

MILTON HYDRO DISTRIBUTION INC.

EXHIBIT 7

COST ALLOCATION



EXHIBIT 7 – COST ALLOCATION

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2 **LIST OF ATTACHMENTS**

3 Attachment 7-1 COST ALLOCATION SHEETS I-6, I-8, O-1, O-2



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7.1. Cost Allocation Study Requirements

7.1.1. Introduction

Milton Hydro's 2016 COS Application (EB-2015-0089), the cost allocation model was updated to reflect 2016 Test Year costs, customer numbers and demand values. The 2016 demand values were based on the weather normalized load forecast used to design rates. The results of the 2016 Model were used to move the revenue to cost ratios to be within the OEB's acceptable range as outlined in the *Report on Application of Cost Allocation for Electricity Distributors* (the "Cost Allocation Report") issued by the OEB on November 28, 2007.

On June 24, 2021, the OEB released an updated Cost Allocation model. This updated version of the Cost Allocation Model (the "Model") has been used by Milton Hydro in this Application.

Milton Hydro has used the 2016 COS version of the Model and submitted the revised Model to reflect 2016 Test Year costs, customer numbers and demand values. The 2016 demand values are based on the weather normalized load forecast used to design rates. Milton Hydro has developed weighting factors as outlined below based on discussions with staff experienced in the subject area.

7.2. WEIGHTING FACTORS

7.2.1. Weighting Factor for Services (Account 1855)

The analysis for the Services weighting factor included a review of Milton Hydro's installation and cost recovery for Services as set out in Milton Hydro's Conditions of Service Section 3.3 General Service (Above 50 to 1000 kW) and Section 3.4 General Service (Above 1,000 KW). Milton Hydro has costs in USoA 1855 – Services for Residential and General Service <50 kW customers only. Milton Hydro has calculated the costs to provide a secondary service to either a Residential customer or a General Service <50 kW customer to be the same. All customer classes >50 kW install and pay for their own services. Milton Hydro does not collect capital contributions on these services and does not own or perform any maintenance work on the customer owned services.

Milton Hydro has allocated a weighting factor of 1.0 to both the Residential customer class and the General Service <50 kW customer class, all other customer classes are zero as set out in Table 7-1.



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Table 7-1 Weighting Factors for Services

Rate Class	Weighting Factor for Meter Reading
Residential	1.0
GS<50 kW	1.0
GS 50 to 999 kW	0.0
GS 1,000 to 4,000 kW	0.0
Large Use	0.0
Streetlight	0.0
Sentinel	0.0
Unmetered & Scattered	0.0

7.2.2. Weighting Factor for Billing and Collection (Accounts 5315 – 5340, except 5335)

Billing and collecting costs comprise billing software, Canada post charges, and effort from Milton Hydro's Billing, Collections, and Customer Service departments. In determining the weighting factors for Milton Hydro staff, supervisors were asked to consider their staff efforts required for the Billing, Collecting, and Customer Service departments. In general, equal weight was given to each customer/bill with the exception of Olameter cost, Collections Department costs, and Customer Service Department costs.

Olameter costs are assigned only to the Residential and General Service < 50 kW classes. Each of the two classes receives an equal assignment of costs. The Collections department was deemed not to put any effort to the Street Lights, Sentinel Lights, and USL classes so those classes do not receive a share of those costs. Each other class receives an equal weighting. The Customer Service department was assessed to put more effort into Milton Hydro's larger customers so higher weights are assigned to the GS < 50 kW, GS 50 to 999 kW, GS 1,000 to 4,999 kW, and Large Use classes.

The weighting for billing and collections are set out in Table 7-2 below.



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Table 7-2 Weighting Factors for Billing and Collection

Rate Class	Weighting Factor for
Residential	1.00
GS<50 kW	1.19
GS 50 to 999 kW	1.39
GS 1,000 to 4,000 kW	1.56
Large Use	1.75
Streetlight	0.84
Sentinel	0.84
Unmetered & Scattered	0.84

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7.2.3. Installation Cost per Meter (Sheet I7.1)

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Milton Hydro’s installation costs per meter were calculated based on current meter costs, labour rates, truck rates, and IT costs, if applicable. The installed costs of Milton Hydro’s general service meters include a higher capital cost and installation costs as set out in the Table 7-3 below.

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Table 7-3 Installation Cost per Meter

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Rate Class	Installation Cost per Meter \$
Smart Meters	\$215.00
Smart Meters - Central Metered	\$1,218.00
Smart Meters - Network	\$338.00
Demand without IIT (usually three-phase)	\$1,019.00
Demand with IT	\$2,999.00
Demand with IT and Interval Capability - Primary	\$5,337.00

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7.2.4. Weighting Factor for Meter Reading (Sheet I7.2)

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All Milton Hydro meters are read either through the AMI or MV90. Milton Hydro reviewed the costs associated with meter reading and assigned costs to reading either AMI Smart Meters or MV90. The majority of meter reading costs, such as software and outside service provider costs, are clearly identifiable as either Smart Meter-related and MV90-related, though some costs, such as labour, are assigned based on judgement. The resulting weightings for each type of meter are 1.0 for Smart Meters and 15.91 for MV90 meters. The weighting factors, weighted by type of meter in each customer class, are set out in Table 7-4 below.

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Table 7-4 Weighting Factors for Meter Reading

Rate Class	Weighting Factor for Meter Reading
Residential	1.0
GS<50 kW	9.2
GS 50 to 999 kW	14.7
GS 1,000 to 4,000 kW	14.9
Large Use	14.9
Streetlight	
Sentinel	
Unmetered & Scattered	

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7.3. Summary of Results and Proposed Changes

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The data used in the updated Cost Allocation Study is consistent with Milton Hydro’s cost data that supports the proposed 2023 Test Year Revenue Requirement outlined in this Application. Consistent with the Guidelines, Milton Hydro’s assets were broken out into primary and secondary distribution functions. Milton Hydro has also updated the kilometers of roads with distribution plant. An Excel version of the updated cost allocation study has been included with the filed application material. In addition, Attachment 7-1 outlines Input Sheets I-6 & I-8 and Output Sheets O-1 & O-2.

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Capital contributions, depreciation and accumulated depreciation by USoA are consistent with the information provided in the 2023 Test Year continuity statement shown in Exhibit 2. The rate class customer data used in the updated cost allocation study is consistent with the 2023 Test Year customer forecast outlined in Exhibit 3. The load profiles for each rate class are the same as those used in the original information filing. The values used in the 2016 COS, which were also based on the profiles from the original information filing, have been scaled to match the 2023 load forecast. Demand data used in Tab 8 of the Cost Allocation Model is calculated in the 'Demand Data' tab in the Load Forecast Model. The following Table 7-5 outlines the scaling factors used by rate class:



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Table 7-5 Load Profiling Scaling Factors

Rate Class	2016 Weather Normal Values	2023 Weather Normal Values (kWh)	Scaling Factor
Residential	309,752,959	353,525,758	114.1%
GS<50 kW	92,617,956	87,960,137	95.0%
GS 50 to 999 kW	205,340,394	221,296,244	107.8%
GS 1,000 to 4,000 kW	109,869,211	103,617,411	94.3%
Large Use	133,210,761	131,131,300	98.4%
Streetlight	5,632,779	5,077,522	90.1%
Sentinel	145,711	134,831	92.5%
Unmetered & Scattered	1,096,423	1,067,791	97.4%
Total	857,666,194	903,810,994	

Milton Hydro confirms that it plans to update its load profiles the next time a cost allocation model is filed.

7.4. Class-Specific Details

7.4.1. Embedded Distributor Class

Milton Hydro is not a host distributor.

7.4.2. Unmetered Loads

Milton Hydro regularly communicates with all unmetered load customers including Street Lighting customers. Milton Hydro consulted with its largest unmetered customers, the town of Milton and the Region of Halton, in the fall of 2021.

7.4.3. MicroFIT Class

Milton Hydro has not included microFIT as a separate class in the Cost Allocation Model in the 2023 Test Year.

7.4.4. New Customer Class

Milton Hydro is not proposing to include any new customer classes.



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7.4.5. Eliminated Customer Class

Milton Hydro is not proposing to eliminate any customer classes.

7.5. Class Revenue Requirements

The allocated cost by rate class for the 2016 Cost of Service filing and 2023 updated study are provided in the following Table 7-6 below.

Table 7-6 Allocated Costs

Classes	Costs Allocated from Previous Study	%	Costs Allocated from Previous Study (Column 7A)	%
Residential	\$12,773,612	70.04%	\$18,708,337	69.36%
GS<50 kW	\$2,085,824	11.44%	\$3,161,607	11.72%
GS 50 to 999 kW	\$2,063,653	11.32%	\$3,418,069	12.67%
GS 1,000 to 4,000 kW	\$421,344	2.31%	\$555,620	2.06%
Large Use	\$436,107	2.39%	\$699,903	2.59%
Streetlight	\$368,247	2.02%	\$315,263	1.17%
Sentinel	\$48,515	0.27%	\$56,885	0.21%
Unmetered & Scattered	\$39,610	0.22%	\$57,025	0.21%
Total	\$18,236,912	100.00%	\$26,972,709	100.00%

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The following Table 7-7 provides information on calculated class revenue which is consistent with table A in tab '11. Cost Allocation' of the revenue requirement workform. The resulting 2016 Proposed Base Revenue will be the amount used in EXHIBIT 8 to design the proposed distribution charges in this application.



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Table 7-7 Calculated Class Revenue

Classes	Column 7B Load Forecast (LF) X current approved rates	Column 7C Load Forecast (LF) X(1 + d)	Column 7D LF X proposed rates	Column 7E Miscellaneous Revenue
Residential	\$14,373,804	\$17,435,906	\$17,435,906	\$1,597,793
GS<50 kW	\$2,365,881	\$2,869,893	\$2,869,893	\$230,834
GS 50 to 999 kW	\$2,313,136	\$2,805,911	\$2,807,875	\$236,923
GS 1,000 to 4,000 kW	\$510,521	\$619,279	\$619,279	\$41,741
Large Use	\$522,350	\$633,628	\$633,628	\$55,341
Streetlight	\$260,279	\$315,727	\$315,727	\$28,422
Sentinel	\$31,732	\$38,491	\$36,528	\$5,269
Unmetered & Scattered	\$43,288	\$52,510	\$52,510	\$5,041
Total	\$20,420,991	\$24,771,345	\$24,771,346	\$2,201,364

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7.6. REVENUE-TO-COST RATIOS

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The results of a cost allocation study are typically presented in the form of revenue to cost ratios. The ratio is shown by rate classification and is the percentage of distribution revenue collected by rate classification compared to the costs allocated to the classification. The percentage identifies the rate classifications that are being subsidized and those that are over-contributing. A percentage of less than 100% means the rate classification is under-contributing and is being subsidized by other classes of customers. A percentage of greater than 100% indicates the rate classification is over-contributing and is subsidizing other classes of customers.

The Status Quo Ratios are calculated in the Cost Allocation Model Tab O1 Revenue to cost | RR. The only class that falls outside of the Board Policy range is the Sentinel Lights class.

Table 7-8 provides Milton Hydro's OEB approved revenue to cost ratios from its 2016 COS Application, the results of the 2023 Test Year Cost Allocation Model and Milton Hydro's proposed 2023 Test Year Revenue to Cost Ratios. This table is consistent with Table C of the Cost Allocation tab in the Revenue Requirement Workform.



Table 7-8 Revenue to Cost Ratios

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Classes	Previously Approved Ratios Most Recent Year: 2016	Status Quo Ratios (7C + 7E) / (7A)	Proposed Ratios (7D + 7E) / (7A)	Policy Range
Residential	97.83%	101.74%	101.74%	80-115
GS<50 kW	109.47%	98.07%	98.07%	80-120
GS 50 to 999 kW	97.83%	89.02%	89.08%	80-120
GS 1,000 to 4,999 kW	120.00%	118.97%	118.97%	80-120
Large Use	115.00%	98.44%	98.44%	80-115
Streetlight	97.83%	109.16%	109.16%	80-120
Sentinel	60.00%	76.93%	73.48%	80-120
Unmetered & Scattered	104.42%	100.92%	100.92%	80-120

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As described in section 8.13 of Exhibit 8, the Sentinel Light rate change will be implemented over two years to avoid total bill impacts that exceed 10%. Milton Hydro proposes to increase the Sentinel Lights Revenue to Cost Ratio to 80% in 2024, with a corresponding decrease to the GS 1,000 to 4,999 kW from 118.97% to 118.30%. Milton Hydro is not proposing changes to the R/E ratios of other classes after the test year.



EXHIBIT 7

ATTACHMENT 7-1

COST ALLOCATION SHEETS

I-6, I-8, O-1, O-2

2022 Cost Allocation Model

EB-2021-0042

Sheet I6.1 Revenue Worksheet - Initial Application

Total kWhs from Load Forecast	903,810,994
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Total kW from Load Forecast	1,095,421
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Deficiency/sufficiency (RRWF 8. cell F51)	4,350,355
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Miscellaneous Revenue (RRWF 5. cell F48)	2,201,364
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			1	2	3	5	6	7	8	9
	ID	Total	Residential	GS <50	GS 50 to 999 kW	GS 1,000 to 4,999 kW	Large Use >5MW	Street Light	Sentinel	Unmetered Scattered Load
Billing Data										
Forecast kWh	CEN	903,810,994	353,525,758	87,960,137	221,296,244	103,617,411	131,131,300	5,077,522	134,831	1,067,791
Forecast kW	CDEM	1,095,421			595,236	225,594	260,034	14,179	378	
Forecast kW, included in CDEM, of customers receiving line transformer allowance		269,112			71,345	197,767				
Optional - Forecast kWh, included in CEN, from customers that receive a line transformation allowance on a kWh basis. In most cases this will not be applicable and will be left blank.		-								
KWh excluding KWh from Wholesale Market Participants	CEN EWMP	903,810,994	353,525,758	87,960,137	221,296,244	103,617,411	131,131,300	5,077,522	134,831	1,067,791
Existing Monthly Charge			\$29.88	\$18.38	\$86.74	\$682.42	\$2,725.12	\$2.68	\$5.63	\$8.76
Existing Distribution kWh Rate				\$0.0194						\$0.0186
Existing Distribution kW Rate					\$3.3568	\$2.3534	\$1.6315	\$11.7399	\$42.6426	
Existing TOA Rate					\$0.60	\$0.60				
Additional Charges										
Distribution Revenue from Rates		\$20,582,458	\$14,373,804	\$2,365,881	\$2,355,943	\$629,181	\$522,350	\$260,279	\$31,732	\$43,288
Transformer Ownership Allowance		\$161,467	\$0	\$0	\$42,807	\$118,660	\$0	\$0	\$0	\$0
Net Class Revenue	CREV	\$20,420,991	\$14,373,804	\$2,365,881	\$2,313,136	\$510,521	\$522,350	\$260,279	\$31,732	\$43,288

2022 Cost Allocation Model

EB-2021-0042
Sheet I6.2 Customer Data Worksheet - Initial Application

		1	2	3	5	6	7	8	9	
	ID	Total	Residential	GS <50	GS 50 to 999 kW	GS 1,000 to 4,999 kW	Large Use >5MW	Street Light	Sentinel	Unmetered Scattered Load
Billing Data										
Bad Debt 3 Year Historical Average	BDHA	\$83,046	\$66,588	\$5,477	\$10,977	\$5	\$0	\$0	\$0	\$0
Late Payment 3 Year Historical Average	LPHA	\$276,922	\$222,041	\$18,262	\$36,602	\$17				
Number of Bills	CNB	526,276	481,051	35,879	4,126	144	36	36	2,774	2,230
Number of Devices	CDEV							2,919	231	223
Number of Connections (Unmetered)	CCON	3,373						2,919	231	223
Total Number of Customers	CCA	43,856	40,088	2,990	344	12	3	3	231	186
Bulk Customer Base	CCB	43,439	40,088	2,990	344	12	3	3		
Primary Customer Base	CCP	44,512	40,088	2,990	344	12	3	621	231	223
Line Transformer Customer Base	CCLT	44,458	40,088	2,990	304	1		621	231	223
Secondary Customer Base	CCS	43,385	40,088	2,990	304	1		3		
Weighted - Services	CWCS	43,077	40,088	2,990	-	-	-	-	-	-
Weighted Meter -Capital	CWMC	13,078,196	9,374,703	2,646,894	983,553	57,034	16,012	-	-	-
Weighted Meter Reading	CWMR	77,785	42,712	29,439	5,395	191	48	-	-	-
Weighted Bills	CWNB	533,921	481,051	42,696	5,652	225	63	30	2,330	1,874

Bad Debt Data

Historic Year:	2018	58,146	53,518	4,629	-	-				
Historic Year:	2019	97,452	68,535	1,443	27,474	-				
Historic Year:	2020	93,539	77,711	10,358	5,455	15				
Three-year average		83,046	66,588	5,477	10,977	5	-	-	-	-

2022 Cost Allocation Model

EB-2021-0042

Sheet 18 Demand Data Worksheet - Initial Application

This is an input sheet for demand allocators.

CP TEST RESULTS	12 CP
NCP TEST RESULTS	4 NCP

Co-incident Peak	Indicator
1 CP	CP 1
4 CP	CP 4
12 CP	CP 12

Non-co-incident Peak	Indicator
1 NCP	NCP 1
4 NCP	NCP 4
12 NCP	NCP 12

Customer Classes	Total	1	2	3	5	6	7	8	9	
		Residential	GS <50	GS 50 to 999 kW	GS 1,000 to 4,999 kW	Large Use >5MW	Street Light	Sentinel	Unmetered Scattered Load	
		CP Sanity Check	Pass	Pass	Pass	Pass	Pass	Pass	Pass	
CO-INCIDENT PEAK										
1 CP										
Transformation CP	TCP1	147,552	68,922	16,301	29,342	12,750	18,878	1,194	28	137
Bulk Delivery CP	BCP1	147,552	68,922	16,301	29,342	12,750	18,878	1,194	28	137
Total Sytem CP	DCP1	147,552	68,922	16,301	29,342	12,750	18,878	1,194	28	137
4 CP										
Transformation CP	TCP4	585,599	281,891	65,101	119,713	47,040	67,645	3,576	93	539
Bulk Delivery CP	BCP4	585,599	281,891	65,101	119,713	47,040	67,645	3,576	93	539
Total Sytem CP	DCP4	585,599	281,891	65,101	119,713	47,040	67,645	3,576	93	539
12 CP										
Transformation CP	TCP12	1,668,412	780,242	179,790	340,510	150,216	205,081	10,688	284	1,600
Bulk Delivery CP	BCP12	1,668,412	780,242	179,790	340,510	150,216	205,081	10,688	284	1,600
Total Sytem CP	DCP12	1,668,412	780,242	179,790	340,510	150,216	205,081	10,688	284	1,600

NON CO INCIDENT PEAK										
		NCP Sanity Check	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass
1 NCP										
Classification NCP from										
Load Data Provider	DNCP1	181,743	80,311	23,604	39,483	15,246	21,711	1,203	34	151
Primary NCP	PNCP1	181,743	80,311	23,604	39,483	15,246	21,711	1,203	34	151
Line Transformer NCP	LTNCP1	146,057	80,311	23,604	39,483	1,270	-	1,203	34	151
Secondary NCP	SNCP1	146,057	80,311	23,604	39,483	1,270	-	1,203	34	151
4 NCP										
Classification NCP from										
Load Data Provider	DNCP4	696,584	308,902	81,661	154,595	59,645	86,268	4,787	129	598
Primary NCP	PNCP4	696,584	308,902	81,661	154,595	59,645	86,268	4,787	129	598
Line Transformer NCP	LTNCP4	555,642	308,902	81,661	154,595	4,970	-	4,787	129	598
Secondary NCP	SNCP4	555,642	308,902	81,661	154,595	4,970	-	4,787	129	598
12 NCP										
Classification NCP from										
Load Data Provider	DNCP12	1,916,124	826,253	213,032	441,686	170,735	247,995	14,307	380	1,736
Primary NCP	PNCP12	1,916,124	826,253	213,032	441,686	170,735	247,995	14,307	380	1,736
Line Transformer NCP	LTNCP12	1,511,622	826,253	213,032	441,686	14,228	-	14,307	380	1,736
Secondary NCP	SNCP12	1,511,622	826,253	213,032	441,686	14,228	-	14,307	380	1,736

2022 Cost Allocation Model

EB-2021-0042

Sheet O1 Revenue to Cost Summary Worksheet - Initial Application

Instructions:

Please see the first tab in this workbook for detailed instructions

Class Revenue, Cost Analysis, and Return on Rate Base

Rate Base		1	2	3	5	6	7	8	9
Assets	Total	Residential	GS <50	GS 50 to 999 KW	GS 1,000 to 4,999 KW	Large Use >5MW	Street Light	Sentinel	Unmetered Scattered Load
crev Distribution Revenue at Existing Rates	\$20,420,991	\$14,373,804	\$2,365,881	\$2,313,136	\$510,521	\$522,350	\$260,279	\$31,732	\$43,288
mi Miscellaneous Revenue (mi)	\$2,201,364	\$1,597,793	\$230,834	\$236,923	\$41,741	\$55,341	\$28,422	\$5,269	\$5,041
	Miscellaneous Revenue Input equals Output								
Total Revenue at Existing Rates	\$22,622,354	\$15,971,597	\$2,596,715	\$2,550,059	\$552,262	\$577,691	\$288,701	\$37,000	\$48,330
Factor required to recover deficiency (1 + D)	1.2130								
Distribution Revenue at Status Quo Rates	\$24,771,346	\$17,435,906	\$2,869,893	\$2,805,911	\$619,279	\$633,628	\$315,727	\$38,491	\$52,510
Miscellaneous Revenue (mi)	\$2,201,364	\$1,597,793	\$230,834	\$236,923	\$41,741	\$55,341	\$28,422	\$5,269	\$5,041
Total Revenue at Status Quo Rates	\$26,972,710	\$19,033,699	\$3,100,727	\$3,042,835	\$661,020	\$688,970	\$344,149	\$43,760	\$57,551
Expenses									
di Distribution Costs (di)	\$4,388,305	\$2,737,027	\$489,999	\$762,694	\$140,999	\$183,737	\$57,218	\$7,863	\$8,769
cu Customer Related Costs (cu)	\$3,536,627	\$2,948,401	\$429,554	\$95,870	\$3,895	\$1,004	\$36,079	\$11,956	\$10,068
ad General and Administration (ad)	\$7,208,605	\$5,162,344	\$836,309	\$788,089	\$132,674	\$169,320	\$84,910	\$17,902	\$17,056
dep Depreciation and Amortization (dep)	\$4,916,957	\$3,285,178	\$616,286	\$713,326	\$105,324	\$128,156	\$53,120	\$7,405	\$8,162
INPUT PILs (INPUT)	\$684,115	\$452,181	\$78,021	\$104,570	\$17,090	\$21,514	\$8,295	\$1,162	\$1,282
INT Interest	\$2,303,653	\$1,522,649	\$262,725	\$352,123	\$57,549	\$72,444	\$27,933	\$3,913	\$4,316
Total Expenses	\$23,038,263	\$16,107,780	\$2,712,894	\$2,816,672	\$457,331	\$576,175	\$267,556	\$50,201	\$49,653
Direct Allocation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
NI Allocated Net Income (NI)	\$3,934,446	\$2,600,557	\$448,713	\$601,397	\$98,289	\$123,729	\$47,707	\$6,683	\$7,372
Revenue Requirement (includes NI)	\$26,972,710	\$18,708,337	\$3,161,607	\$3,418,069	\$555,620	\$699,903	\$315,263	\$56,885	\$57,025
	Revenue Requirement Input equals Output								

2022 Cost Allocation Model

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Sheet 01 Revenue to Cost Summary Worksheet - Initial Application

Instructions:

Please see the first tab in this workbook for detailed instructions

Class Revenue, Cost Analysis, and Return on Rate Base

Rate Base Assets	Total	1	2	3	5	6	7	8	9	
		Residential	GS <50	GS 50 to 999 kW	GS 1,000 to 4,999 kW	Large Use >5MW	Street Light	Sentinel	Unmetered Scattered Load	
Rate Base Calculation										
Net Assets										
dp	Distribution Plant - Gross	\$227,560,428	\$149,071,760	\$26,693,630	\$35,383,707	\$5,709,306	\$7,170,554	\$2,718,913	\$386,616	\$425,940
gp	General Plant - Gross	\$33,978,734	\$22,386,999	\$3,915,436	\$5,226,183	\$849,925	\$1,068,979	\$409,840	\$57,729	\$63,644
accum dep	Accumulated Depreciation	(\$82,017,555)	(\$53,276,805)	(\$9,868,506)	(\$12,954,731)	(\$2,067,326)	(\$2,591,164)	(\$966,333)	(\$139,332)	(\$153,357)
co	Capital Contribution	(\$74,497,280)	(\$48,806,450)	(\$8,739,009)	(\$11,582,580)	(\$1,867,590)	(\$2,345,358)	(\$890,227)	(\$126,603)	(\$139,462)
	Total Net Plant	\$105,024,328	\$69,375,504	\$12,001,552	\$16,072,579	\$2,624,316	\$3,303,011	\$1,272,192	\$178,410	\$196,765
	Directly Allocated Net Fixed Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
COP										
	Cost of Power (COP)	\$98,955,674	\$38,838,964	\$9,623,650	\$24,168,977	\$11,316,626	\$14,321,569	\$554,544	\$14,726	\$116,619
	OM&A Expenses	\$15,133,537	\$10,847,772	\$1,755,862	\$1,646,653	\$277,368	\$354,061	\$178,208	\$37,721	\$35,893
	Directly Allocated Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Subtotal	\$114,089,211	\$49,686,736	\$11,379,511	\$25,815,630	\$11,593,994	\$14,675,630	\$732,752	\$52,447	\$152,512
	Working Capital	\$8,556,691	\$3,726,505	\$853,463	\$1,936,172	\$869,550	\$1,100,672	\$54,956	\$3,934	\$11,438
	Total Rate Base	\$113,581,019	\$73,102,009	\$12,855,015	\$18,008,751	\$3,493,865	\$4,403,683	\$1,327,149	\$182,343	\$208,203
Rate Base Input equals Output										
	Equity Component of Rate Base	\$45,432,407	\$29,240,804	\$5,142,006	\$7,203,500	\$1,397,546	\$1,761,473	\$530,860	\$72,937	\$83,281
	Net Income on Allocated Assets	\$3,934,446	\$2,925,919	\$387,833	\$226,162	\$203,688	\$112,795	\$76,593	(\$6,441)	\$7,898
	Net Income on Direct Allocation Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Net Income	\$3,934,446	\$2,925,919	\$387,833	\$226,162	\$203,688	\$112,795	\$76,593	(\$6,441)	\$7,898
RATIOS ANALYSIS										
	REVENUE TO EXPENSES STATUS QUO%	100.00%	101.74%	98.07%	89.02%	118.97%	98.44%	109.16%	76.93%	100.92%
	EXISTING REVENUE MINUS ALLOCATED COSTS	(\$4,350,355)	(\$2,736,740)	(\$564,892)	(\$868,010)	(\$3,358)	(\$122,212)	(\$26,563)	(\$19,885)	(\$8,695)
Deficiency Input equals Output										
	STATUS QUO REVENUE MINUS ALLOCATED COSTS	(\$0)	\$325,361	(\$60,880)	(\$375,235)	\$105,400	(\$10,934)	\$28,886	(\$13,125)	\$526
	RETURN ON EQUITY COMPONENT OF RATE BASE	8.66%	10.01%	7.54%	3.14%	14.57%	6.40%	14.43%	-8.83%	9.48%

2022 Cost Allocation Model

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Sheet 02 Monthly Fixed Charge Min. & Max. Worksheet - Initial Application

Output sheet showing minimum and maximum level for Monthly Fixed Charge

Summary

Customer Unit Cost per month - Avoided Cost
 Customer Unit Cost per month - Directly Related
 Customer Unit Cost per month - Minimum System with PLCC Adjustment
 Existing Approved Fixed Charge

	1	2	3	5	6	7	8	9
	Residential	GS <50	GS 50 to 999 kW	GS 1,000 to 4,999 kW	Large Use >5MW	Street Light	Sentinel	Unmetered Scattered Load
Customer Unit Cost per month - Avoided Cost	\$7.25	\$17.77	\$32.90	\$57.05	\$50.09	\$1.02	\$4.29	\$3.74
Customer Unit Cost per month - Directly Related	\$12.87	\$29.29	\$53.75	\$84.85	\$80.49	\$1.96	\$8.18	\$7.15
Customer Unit Cost per month - Minimum System with PLCC Adjustment	\$25.85	\$42.43	\$69.58	\$89.37	\$85.23	\$2.26	\$20.47	\$16.38
Existing Approved Fixed Charge	\$29.88	\$18.38	\$86.74	\$682.42	\$2,725.12	\$2.68	\$5.63	\$8.76