).

Scope and Purpose of Instructions

This document is designed to help the user complete the 2011 IRM3 Revenue to Cost Ratio Adjustment Workform.

Tools to Complete Workform

- 2010 IRM 3 Supplemental Filing Module and/or 2010 Cost of Service Revenue Requirement Workform
- Last Cost of Service Decision and Order
- Most current approved Tariff of Rates and Charges Schedule
- Cost Allocation Informational Filing

Chapter 2 Using the 2011 IRM3 Revenue to Cost Ratio Adjustment 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

<i>Sheet:</i> A1.1. LDC Information	<i>User Input Required:</i> Yes
<p><i>Purpose:</i></p> <p>Identify applicant's name, application number, and licence number.</p>	
<p><i>Instructions:</i></p> <p>User will select their LDC from yellow drop down menu in cell D20. User will also click on "Update Sheet" button.</p> <p>Note: The workform will update (once the user moves off the current worksheet).</p>	
<i>Sheet:</i> A2.1 Table of Contents	<i>User Input Required:</i> No
<p><i>Purpose:</i></p> <p>Summarize all the worksheets in the workform.</p>	
<p><i>Instructions:</i></p> <p>User does not input any data into this worksheet.</p>	
<i>Sheet:</i> B1.1. Rate Class Selection, Re-Based Billing Determinants & Current Tariff Rates	<i>User Input Required:</i> Yes
<p><i>Purpose:</i></p> <p>Summarize all affected rate classes, billing determinants (from last cost of service application), and current service charge and distribution volumetric rates (from most current approved tariff of rates and charges).</p>	
<p><i>Instructions:</i></p> <p>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 (data should come from last cost of service application). User will also input fixed service charge and distribution volumetric rates in kWh and/or kW from most current approved tariff of rates and charges.</p>	
<i>Sheet:</i> B1.2 Removal of Rate Adders	<i>User Input Required:</i> Yes (if applicable)
<p><i>Purpose:</i></p> <p>Calculate distribution volumetric rates less any rate adders that are not shown on</p>	

current tariffs.	
<p><i>Instructions:</i></p> <p>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).</p>	
Sheet: B1.3 Calculated Current Revenue from Rates	User Input Required: No
<p><i>Purpose:</i></p> <p>Calculate the breakdown of current revenue by rate class.</p>	
<p><i>Instructions</i></p> <p>User does not input any data into this worksheet.</p>	
Sheet: C1.1 Decision – Cost Revenue Adjustment by Rate Class	User Input Required: Yes
<p><i>Purpose:</i></p> <p>Summarize the revenue cost ratio adjustments from previous IRM application or 2010 cost of service decision and order.</p>	
<p><i>Instructions:</i></p> <p>Under “Direction” user will select from yellow drop down menu “No Change” – no change in that specific rate class ratio, “Change” – Board ordered change from COS decision, or “Rebalance” to apply offset adjustments to Decision prescribed rate classes. User will then click on “Update Group” button and input applicable revenue to cost ratio adjustment for each subsequent year.</p>	
Sheet: C1.2 Revenue Offsets Allocation	User Input Required: Yes
<p><i>Purpose:</i></p> <p>Calculate revenue offset (miscellaneous revenue) allocation by rate class.</p>	
<p><i>Instructions:</i></p> <p>User will input information filing revenue offsets from Cost Allocation information filing for each rate class into column “D”. User will also input revenue offsets from 2010 IRM3 Supplemental Filing Module or from 2010 COS RRWF into cell F47.</p>	
Sheet: C1.3 Transformer Allowance	User Input Required: Yes (if applicable)

<p><i>Purpose:</i></p> <p>Calculate distribution volumetric rates less any transformer allowances.</p>	
<p><i>Instructions:</i></p> <p>Under “Transformer Allowance in Rates” user will select from yellow drop down menu “Yes” – if transformer allowance is included in that specific rate class or “No” – if it is not included in that rate class. User will then click on “Update Transformer Allowance In Rates” button and input the number of kW’s and transformer rate for the applicable rate classes. User will also input transformer allowance from 2010 IRM3 Supplemental Filing Module or from 2010 COS RRWF into cell E47.</p>	
<p><i>Sheet:</i> C1.4 Revenue/Cost Ratio Revenue</p>	<p><i>User Input Required:</i> No</p>
<p><i>Purpose:</i></p> <p>Calculate revenue by rate class that includes revenue offsets and excludes transformer allowance prior to revenue to cost ratio adjustment re-allocation.</p>	
<p><i>Instructions:</i></p> <p>User does not input any data into this worksheet.</p>	
<p><i>Sheet:</i> C1.5 Proposed Revenue/Cost Ratio Adjustment</p>	<p><i>User Input Required:</i> Yes (if applicable)</p>
<p><i>Purpose:</i></p> <p>Calculate the rebalancing of the revenue to cost ratio adjustments to the revenue.</p>	
<p><i>Instructions:</i></p> <p>User will first click on “Refresh and Start Over” button. If a figure appears in cell H49, that is the amount to be rebalanced. User should now highlight applicable green cell in column “D” and select applicable button “Iterate Selected Cell to Zero” – out of balance amount will be applied to this rate class, “Iterate All Equal Percentage Change” – out of balance amount will be applied to all applicable rate classes based on an equal percentage or “Iterate All Proportionate Change” – out of balance amount will be applied to all applicable rate classes based on an equal proportion.</p> <p>Note: What the user has selected in Sheet C1.1 Decision – Cost Revenue Adjustments by Rate Class under the “Direction” column, will also affect which cells in column “D” become highlighted in green on this worksheet.</p>	
<p><i>Sheet:</i> C1.6 Proposed Revenue from</p>	<p><i>User Input Required:</i> No</p>

Revenue/Cost Ratio Adjustment	
<i>Purpose:</i> Calculate the revenue requirement from rates after revenue to cost ratio adjustment has been applied.	
<i>Instructions:</i> User does not input any data into this worksheet.	
Sheet: C1.7 Proposed Fixed Variable Revenue Allocation	User Input Required: No
<i>Purpose:</i> Calculate the fixed and variable allocation of revenue requirement from rates after revenue to cost ratio adjustment has been applied.	
<i>Instructions:</i> User does not input any data into this worksheet.	
Sheet: C1.8 Proposed Fixed and Variable Rate	User Input Required: No
<i>Purpose:</i> Calculate the proposed fixed and variable rates.	
<i>Instructions:</i> User does not input any data into this worksheet.	
Sheet: C1.9 Adjustment Required to Proposed Rates	User Input Required: No
<i>Purpose:</i> Calculate the revenue to cost ratio adjustment required to proposed rates.	
<i>Instructions:</i> 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.