

k1.4

EXHIBIT 7 – COST ALLOCATION

1
2

Exhibit	Contents	Page
7 – Cost Allocation		
	Cost Allocation Overview	2
	Weighting Factors	3
	Summary of Results and Proposed Changes	4
	Appendix 7-A: 2017 Updated Cost Allocation Study	9
	<ul style="list-style-type: none">• Input Sheets I-6 & I-8• Output Sheets O-1 & O-2	

3

1 **COST ALLOCATION OVERVIEW**

2 **Introduction and Background**

3 On September 29, 2006, the Board issued its directions on Cost Allocation Methodology for Electricity
4 Distributors (the "Directions"). On November 15, 2006, the Board issued the Cost Allocation Information
5 Filing Guidelines for Electricity Distributors ("the Guidelines"), the Cost Allocation Model (the "Model") and
6 User Instructions (the "Instructions") for the Model. E.L.K. prepared a cost allocation information filing
7 consistent with E.L.K.'s understanding of the Directions, the Guidelines, the Model and the Instructions.

8 One of the main objectives of the filing was to provide information on any apparent cross-subsidization
9 among a distributor's rate classifications. It was felt that this would give an indication of cross-
10 subsidization from one class to another and this information would be useful as a tool in future rate
11 applications.

12 On September 2, 2010, the Board began a proceeding, EB-2010-0219, with the mandate to review and
13 revise the existing Cost Allocation policy as needed. On March 31, 2011, the Report of the Board was
14 released in relation to EB-2010-0219 ("the March Report"). In the letter accompanying report, the Board
15 indicated that a Working Group would be formed to revise the original Cost Allocation Model to address
16 the revision highlighted in the March Report. On August 5, 2011, the Board released the new Cost
17 Allocation model and instructed 2012 Cost of Service filers to use the revised model in their applications.

18 In the March Report, the Board stated that "default weighting factors should now be utilized only in
19 exceptional circumstances". Distributors are therefore now expected to develop their own weighting
20 factors.

21 In E.L.K.'s 2012 EDR COS Application (EB-2011-0099), the 2012 cost allocation model was used and
22 updated to reflect 2012 test year costs, customer numbers and demand values. The 2012 demand values
23 were based on the weather normalized load forecast used to design rates. E.L.K. developed weighting
24 factors based on discussions with staff experienced in the subject area.

25 In this application, E.L.K. has used the 2017 cost allocation model released by the OEB on July 21, 2016.
26 The model reflects 2017 test year costs, customer numbers and demand values. The 2017 demand
27 values were based on the weather normalized load forecast used to design rates. E.L.K. reviewed the
28 various weighting factors used in the 2012 study and believes the factors are still valid.

1 **WEIGHTING FACTORS**

2 **Services (Account 1855)**

Rate Class	Factor
Residential	1.0
General Service < 50 kW	1.9
General Service 50 to 4,999 kW	1.9
Street Lighting	0.7
Sentinel Lighting	0.8
Unmetered Scattered Load	0.7

3

4 **Billing and Collection (Accounts 5315 – 5340, except 5335)**

Rate Class	Factor
Residential	1.0
General Service < 50 kW	1.0
General Service 50 to 4,999 kW	18.0
Street Lighting	15.3
Sentinel Lighting	1.0
Unmetered Scattered Load	1.0

5

6 **Meter Capital (Sheet I7.1)**

Meter Type	Installation Cost per Meter
Smart Meter - Residential	\$77.13
Smart Meter - General Service < 50 kW	\$150.77
Demand with IT and Interval Capability - Secondary	\$2,100
Demand with IT and Interval Capability - Primary	\$10,000

7

8 **Meter Reading (Sheet I7.2)**

Meter Type	Factor
Smart Meter	1
GS - Vehicle with other services	3
Interval Meter	49

9

10

1
 2 **SUMMARY OF RESULTS AND PROPOSED CHANGES**

3 The data used in the updated cost allocation study is consistent with E.L.K.'s cost data that supports the
 4 proposed 2017 revenue requirement outlined in this application. Consistent with the Guidelines, E.L.K.'s
 5 assets were broken out into primary and secondary distribution functions using breakout percentages
 6 consistent with the original cost allocation informational filing. The breakout of assets, capital
 7 contributions, depreciation, accumulated depreciation, customer data and load data by primary, line
 8 transformer and secondary categories were developed from the best data available to E.L.K., its
 9 engineering records, and its customer and financial information systems. An Excel version of the updated
 10 cost allocation study has been included with the filed application material. In addition, Appendix 7-A
 11 outlines Input Sheets I-6 & I-8 and Output Sheets O-1 & O-2 (first page only).

12 Capital contributions, depreciation and accumulated depreciation by USoA are consistent with the
 13 information provided in the 2017 continuity statement shown in Exhibit 2. The rate class customer data
 14 used in the updated cost allocation study is consistent with the 2017 customer forecast outlined in Exhibit
 15 3.

16 The load profiles for each rate class are the same as those used in the original information filing but have
 17 been scaled to match the 2017 load forecast. In a letter, dated June 12, 2015, the OEB stated that it
 18 expected distributors to be mindful of material changes to load profiles and to propose updates in their
 19 respective cost of service applications when warranted. E.L.K. is not aware of any reason for the load
 20 profiles to have material changed between the classes. As a result, E.L.K. has not updated its load
 21 profiles at this time. However, E.L.K. confirms that it intends to put plans in place to update its load
 22 profiles the next time a cost allocation model is filed.

23 The following Table 7-5 outlines the scaling factors used by rate class:

24 **Table 7-5 Load Profiling Scaling Factors**

Rate Class	2004 Weather Normal Values used Information Filing (kWh)	2017 Weather Normal Values (kWh)	Scaling Factor
Residential	75,584,844	92,079,767	121.8%
General Service < 50 kW	45,080,345	29,402,106	65.2%
General Service > 50 kW	69,650,366	60,476,956	86.8%
Street Lights	2,268,132	2,380,054	104.9%
Sentinel Lights	160,889	5,962	3.7%
Unmetered Scattered Load	283,513	264,832	93.4%
Total	193,028,087	184,609,677	95.6%

1 The allocated cost by rate class for the 2012 Cost of Service filing updated for New CGAAP depreciation
 2 in 2014 and 2017 updated study are provided in the following Table 7-6.

3 **Table 7-6: Allocated Cost –**
 4 **(Consistent with RRWF, Tab 11 Cost Allocation, Allocated Costs)**

Rate Class	2012 Board Approved Cost Allocation Study with New CGAAP Depreciation	%	Cost Allocated in the 2017 Study	%
Residential	\$2,496,518	67.0%	\$2,900,631	64.3%
General Service < 50 kW	\$531,271	14.3%	\$709,946	15.7%
General Service > 50 kW	\$421,996	11.3%	\$741,970	16.4%
Street Lights	\$143,317	3.8%	\$88,694	2.0%
Sentinel Lights	\$470	0.0%	\$625	0.0%
Unmetered Scattered Load	\$3,839	0.1%	\$5,464	0.1%
Embedded Distributor	\$127,674	3.4%	\$65,764	1.5%
Total	\$3,725,085	100.0%	\$4,513,093	100.0%

5
 6 The results of a cost allocation study are typically presented in the form of revenue to cost ratios. The
 7 ratio is shown by rate classification and is the percentage of distribution revenue collected by rate
 8 classification compared to the costs allocated to the classification. The percentage identifies the rate
 9 classifications that are being subsidized and those that are over-contributing. A percentage of less than
 10 100% means the rate classification is under-contributing and is being subsidized by other classes of
 11 customers. A percentage of greater than 100% indicates the rate classification is over-contributing and is
 12 subsidizing other classes of customers.

13 In the March Board Report, the Board established what it considered to be the appropriate ranges of
 14 revenue to cost ratios which are summarized in Table 7-7 below. In addition, Table 7-7 provides E.L.K.'s
 15 revenue to cost ratios from the 2013 application, the updated 2017 cost allocation study and the proposed
 16 2018 and 2019 ratios.

17

Table 7-7 Revenue to Cost Ratios –
(Consistent with RRWF, Tab 11 Cost Allocation, Proposed & Rebalancing
Revenue to Cost Ratios)

Rate Class	2012 Board Approved Cost Allocation Study with New CGAAP Depreciation	2017 Updated Cost Allocation Study	2017 Proposed Ratios	2018 & 2019 Proposed Ratios	Board Targets Min to Max	
Residential	98.0%	103.8%	103.8%	103.8%	85.0%	115.0%
General Service < 50 kW	95.0%	75.7%	91.2%	91.2%	80.0%	120.0%
General Service > 50 kW	120.0%	90.5%	91.2%	91.2%	80.0%	120.0%
Street Lights	95.0%	161.5%	120.0%	120.0%	80.0%	120.0%
Sentinel Lights	95.0%	75.2%	91.2%	91.2%	80.0%	120.0%
Unmetered Scattered Load	95.0%	72.8%	91.2%	91.2%	80.0%	120.0%
Embedded Distributor	100.0%	219.6%	100.0%	100.0%	85.0%	115.0%

The 2017 cost allocation study indicates the revenue to cost ratios for Street Lighting and Embedded Distributors are outside the Board's range. For 2017, it is proposed the Street Lights ratios be brought within the Board's range and the Embedded Distributor be set a 100% to be consistent with approach applied to this class in the 2012 cost of service application. The General Service < 50 kW, General Service > 50 kW, Sentinel Lights and Unmetered Scattered Load classes are adjusted upward to a common ratio in order to maintain revenue neutrality.

The following Table 7-8 provides information on calculated class revenue. The resulting 2017 proposed base revenue will be the amount used in Exhibit 8 to design the proposed distribution charges in this application.

Table 7-8 Calculated Class Revenue –
(Consistent with RRWF, Tab 11 Cost Allocation, Calculated Class Revenues)

Rate Class	2017 Base Revenue at Existing Rates	2017 Proposed Base Revenue Allocated at Existing Rates Proportion	2017 Proposed Base Revenue	Miscellaneous Revenue
Residential	\$2,232,303	\$2,652,608	\$2,652,608	\$359,182
General Service < 50 kW	\$382,867	\$454,954	\$564,424	\$82,757
General Service > 50 kW	\$487,590	\$579,395	\$584,316	\$92,059
Street Lights	\$113,741	\$135,156	\$98,326	\$8,107
Sentinel Lights	\$345	\$410	\$510	\$59
Unmetered Scattered Load	\$2,888	\$3,431	\$4,435	\$546
Embedded Distributor	\$115,410	\$137,140	\$58,476	\$7,288
Total	\$3,335,144	\$3,963,096	\$3,963,096	\$549,998

1 **Embedded Distributor Class**

2 E.L.K. has an Embedded Distributor customer which is HONI.

3 In connection with preparing its rate application, E.L.K. has consulted with HONI and advised HONI on
4 E.L.K.'s proposal to only charge the costs that are directly assignable to HONI. On July 8, 2016, E.L.K.
5 had a conference call with HONI to outline the proposal and HONI was in general agreement with the
6 direct allocation approach. The following outlines the costs that are directly allocated to the Embedded
7 Distributor class in the cost allocation model

8 **Table 7-9 Embedded Distributor Direct Allocation**

Description	\$
Meter Reading	\$15,974
Billing	\$15,203
Meter Depreciation	\$4,600
Meter Costs	\$115,000
Accumulated Depreciation	(\$48,300)
Net Book Value	\$66,700

9 The cost allocation model assigns a portion of return on debt, return on equity, administration costs and
10 general plant assets to the Embedded Distributor based on information provided in the above table. In
11 total the cost allocation model allocates \$65,764 to the Embedded Distributor class.

12 **Unmetered Loads**

13 E.L.K. communicates with unmetered load customers, including Street Lighting customers, to assist them
14 in understanding the regulatory context in which distributors operate and how it affects unmetered load
15 customers. This communication takes place on an on-going basis and is not driven by the rate
16 application process. E.L.K. is currently looking into ways to further communicate effectively with our
17 customer base including investigating new software as they become available as well as social media.

18 **microFIT Class**

19 E.L.K. is not proposing to include microFIT as a separate class in the cost allocation model in 2017. It is
20 E.L.K.'s understanding that the cost allocation model will produce a calculation of unit costs which the
21 Board will use to update the uniform microFIT rate at a future date.

1 **New Customer Class**

2 E.L.K. is not proposing to include a new customer class.

3 **Eliminated Customer Class**

4 E.L.K. is not proposing to eliminate a rate class.

1

APPENDIX 7-A

2

- Input Sheets I-6 & I-8

3

- Output Sheets O-1 & O-2 (first page only).

2017 Cost Allocation Model

**EB-2016-0066
Sheet 16.1 Revenue Worksheet -**

Total kWhs from Load Forecast	184,609,677
-------------------------------	-------------

Total kW from Load Forecast	195,030
-----------------------------	---------

Deficiency/sufficiency (RRWF 8, cell F51)	- 627,952
--	-----------

Miscellaneous Revenue (RRWF 5, cell F48)	549,998
--	---------

		1	2	3	7	8	9	10	
ID	Total	Residential	GS <50	General Service 50 to 4,999 kW	Street Light	Sentinel Lighting	Unmetered Scattered Load	Embedded Distributor	
Billing Data									
Forecast kWh	CEN	184,609,677	92,079,767	29,137,274	60,741,788	2,380,054	5,962	264,832	
Forecast kW	CDEM	195,030			188,540	6,476	14		
Forecast kW, included in CDEM, of customers receiving line transformer allowance		30,768			30,768				
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	184,609,677	92,079,767	29,137,274	60,741,788	2,380,054	5,962	264,832	
Existing Monthly Charge			\$13.33	\$15.77	\$187.07	\$1.17	\$3.13	\$6.41	\$1,849.67
Existing Distribution kWh Rate			\$0.0062	\$0.0050				\$0.0019	
Existing Distribution kW Rate					\$1,5827	\$11,4381	\$5,8898		\$0,2751
Existing TOA Rate					\$0.60				
Additional Charges									
Distribution Revenue from Rates		\$3,353,604	\$2,232,303	\$382,867	\$506,050	\$113,741	\$345	\$2,888	\$115,410
Transformer Ownership Allowance		\$18,461	\$0	\$0	\$18,461	\$0	\$0	\$0	\$0
Net Class Revenue	CREV	\$3,335,144	\$2,232,303	\$382,867	\$487,500	\$113,741	\$345	\$2,888	\$115,410

2017 Cost Allocation Model

EB-2016-0066

Sheet I6.2 Customer Data Worksheet -

			1	2	3	7	8	9	10
	ID	Total	Residential	GS <50	General Service 50 to 4,999 kW	Street Light	Sentinel Lighting	Unmetered Scattered Load	Embedded Distributor
Billing Data									
Bad Debt 3 Year Historical Average	BDHA	\$254,920	\$253,277	\$1,643	\$0	\$0	\$0	\$0	\$0
Late Payment 3 Year Historical Average	LPHA	\$127,882	\$86,384	\$17,265	\$22,111	\$122			
Number of Bills	CNB	141,195	124,637	15,040	1,110	12	24	372	
Number of Devices	CDEV					2,826	7	31	
Number of Connections (Unmetered)	CCON	2,864				2,826	7	31	
Total Number of Customers	CCA	11,732	10,386	1,253	93				
Bulk Customer Base	CCB	-							
Primary Customer Base	CCP	11,982	10,386	1,253	93	249			
Line Transformer Customer Base	CCLT	11,975	10,386	1,253	86	249			
Secondary Customer Base	CCS	11,731	10,386	1,253	92				
Weighted - Services	CWCS	14,848	10,386	2,394	175	1,867	5	20	-
Weighted Meter -Capital	CWMC	1,193,309	801,150	188,959	203,200	-	-	-	-
Weighted Meter Reading	CWMR	11,965	10,386	1,253	325	-	-	-	-
Weighted Bills	CWNB	160,273	124,637	15,040	20,016	184	24	372	-

Bad Debt Data

Historic Year:	2012	258,966	258,966						
Historic Year:	2013	193,279	188,350	4,929					
Historic Year:	2014	312,515	312,515						
Three-year average		254,920	253,277	1,643	-	-	-	-	-

Street Lighting Adjustment Factors

NCP Test Results	4 NCP
------------------	-------

Class	Primary Asset Data		Line Transformer Asset Data	
	Customers/ Devices	4 NCP	Customers/ Devices	4 NCP
Residential	10,386	92,297	10,386	92,297
Street Light	2,826	2,216	2,826	2,216

Street Lighting Adjustment Factors	
Primary	11,3328
Line Transformer	11,3328

2017 Cost Allocation Model

EB-2016-0066

Sheet 16 Demand Data Worksheet -

This is an input sheet for demand allocators.

CP TEST RESULTS	4 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	7	8	9	10
			Residential	GS <50	General Service 50 to 4,999 kW	Street Light	Sentinel Lighting	Unmetered Scattered Load	Embedded Distributor	
CO-INCIDENT PEAK										
1 CP										
Transformation CP	TCP1	42,329	27,097	7,150	8,057	-	-	-	25	
Bulk Delivery CP	BCP1	42,329	27,097	7,150	8,057	-	-	-	25	
Total System CP	DCP1	42,329	27,097	7,150	8,057	-	-	-	25	
4 CP										
Transformation CP	TCP4	151,901	92,297	27,765	31,739	-	-	-	100	
Bulk Delivery CP	BCP4	151,901	92,297	27,765	31,739	-	-	-	100	
Total System CP	DCP4	151,901	92,297	27,765	31,739	-	-	-	100	
12 CP										
Transformation CP	TCP12	370,856	202,232	68,609	96,681	2,939	7		388	
Bulk Delivery CP	BCP12	370,856	202,232	68,609	96,681	2,939	7		388	
Total System CP	DCP12	370,856	202,232	68,609	96,681	2,939	7		388	
NON CO-INCIDENT PEAK										
1 NCP										
Classification NCP from Load Data Provider										
DNCP1		50,745	27,097	10,136	12,905	554	1		52	
Primary NCP	PNCP1	50,745	27,097	10,136	12,905	554	1		52	
Line Transformer NCP	LTNCP1	48,639	27,097	10,136	10,798	554	1		52	
Secondary NCP	SNCP1	50,606	27,097	10,136	12,766	554	1		52	
4 NCP										
Classification NCP from Load Data Provider										
DNCP4		182,403	92,297	38,667	49,022	2,216	6		196	
Primary NCP	PNCP4	182,403	92,297	38,667	49,022	2,216	6		196	
Line Transformer NCP	LTNCP4	174,403	92,297	38,667	41,022	2,216	6		196	
Secondary NCP	SNCP4	181,873	92,297	38,667	48,492	2,216	6		196	
12 NCP										
Classification NCP from Load Data Provider										
DNCP12		445,919	213,260	89,413	136,069	6,624	17		537	
Primary NCP	PNCP12	445,919	213,260	89,413	136,069	6,624	17		537	
Line Transformer NCP	LTNCP12	423,714	213,260	89,413	113,864	6,624	17		537	
Secondary NCP	SNCP12	444,448	213,260	89,413	134,598	6,624	17		537	

2017 Cost Allocation Model

EB-2016-0066

Sheet 01 Revenue to Cost Summary Worksheet -

Instructions:
Please see the first tab in this workbook for detailed instructions

Class Revenue, Cost Analysis, and Return on Rate Base

Rate Base	Total	1	2	3	7	8	9	10
Assets	Residential	OS <60	General Service to 4,000 kW	Street Light	Seminal Lighting	Unmetered Scattered Load	Embedded Distributor	
ffff	Distribution Revenue at Existing Rates	\$1,332,144	\$1,232,303	\$362,887	\$437,330	\$113,741	\$345	\$115,113
mf	Miscellaneous Revenue (M)	\$548,938	\$330,102	\$82,757	\$92,059	\$8,107	\$0	\$7,280
	Miscellaneous Revenue Input equals Output							
	Total Revenue at Existing Rates	\$1,881,082	\$1,562,405	\$445,644	\$529,389	\$121,848	\$445	\$122,393
	Factor required to recover deficiency (1 + D)	1.000	1.000	1.000	1.000	1.000	1.000	1.000
	Distribution Revenue at Status Quo Rates	\$1,383,096	\$1,283,200	\$454,854	\$529,389	\$135,158	\$410	\$127,140
	Miscellaneous Revenue (M)	\$548,938	\$330,182	\$82,757	\$92,059	\$8,107	\$0	\$7,280
	Total Revenue at Status Quo Rates	\$1,932,034	\$1,613,382	\$537,611	\$621,448	\$143,265	\$410	\$134,420
	Expenses							
d	Distribution Costs (d)	\$1,182,406	\$879,008	\$213,720	\$218,848	\$37,836	\$217	\$1,589
cu	Customer Related Costs (cu)	\$907,511	\$119,548	\$110,423	\$125,467	\$530	\$69	\$0
gd	General and Administration (gd)	\$1,386,212	\$902,968	\$211,420	\$224,738	\$20,291	\$187	\$19,885
dep	Depreciation and Amortization (dep)	\$234,274	\$214,068	\$83,000	\$84,065	\$1,047	\$0	\$434
INPUT	PLA (INPUT)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
INT	Interest	\$204,828	\$122,452	\$37,362	\$37,537	\$5,443	\$36	\$283
	Total Expenses	\$4,354,237	\$1,429,024	\$438,504	\$466,688	\$67,661	\$288	\$1,934
	Direct Allocation	\$40,828	\$0	\$0	\$0	\$0	\$0	\$40,828
NI	Allocated Net Income (NI)	\$437,828	\$262,010	\$78,842	\$80,318	\$11,847	\$77	\$562
	Revenue Requirement (Includes NI)	\$4,513,082	\$1,900,631	\$520,546	\$741,970	\$88,084	\$625	\$5,464
	Revenue Requirement Input equals Output							
	Rate Base Calculation							
dp	Net Assets	\$29,160,285	\$17,360,584	\$5,417,872	\$5,918,006	\$691,863	\$5,074	\$38,684
gp	General Plant - Gross	\$2,882,231	\$1,587,892	\$490,595	\$497,914	\$68,592	\$468	\$3,472
amort	Accumulated Depreciation	(\$15,413,700)	(\$1,127,971)	(\$3,178,541)	(\$3,020,758)	(\$341,292)	(\$2,653)	(\$20,869)
cp	Cost of Plant	\$13,746,585	\$7,730,525	\$2,422,930	\$2,375,160	\$329,163	\$2,879	\$18,085
sa	Cost of Sales	\$15,712,095	\$9,827,112	\$3,145,941	\$3,289,842	\$115,454	\$1,176	\$9,922
	Total Net Plant	\$29,160,285	\$17,360,584	\$5,417,872	\$5,918,006	\$691,863	\$5,074	\$38,684
	Directly Allocated Net Fixed Assets	\$66,700	\$0	\$0	\$0	\$0	\$0	\$66,700
COF	Cost of Power (COF)	\$26,092,782	\$13,018,108	\$4,104,014	\$8,538,478	\$335,821	\$801	\$37,450
	OM&A Expenses	\$3,495,730	\$2,301,582	\$535,582	\$570,051	\$63,757	\$473	\$4,360
	Directly Allocated Expenses	\$11,177	\$0	\$0	\$0	\$0	\$0	\$11,177
	Subtotal	\$39,779,289	\$17,719,690	\$4,639,596	\$9,108,529	\$400,379	\$1,074	\$41,870
	Working Capital	\$3,219,475	\$1,149,977	\$347,870	\$682,890	\$1,468	\$102	\$3,138
	Total Rate Base	\$43,000,065	\$17,869,667	\$5,034,344	\$10,194,289	\$402,847	\$1,176	\$45,018
	Rate Base Input equals Output							
	Equity Component of Rate Base	\$4,800,286	\$2,866,189	\$883,728	\$961,780	\$116,211	\$727	\$8,285
	Net Income on Allocated Assets	\$437,828	\$272,169	\$82,292	\$84,801	\$12,248	\$87	\$664
	Net Income on Direct Allocation Assets	\$3,207	\$0	\$0	\$0	\$0	\$0	\$3,207
	Net Income	\$441,035	\$272,169	\$82,292	\$84,801	\$12,248	\$87	\$667
	RATIOS ANALYSIS							
	REVENUE TO EXPENSES STATUS QUO%	100.00%	100.82%	76.74%	90.50%	161.82%	76.23%	219.02%
	EXISTING REVENUE MINUS ALLOCATED COSTS	(\$527,852)	(\$309,140)	(\$244,322)	(\$169,322)	\$33,153	(\$220)	(\$56,834)
	Deficiency Input equals Output							
	STATUS QUO REVENUE MINUS ALLOCATED COSTS	(\$80)	\$111,760	(\$172,234)	(\$70,517)	\$54,569	(\$155)	(\$1,487)
	RETURN ON EQUITY COMPONENT OF RATE BASE	9.10%	13.32%	-10.81%	0.90%	66.03%	-10.72%	272.78%

2017 Cost Allocation Model

EB-2016-0066

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

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	7	8	9	10
	Residential	GS <50	General Service 50 to 4,999 kW	Street Light	Sentinel Lighting	Unmetered Scattered Load	Embedded Distributor
Customer Unit Cost per month - Avoided Cost	\$5.06	\$7.72	\$113.55	\$0.01	\$0.62	\$2.18	0
Customer Unit Cost per month - Directly Related	\$8.08	\$12.12	\$180.19	\$0.02	\$1.03	\$3.59	0
Customer Unit Cost per month - Minimum System with PLCC Adjustment	\$15.09	\$19.88	\$207.72	\$2.06	\$7.44	\$9.32	0
Existing Approved Fixed Charge	\$13.33	\$15.77	\$187.07	\$1.17	\$3.13	\$6.41	\$1,849.67