

XYZ Utility Inc.

20XX – 20XY

General Tariff Application

January XX, 20XX

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Preamble

The Board is the custodian of the Minimum Filing Requirements (MFR) and is responsible for ensuring the requirements are amended from time to time, as required. The Board will conduct an initial formal review of the content of this MFR within three years after implementation. On an ongoing basis, the Board will initiate a formal review of this MFR document every 3 years to ensure that its content reflect the regulatory circumstances existing at the time of the review.

In principle, minimum filing requirements are intended to provide visibility into the application. They are intended to provide consistency between the applications filed by different applicants; to facilitate an understanding of the items included in the application and how the forecasts used in the application were developed.

These requirements are to be interpreted and implemented in conjunction with the Uniform System of Accounts prescribed by the Board and the accounting instructions included within the Uniform System.

All filings must be in an electronic format for all documents. Electronic copies must include PDF and Microsoft Excel files of all materials, which will form the permanent record, as required for the Board's Electronic Application System. As well, Microsoft Word copies of all material other than Microsoft Excel spreadsheets must be made available to the Board and other parties. These function as working copies and allow all parties to readily extract and analyze information. Where possible, spreadsheets must be linked and integrated so that any changes can be worked through all the sheets. A reasonable level of formulaic detail should be maintained in the spreadsheets, including, but not limited to: sums, differences, percentages, and basic extension calculations. Additionally, revisions to the application and schedules must be filed with revisions clearly marked.

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After responses to information requests have been filed, the applicant shall complete and file a statement of omissions and adjustments. This statement shall itemize and summarize any errors, omissions and adjustments to the application identified since the initial filing. This shall include items identified by the utility in its own review of the application, items identified in responses to information requests, and items arising from external factors. Items identified by the utility in its own review will be those items:

- where prior year rate base actuals have become known subsequent to the application;
- where the utility has identified an error or omission from the original application;
- where there is new information on a major assumption or other factors that could impact the forecast included in the GTA.

Consideration shall also be given to providing updated schedules incorporating those errors and omissions where this disclosure will help clarify the impact of the changes to the Board and interested parties.

Where prior year actual results have become known subsequent to the application, the applicant shall update schedules to include actual results for comparison purposes.

All pages must have line numbers and page numbers to facilitate reference in information requests, cross-examination, argument, and reply argument. All sections must be clearly marked, with section number and name in the header of each page and schedule. As well, the application name, applicant name, application date, and proceeding number (if available at time of filing) must be included in the header for each page and schedule.

The following list outlines the sections of an application that must be filed with the Board.

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- Section 1 – Introduction
- Section 2 – Board Directives
- Section 3 – Transmission Revenue Requirements
- Section 4 – Transmission Fuel Costs
- Section 5 – Transmission Operating Costs
- Section 6 – Transmission Depreciation
- Section 7 – Transmission Income Taxes
- Section 8 – Transmission Revenue Offsets
- Section 9 – Transmission Return on Rate Base
- Section 10 – Transmission Rate Base
- Section 11 – Transmission Necessary Working Capital
- Section 12 – Distribution Revenue Requirements
- Section 13 – Distribution Retail Revenue
- Section 14 – Distribution Cost of Sales
- Section 15 – Distribution Operation Costs
- Section 16 – Distribution Depreciation
- Section 17 – Distribution Income Taxes
- Section 18 – Distribution Revenue Offsets
- Section 19 – Distribution Return on Rate Base
- Section 20 – Distribution Rate Base
- Section 21 – Distribution Necessary Working Capital
- Section 22 – Isolated Operating Costs
- Section 23 – General Operation and Maintenance
- Section 24 – Common Operations
- Section 25 – Corporate Administration and General
- Section 26 – Corporate PP&E
- Section 27 – Cost Functionalization
- Section 28 - Financing
- Section 29 – No Cost Capital
- Section 30 – Affiliate Transactions
- Section 31 – Supplementary Information

These sections and section numbers must be standard to all General Tariff Applications (GTA). If a section is not required, the section should be included with an indication that the section is not required. Additional information may be provided within each section or as additional sections as required. The applicant may add appendices containing supplementary information as required, provided the appendices are clearly referenced in

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the application. As well, the Board may require additional information in the process of evaluating a utility's application.

A transition process is required in order to assist in the bridging of the pre USA/MFR format and numbers to the post USA/MFR material.

For the transition process, in order to provide a bridge or mapping to the new USA / MFR format, summary schedules ("Vintage Schedules") that adopt the pre USA and MFR formats where necessary must be filed. These Vintage Schedules will only be provided on a one time basis at the time of the Utilities' first filing under the new USA and MFR formats. There is no additional requirement to restate historical information previously filed with the Board to reflect the new USA / MFR data requirements or formats. The Board will initiate a process to further develop and define guidelines and formats for the transition.

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Section 1 - Introduction

Application Overview

The Application Overview shall contain a summary of the application in sufficient detail to give an understanding of the basic nature of the application and decisions being requested of the Board. The Application Overview section shall include an introduction to the utility, and should outline key characteristics of the utility such as service territory, size of the utility, and total revenue requirement requested. Applicants shall provide a summary of the major issues being raised in the application requiring Board decision, along with the position of the applicant on each major issue.

Cost Drivers

This section shall contain a summary of the significant factors that are contained in this application and that influence the filing. This may include a summary of cost drivers or other factors impacting the application and requested revenue requirement. The Applicant shall provide an “executive summary” explaining the reasons for changes in requested revenue requirements.

Tariff/Rate Applied For

This section shall clearly identify the specific approvals being requested in the application(s). As applicable, this section will include Phase 1, Revenue Requirements; Phase 2, Final Rates; terms and conditions and any application for interim rates that an applicant may request. If interim rates are requested, this shall include the justification for interim rates (i.e. the urgency and special circumstances that require interim rates rather than awaiting final rates, prima facie evidence in support of interims, rate shock due to deferring increased costs, etc.), the rates requested, and the terms and conditions requested for interim rates.

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Other Approvals (Deferral Accounts) Requested For

This section shall contain any supplementary application(s) being requested. This will include new deferral accounts being requested, application for continuance of existing deferral accounts and the status of any Board ordered placeholders.

Organizational Structure

Applicants shall provide an overview of the organizational structure of the utility. Applicants shall provide an overview of the corporate entity of which the utility is a part. The schedule shall outline affiliated entities and a description of business lines for each entity.

As well, the applicant shall provide organization charts, down to direct reports of vice presidents.

The applicant shall disclose all operations, lines of business, or activities performed within the regulated utility that are considered non-utility or are not included in the application.

Forecasting Methodology/Process and Key Assumptions

Assumptions

Applicants shall identify all assumptions used in the preparation of the application and related forecasts. Applicants shall define the basis of the assumption and the source of any information that lead to the assumption. As well, applicants shall explain why the assumption is appropriate. If different assumptions are used for different sections of the application, these will be explained.

Typically, applications shall include the following assumptions such as:

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- general inflation forecasts for Alberta, and Edmonton/Calgary, or elsewhere as appropriate, segregated for: supplies and wages;
- specific inflation for items that differs from general inflation;
- housing-start forecasts for Alberta, and Edmonton/Calgary;
- residential and commercial customer-growth forecasts;
- residential and commercial sales-per-customer forecasts;
- interest-rate forecasts for long and short-term debt and for investments.
- coupon rates for preferred shares;
- timing of forecast capital expenditures and additions (i.e. monthly vs. mid-year);
- vacancy rates

Forecasting Methodologies

Each application shall include an appropriate explanation of the utility's methodologies, practices and procedures for preparing and approving the forecasts provided in the application, including the timelines for approval of capital and operating expenses, and overall forecast approvals by management, senior management, and executives. This shall include an appropriate discussion of the steps taken and internal reviews and approvals in arriving at the forecast included in the application.

Specifically, applicants shall provide an appropriate discussion of processes used to prepare and approve forecasts for:

- Operation and Maintenance Expense;
- Capital Expenditures; and
- Load Forecasts.

Major Issues and Policy Changes

The intent of this section is for the utility to provide the Board and all interveners with an understanding of the major issues and related forecasts submitted in the application.

Applicants shall indicate changes to policy from prior applications or deviations from the USA. When such changes occurred utilities shall explain the justification and intent of any changes.

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Applicants shall file schedules as outlined in each section. Generally, financial results shall be reported in millions of dollars plus one decimal. All of the schedules should be in Microsoft Excel format. To the extent possible, spreadsheets must be linked and integrated so that any changes can be worked through the all sheets. A reasonable level of formulae should be maintained in the spreadsheets, including, but not limited to: sums, differences, percentages, and basic extension calculations. Additionally, revisions to schedules must be filed with revisions clearly marked. Schedules should be cross referenced and include at least two years of actual results. Where the application is filed before the beginning of the test period, the schedules shall also include an estimate of the year preceding the test period forecasts in addition to the two years actual results.

Where the applicant uses tables in the body of the application to provide additional information or clarity, the tables shall contain the same years as the schedules. In addition, the tables shall be clearly referenced or reconciled to the appropriate schedule in the application.

In addition, the schedules shall be based on the Uniform System of Accounts defined by the Board. Any non-utility or disallowed costs shall be disclosed separately and excluded from actual and forecast revenue requirements.

Operational Performance

As directed by the Board, or at the option of the utility, the utility shall report achievement of operational performance indicators for each year of the application. The applicant will also disclose any proposed changes in service levels, either an increase or decrease and the impact of such changes on actual and/or forecast results. The applicant shall also explain the rationale for the proposed change.

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Section 2 – Board Directives

The applicant will provide a table showing each of the directions from the Board from prior related decisions with an explanation, with references, to how the utility is in compliance with the direction. In rare circumstances where the applicant is not in compliance with the direction, the applicant will explain the reason for not complying with the direction. Each applicant shall provide a table outlining:

- A summary of the directive, outlining the nature of the directive. In the event that a Board direction was not captured in the Summary of Board Directions appendix in the decision report and was, therefore, not assigned a direction number, the applicant shall provide a clear identification of where the direction is located in the prior decision.
- The current status for each directive.
- If not complete, an explanation of why the directive has not been complete and an estimate of the anticipated completion date.
- Identification of the impact of responses to the directive on the content of the application and Cross References to the section, page and lines of the application that are impacted by the response to the direction.

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Section 3 – Transmission Revenue Requirements

Summary

This shall include a summary schedule of revenue requirement, and requested revenue shortfalls/surpluses, for two years of actual results and any forecast years prior to the application in addition to the forecast years of the application. This summary schedule shall include the components of revenue requirement for all years in the following categories:

- Return on Rate Base
- Income Taxes
- Depreciation Expense
- Operation and Maintenance Expense
- Taxes – Other than Income
- Revenue Offsets/Income Credits
- Other
- Revenue on Existing Rates
- Revenue Shortfall (Surplus)

This section shall also include an analysis outlining the year over year changes in each of the components of revenue requirement, and explanation of the major reasons for change in each component for:

- Return on Rate Base
- Income Taxes
- Depreciation Expense
- Operation and Maintenance Expense
- Taxes – Other than Income
- Revenue Offsets/Income Credits
- Other
- Revenue on Existing Rates

This section shall also include an analysis outlining, for the most recent available historic year, the differences between the utilities applied for forecast and its actual results in each

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of the components of revenue requirement, and explanation of the major reasons for change in each component for:

- Return on Rate Base
- Income Taxes
- Depreciation Expense
- Operation and Maintenance Expense
- Taxes – Other than Income
- Revenue Offsets/Income Credits
- Other
- Revenue on Existing Rates

The Application Overview shall include a summary of Rate Base and Capital Expenditures. Information shall be provided for two years of actual results or longer if greater than two years have elapsed since the last application, and any forecast years prior to the application in addition to the forecast years of the application.

Transmission Revenue Requirement Schedules

3-1 Summary of Transmission Revenue and Costs

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Section 4 – Transmission Fuel Costs

Summary

This section shall contain an explanation of Transmission Fuel costs, including a description of the operation and an explanation of changes in costs from year to year, or from actual to approved forecast. These fuel costs relate to the isolated generation units. These generation units use natural gas and diesel fuel

Transmission Fuel Cost Schedule

4-1 Schedule of Fuel Costs

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Section 5 – Transmission Operating Costs

Section 5 shall contain the applicant's evidence in support of its forecast Transmission Operating Costs. It shall contain an explanation of Operation and Maintenance, Taxes, Other Than Income, and any other operating costs forecast in the application.

Operation and Maintenance

This section shall contain an explanation of Transmission Operation and Maintenance expenditures. Applicants shall provide an explanation of the major factors that are driving forecast expenditures. Applications shall demonstrate how applicants have applied stated policies and incorporated stated assumptions into forecasts provided.

Applicants shall explain and quantify all significant changes in Operation and Maintenance Expense such as

- new programs;
- reductions and eliminations of programs; and
- impact of industry changes, such as unbundling and transfer of retail businesses.

Applicants shall explain corporate costs and allocation methodology to various subsidiaries. Applicants must justify corporate costs to demonstrate that costs are required by utilities, and that any method(s) used to allocate costs to utilities are appropriate. Applicants shall explain all allocation methods, and provide all data used in the calculation of the allocation.

In Section 5 Schedules, applicants should provide explanations for all significant variances at the account level.

At the Transmission level, the costs should be disclosed as labour, fringe benefits, contractor services and other.

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For labour variances at the Transmission level applicants can explain variances between actual results and respective approved forecast by using items such as:

- growth – growth in employee base;
 - attrition – reductions in employee base;
 - vacancy – provision for vacant positions;
 - inflation – general wage increases;
 - benefits, wages – changes in benefit costs directly related to changes in labour costs;
 - benefits, plan – changes in benefit costs due to changes in the benefits plan;
 - variable compensation – changes in variable compensation; and
 - other – any other changes in labour and related costs.
- For “other” variances at the Transmission level, explanations shall be based on the nature of cost increases.

Taxes – Other Than Income

Applicants shall explain the nature and changes in Taxes – Other Than Income. This will include Franchise Taxes or Municipal Consent and Access Fees as well as any other taxes or government levies and fees. Other charges may include Property Taxes, Transmission and Pipeline Taxes, Business Taxes, or any other tax levied on utilities. Each charge shall be explained separately.

Transmission Operating Cost Schedules

- 5-1 Schedule of Transmission Operation & Maintenance Costs by Account
- 5-2 Schedule of Transmission Operation & Maintenance Costs - Variance Explanations
- 5-3 Details of Miscellaneous Transmission Expenses - GTA Account 566 (Note 1)
- 5-4 Schedule of Transmission Costs
- 5-5 Schedule of Transmission Manpower - Full Time Equivalents (FTEs) - Annual Averages
- 5-6 Schedule of Transmission Taxes Other Than Income Taxes

Note 1 This schedule would be on an as required basis to provide more information on significant accounts

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Section 6 – Transmission Depreciation

Summary

Applicants shall provide an understanding of the applicant's methodology for depreciation, and their rationale for that methodology. Applicants shall explain the rationale for any changes in depreciation rates. Applicants shall document and explain any changes in methodology, or rationale from prior proceedings. As well, applicants shall quantify the impact of any changes in methodology.

Applicants shall discuss any depreciation related issues as they relate to the application and related forecasts.

As part of the minimum filing requirements, irrespective of whether the utility is filing a new depreciation study or a technical update, the utility is required to file:

- historical additions and retirements (not required for technical updates);
- current-year plant balances by account/sub-account and vintage, if required to do the depreciation calculation; and
- all calculations showing the development of the depreciation rate, depreciation reserve adjustment, and resulting depreciation expense requested by the utility.

If a depreciation study is being filed, the utility is also required to provide:

- the basis for the life and net salvage;
- specific rationale for the selection of each account/sub-account life and net salvage including copies of all field notes, discussions with management, letters, emails, and related correspondence (if not available, a summary sheet is acceptable) as it relates to the depreciation witness; and
- various life and net salvage patterns examined and reasons for acceptance or rejection concerning the finally decided parameters for life and net salvage.

Transmission Depreciation Schedules

- 6-1 Schedule of Transmission Depreciation and Amortization Expense
- 6-2 Schedule of Transmission Depreciation Gross Provision

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- 6-3 Schedule of Transmission Depreciation Parameters and Rates
- 6-4 Calculated Accrued Depreciation, Book Accumulated Depreciation and
Determination of Annual Provision for True-up Related to Estimated Original
Cost as of June 30, 20XX - "Life Analysis"
- 6-5 Schedule of Isolated Generation Forecast Retirement Dates

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Section 7 – Transmission Income Taxes

Summary

The Board has reviewed three methodologies in determining income taxes for rate setting purposes.

- 1 *The Flow-through Method* – Under this method, the utility maximizes all allowed deductions for income tax, and only those income taxes currently payable are included in customer rates.
- 2 *Future Income Tax Liability Method* – Under this method, the utility follows the accounting treatment prescribed by the CICA handbook Section 3465. The utility includes all income taxes currently payable, as well as a provision for future income taxes. Amounts collected for future tax liabilities which arise from temporary differences are held by the utility as no-cost capital.
- 3 *Normalized-All Taxes Paid* – Under this method, the utility claims only capital cost allowance to offset all temporary differences. All income taxes currently payable are included in revenue requirement.
- 4 *Any other method as determined by the Board.*

Applicants shall report federal and provincial income taxes separately and explain the methodology used (NATP or flow-through) for each jurisdiction.

Applicants shall include legislated income tax rates in applications, and not anticipated rate changes. Applicants shall provide an explanation of any changes in applicable income tax law since its last filing, along with a schedule quantifying the impact of any changes. Applicants shall discuss options available to utilities to minimize income tax liabilities and rationale for options chosen. Applicants shall quantify and justify the impact of any requested changes in treatment of items for income tax purposes.

Applicants shall provide explanations for each item used to reconcile net income to taxable income for each year.

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The applicant shall include a summary of any changes in income tax legislation, changes in utility treatment of significant items for tax purposes and changes in tax methodology for rate making purposes.

Transmission Income Tax Schedules

- 7-1 Schedule of Transmission Utility Income Tax Expense
- 7-2 Schedule of Transmission Income Taxes
- 7-3 Determination of Federal Taxable Income
- 7-4 Schedule of Transmission Capital Cost Allowance
- 7-5 Schedule of Large Corporations Tax

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Section 8 – Transmission Revenue Offsets

Summary

Section 8 shall contain the applicant’s evidence related to revenue offsets. The applicant shall explain the nature of the revenue, itemizing the different types or sources of revenue. The applicant shall also explain changed from prior year and variance between actual and approved forecast.

Transmission Revenue Offset Schedules

8-1 Schedule of Transmission Revenue Offsets

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Section 9 – Transmission Return on Rate Base

Summary

Applicants shall clearly indicate that the Return on Equity used in calculating Return on Rate Base is the return determined by the Board in the Generic Cost of Capital Proceeding.

Applicants shall describe how the interest and coupon rates identified in Section 1 have been incorporated into the application and related forecasts. Applicants shall discuss the need for new issues and the impact of any proposed refinancing. This discussion shall include projected sources of financing.

Applicants shall provide current copies of reports or opinions of any credit rating agencies that report on the applicant. These may include those of Standard & Poor's, Moody's, Dominion Bond Rating Service, or any other recognized bond-rating agency.

Transmission Return on Rate Base Schedules

- 9-1 Schedule of Transmission Return on Rate Base
- 9-2 Schedule of Transmission AFUDC

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Section 10 – Transmission Rate Base

Summary

Section 10 shall contain an explanation of rate base and capital additions. Applicants shall provide an explanation of the major factors driving capital expenditures.

Applications shall describe how their proposed capital expenditures are consistent with stated policies and how such policies are reflected in the stated assumption used to develop the capital expenditure forecasts provided in the application. Applicants shall group capital expenditures into meaningful categories. Categories may include:

- Growth projects - expenditures required to meet growth in customers or load.
- replacement and improvement - expenditures to replace or improve utility plant which is intended to provide a benefit to the customer. This should be broken into significant projects.
- Direct assign projects - This should be broken into significant projects.
- Information Technology projects
- Any other significant programs.

Applicants should provide an explanation of the nature of each significant project and the drivers and assumptions used in developing the forecast. The applicant is to explain what is included in each category and explain year over year changes in expenditures. Where ever possible, benefits should be identified and explained. Benefits may be financial, or other non-financial customer service benefits; such as reliability of improved service.

Any applicants who seek approval of capital expenditures on the basis of a system reliability requirement must clearly describe the nature of the system reliability risk that would arise if the proposed project were not undertaken. In addition, the Applicant should clearly explain why the proposed project is the most cost effective alternative to address the identified reliability requirement.

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Applicants shall provide details in support of large volume capital additions (i.e. distribution extensions, services, meters, etc.), which may include number of units, unit costs and an explanation of changes in these items.

Applicants shall explain the nature of, and reason for, all difference between property, plant, and equipment and capital additions included in the determination of revenue requirement and property, plant, and equipment and capital additions included in audited financial statements.

Business Cases

Applicants shall provide business cases for capital projects and programs in excess of \$500,000 (Smaller applicants with revenues less than \$100 million, excluding the cost of energy will be subject to a materiality limit of \$100,000) over the life of the project, clearly showing:

- The reasons for the proposed expenditure;
- The alternatives examined;
- The incremental capital and operating costs associated with each alternative examined for a minimum 10 year period;
- The discount or investment rate used to compare alternatives and the basis for its use;
- The annual costs of each alternative for the period analyzed;
- The rationale for choosing a specific alternative, including any qualitative considerations used in choosing the alternative; and
- The date of preparation and the date of approval.

Post Implementation Reviews

Post Implementation Reviews (PIRs) shall be prepared when directed by the Board. During the review of an application, interveners may provide information to substantiate a request for the Board to direct the applicant to prepare PIRs for certain projects. It is expected that, if the Board decides to grant the request, the Board would provide

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guidance to the Applicant on how the PIRs that are to be included in the Applicant's next GTA should be prepared.

Typically, PIRs should involve a comparison of approved business cases to actual experience and a comparison of actual costs and benefits of the project with costs and benefits approved in the business case. A PIR should also include a comparison of the completed project with the planned project. This includes such items as size, capacity, throughput, functionality, or other characteristics that may be different than planned. Any differences should be fully explained. Finally, PIRs should address any process improvements implemented for future projects as a result of reviewing the project.

Necessary Working Capital

Applicants shall provide a discussion of their Necessary Working Capital requirements. Applicants shall explain the methodologies used and the impact of any studies filed in Section 31. Applicants shall document and justify any changes in methodology from prior proceedings. To the extent that there have been non material changes relating to working capital items, then the utility has the option to not provide a lead lag study update.

Other Items

Applicants shall provide an explanation of any items required to reconcile plant in service to rate base. Applicants shall provide a discussion of any other capital-related issues that impact the application and are not outlined in these requirements.

Transmission Rate Base Schedules

- 10-1 Schedule of Transmission Rate Base
- 10-2 Schedule of Transmission Property, Plant & Equipment
- 10-3 Schedule of Transmission Accumulated Depreciation
- 10-4 Schedule of Transmission Capital Expenditures
- 10-5 Schedule of Transmission ES&G

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- 10-6 Schedule of Transmission Contribution in Aid of Construction
- 10-7 Schedule of Transmission Computer System Costs

ion 11 – Transmission Necessary Working Capital

Summary

The applicant shall include a description of the methodology used in calculating each item included in necessary working capital. The description shall include a description of the Lead/Lag study used, and the sampling techniques used. To the extent that there have not been material changes relating to working capital items, then the utility has the option to not provide a lead lag study update and provide the date of the last filed lead-lag study. The applicant shall provide a summary of the process reviewed to determine that a new lead lag study is not needed.

The applicant will explain any other non Lead/Lag items included in necessary working capital.

The applicant shall also provide an explanation of changes in working capital from prior years, and an explanation of changes in methodology from prior applications.

Transmission Necessary Working Capital Schedules

- 11-1 Schedule of Transmission Necessary Working Capital
- 11-2 Schedule of Transmission Necessary Working Capital Calculation
- 11-3 Transmission Lead/Lag days for Necessary Working Capital
- 11-4 Schedule of Transmission Net Operating Expense Lead/Lag Days
- 11-5 Schedule of Transmission Operating Expense Lag Days
- 11-6 Transmission GST impact on Working Capital

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Section 12 – Distribution Revenue Requirements

Summary

This shall include a summary schedule of revenue requirement, and requested revenue shortfalls/surpluses, for two years of actual results and any forecast years prior to the application in addition to the forecast years of the application. This summary schedule shall include the components of revenue requirement for all years in the following categories:

- Return on Rate Base
- Income Taxes
- Depreciation Expense
- Operation and Maintenance Expense
- Taxes – Other than Income
- Revenue Offsets/Income Credits
- Other
- Revenue on Existing Rates
- Revenue Shortfall (Surplus)

This section shall also include an analysis outlining the year over year changes in each of the components of revenue requirement, and explanation of the major reasons for change in each component for:

- Return on Rate Base
- Income Taxes
- Depreciation Expense
- Operation and Maintenance Expense
- Taxes – Other than Income
- Revenue Offsets/Income Credits
- Other
- Revenue on Existing Rates

This section shall also include an analysis outlining, for the most recent available historic year, the differences between the utilities applied for forecast and its actual results in each

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of the components of revenue requirement, and explanation of the major reasons for change in each component for:

- Return on Rate Base
- Income Taxes
- Depreciation Expense
- Operation and Maintenance Expense
- Taxes – Other than Income
- Revenue Offsets/Income Credits
- Other
- Revenue on Existing Rates

The Application Overview shall include a summary of Rate Base and Capital Expenditures. Information shall be provided for two years of actual results, and any forecast years prior to the application in addition to the forecast years of the application.

Distribution Revenue Requirement Schedules

12-1 Summary of Distribution Revenues and Costs

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Section 13 – Distribution Retail Revenue

Summary

Section 13 shall contain an explanation of Sales and Revenue on Existing Rates.

Applicants shall provide an explanation of the major factors that are driving forecast Sales and Revenue on Existing Rates. Applications shall demonstrate how applicants have applied stated policies and incorporated stated assumptions into forecasts provided.

Applicants shall explain any changes in forecasts as well as year-to-year changes in forecasts. Applicants shall explain any normalization methodologies used in adjusting actual results and as a basis for developing application forecasts. Any changes to previously approved normalization methods must be explained.

Applicants shall explain trending techniques in determining forecast sales per customer and customer growth, as well as any adjustment to trends. Applicants will describe and justify all forecasts of sales to industrial and transportation customers.

Applicants shall provide an explanation of the items included in Other Revenues. Such explanations shall include an explanation of the contents of Other Revenues as well as an explanation of changes in Other Revenues from year to year.

Distribution Revenue Schedules

13-1 Summary of Customers, Energy and Revenue

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Section 14 – Distribution Cost of Sales

Summary

This section shall contain an explanation of Distribution Cost of Sales, including a description of the operation and an explanation of changes in costs from year to year, or from actual to approved forecast.

Distribution Cost of Sales Schedules

- 14-1 Schedule of Distribution Cost of Sales
- 14-2 Transmission Access Payments – Details
- 14-3 Schedules of Fuel & Non Pool Energy Costs

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Section 15 – Distribution Operating Costs

Section 15 shall contain the applicant's evidence in support of its forecast Distribution Operating Costs. It shall contain an explanation of Operation and Maintenance, Taxes, Other Than Income, and any other operating costs forecast in the application.

Operation and Maintenance

This section shall contain an explanation of Distribution Operation and Maintenance expenditures.. Applicants shall provide an explanation of the major factors that are driving forecast expenditures. Applications shall demonstrate how applicants have applied stated policies and incorporated stated assumptions into forecasts provided.

Applicants shall explain and quantify all significant changes in Operation and Maintenance Expense such as

- new programs;
- reductions and eliminations of programs; and
- impact of industry changes, such as unbundling and transfer of retail businesses.

Applicants shall explain corporate costs and allocation methodology to various subsidiaries. Applicants to explain and justify corporate costs to demonstrate that costs are required by utilities, and that any method(s) used to allocate costs to utilities are appropriate. Applicants shall explain all allocation methods, and provide all data used in the calculation of the allocation.

In Section 15 Schedules, applicants should provide explanations for all significant explanations at the activity level.

At the Distribution level, the costs should be disclosed as labour, fringe, contractor services and other.

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For labour variances at the Distribution level applicants can explain variances between actual results and respective approved forecast by using items such as:

- growth – growth in employee base;
- attrition – reductions in employee base;
- vacancy – provision for vacant positions;
- inflation – general wage increases;
- benefits, wages – changes in benefit costs due to changes in labour costs;
- benefits, plan – changes in benefit costs due to changes in the benefits plan;
- variable compensation – changes in variable compensation; and
- other – any other changes in labour and related costs.

For “other” variances at the Distribution level, explanations shall be based on the nature of cost increases.

Taxes – Other Than Income

Applicants shall explain the nature and changes in Taxes – Other Than Income. This will include Franchise Taxes or Municipal Consent and Access Fees as well as any other taxes or government levies and fees. Other charges may include Property Taxes, Transmission and Pipeline Taxes, Business Taxes, or any other tax levied on utilities. Each charge shall be explained separately.

Distribution Operating Cost Schedules

- 15-1 Schedule of Distribution Operation & Maintenance Costs
- 15-2 Schedule of Distribution Schedule of Account Services and Public Information
- 15-3 Schedule of Distribution Operation & Maintenance Costs – Variance Explanations
- 15-4 Schedule of Distribution Operation & Maintenance costs - Customer Accounting
- 15-5 Schedule of Distribution Operation & Maintenance Costs – Customer Accounting - Variance Explanation
- 15-6 Schedule of Distribution Direct Operation & Maintenance Costs
- 15-7 Schedule of Distribution Direct Operation & Maintenance Costs – Variance Explanation
- 15-8 Details of Miscellaneous Distribution Expenses - GTA Account 588 (Note 1)

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15-9 Schedule of Distribution Costs

15-10 Schedule of Distribution Manpower – Full Time Equivalent (FTEs) – Annual Averages

15-11 Schedule of Distribution Taxes Other Than Income

Note 1 This schedule would be on an as required basis to provide more information on significant accounts

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Section 16 – Distribution Depreciation

Summary

Applicants shall provide an understanding of the applicant's methodology for depreciation, and their rationale for that methodology. Applicants shall explain the rationale for any changes in depreciation rates. Applicants shall document and explain any changes in methodology, or rationale from prior proceedings. As well, applicants shall quantify the impact of any changes in methodology.

Applicants shall discuss any depreciation related issues as they relate to the application and related forecasts.

As part of the minimum filing requirements, irrespective of whether the utility is filing a new depreciation study or a technical update, the utility is required to file:

- historical additions and retirements (not required for technical updates);
- current-year plant balances by account/sub-account and vintage, if required to do the depreciation calculation; and
- all calculations showing the development of the depreciation rate, depreciation reserve adjustment, and resulting depreciation expense requested by the utility.

If a depreciation study is being filed, the utility is also required to provide:

- the basis for the life and net salvage;
- specific rationale for the selection of each account/sub-account life and net salvage including copies of all field notes, discussions with management, letters, emails, and related correspondence (if not available, a summary sheet is acceptable) as it relates to the depreciation witness; and
- various life and net salvage patterns examined and reasons for acceptance or rejection concerning the finally decided parameters for life and net salvage.

Distribution Depreciation Schedules

16-1 Schedule of Distribution Depreciation Expense

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- 16-2 Schedule of Distribution Gross Depreciation Provision
- 16-3 Schedule of Distribution Depreciation Parameters and Rates
- 16-4 Calculated Accrued Depreciation, Book Accumulated Depreciation and
Determination of Annual Provision for True-Up Related to Estimated Original
Cost as of June 30, 20XX - "Life Analysis"
- 16-5 Schedule of Isolated Generation Forecast Retirement Dates

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Section 17 – Distribution Income Taxes

Summary

The Board has reviewed three methodologies in determining income taxes for rate setting purposes.

- 1 *The Flow-through Method* – Under this method, the utility maximizes all allowed deductions for income tax, and only those income taxes currently payable are included in customer rates.
- 2 *Future Income Tax Liability Method* – Under this method, the utility follows the accounting treatment prescribed by the CICA handbook Section 3465. The utility includes all income taxes currently payable. Amounts collected for future tax liabilities which arise from temporary differences are held by the utility as no-cost capital.
- 3 *Normalized-All Taxes Paid* – Under this method, the utility claims only capital cost allowance to offset all temporary differences. All income taxes currently payable are included in revenue requirement.
- 4 *Any other method as determined by the Board.*

Applicants shall report federal and provincial income taxes separately, and explain the methodology used (NATP or flow-through) for each jurisdiction.

Applicants shall include legislated income tax rates in applications, and not anticipated rate changes. Applicants shall provide an explanation of any changes in applicable income tax law since its last filing, along with a schedule quantifying the impact of any changes. Applicants shall discuss options available to utilities to minimize income tax liabilities and rationale for options chosen. Applicants shall quantify and justify the impact of any requested changes in treatment of items for income tax purposes.

Applicants shall provide explanations for each item used to reconcile net income to taxable income for each year.

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The applicant shall include a summary of any changes in income tax legislation, changes in utility treatment of significant items for tax purposes and changes in tax methodology for rate making purposes.

Distribution Income Tax Schedules

- 17-1 Schedule of Distribution Utility Income Tax Expense
- 17-2 Schedule of Distribution Income Taxes
- 17-3 Determination of Federal Taxable Income
- 17-4 Schedule of Distribution Capital Cost Allowance
- 17-5 Schedule of Large Corporations Tax

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Section 18 – Distribution Revenue Offsets

Summary

Section 18 shall contain the applicant's evidence related to revenue offsets. The applicant shall explain the nature of the revenue, itemizing the different types or sources of revenue. The applicant shall also explain changed from prior year and variance between actual and approved forecast.

Distribution Revenue Offset Schedules

18-1 Schedule of Distribution Revenue Offsets

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Section 19 – Distribution Return on Rate Base

Summary

Applicants shall clearly indicate that the Return on Equity used in calculating Return on Rate Base is the return determined by the Board in the Generic Cost of Capital Proceeding.

Applicants shall describe how the interest and coupon rates identified in Section 1 have been incorporated into the application and related forecasts. Applicants shall discuss the need for new issues and the impact of any proposed refinancing. This discussion shall include projected sources of financing.

Applicants shall provide current copies of reports or opinions of any credit rating agencies that report on the applicant. These may include those of Standard & Poor's, Moody's, Dominion Bond Rating Service, or any other recognized bond-rating agency.

Distribution Return on Rate Base Schedules

- 19-1 Schedule of Distribution Return on Rate Base
- 19-2 Schedule of Distribution AFUDC

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Section 20 – Distribution Rate Base

Summary

Section 20 shall contain an explanation of rate base and capital additions. Applicants shall provide an explanation of the major factors driving capital expenditures.

Applications shall describe how their proposed capital expenditures are consistent with stated policies and how such policies are reflected in the stated assumption used to develop the capital expenditure forecasts provided in the application. Applicants shall group capital expenditures into meaningful categories. Categories may include:

- growth - expenditures required to meet growth in customers or load.
- replacement and improvement - expenditures to replace or improve utility plant which is intended to provide a benefit to the customer. This should be broken into significant projects.
- Information Technology projects
- Any other significant programs.

Applicants should provide an explanation of the nature of each project and the drivers and assumptions used in developing the forecast. The applicant is to explain what is included in each category and explain year over year changes in expenditures. Where ever possible, benefits should be identified and explained. Benefits may be financial, or other non-financial customer service benefits; such as reliability of improved service. Any applicants who seek approval of capital expenditures on the basis of a system reliability requirement must clearly describe the nature of the system reliability risk that would arise if the proposed project were not undertaken. In addition, the Applicant should clearly explain why the proposed project is the most cost effective alternative to address the identified reliability requirement.

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Applicants shall provide details in support of large volume capital additions (i.e. distribution extensions, services, meters, etc.), which may include number of units, unit costs and an explanation of changes in these items.

Applicants shall explain the nature of, and reason for, all difference between property, plant, and equipment and capital additions included in the determination of revenue requirement and property, plant, and equipment and capital additions included in audited financial statements.

Business Cases

Applicants shall provide business cases for capital projects and programs in excess of \$500,000 (Smaller applicants with revenues less than \$100 million, excluding the cost of energy will be subject to a materiality limit of \$100,000) over the life of the project, clearly showing:

- The reasons for the proposed expenditure;
- The alternatives examined;
- The incremental capital and operating costs associated with each alternative examined for a minimum 10 year period;
- The discount or investment rate used to compare alternatives and the basis for its use;
- The annual costs of each alternative for the period analyzed;
- The rationale for choosing a specific alternative, including any qualitative considerations used in choosing the alternative; and
- The date of preparation and the date of approval.

Post Implementation Reviews

Post Implementation Reviews (PIRs) shall be prepared when directed by the Board. During the review of an application, interveners may provide information to substantiate a request for the Board to direct the applicant to prepare PIRs for certain projects. It is expected that, if the Board decides to grant the request, the Board would provide

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guidance to the Applicant on how the PIRs that are to be included in the Applicant's next GTA should be prepared.

Typically, PIRs should involve a comparison of approved business cases to actual experience and a comparison of actual costs and benefits of the project with costs and benefits approved in the business case. A PIR should also include a comparison of the completed project with the planned project. This includes such items as size, capacity, throughput, functionality, or other characteristics that may be different than planned. Any differences should be fully explained. Finally, PIRs should address any process improvements implemented for future projects as a result of reviewing the project.

Necessary Working Capital

Applicants shall provide a discussion of their Necessary Working Capital requirements. Applicants shall explain the methodologies used and the impact of any studies filed in Section 31. Applicants shall document and justify any changes in methodology from prior proceedings. To the extent that there have been non material changes relating to working capital items, then the utility has the option to not provide a lead lag study update.

Other Items

Applicants shall provide an explanation of any items required to reconcile plant in service to rate base. Applicants shall provide a discussion of any other capital-related issues that impact the application and are not outlined in these requirements.

Distribution Rate Base Schedules

- 20-1 Schedule of Distribution Rate Base
- 20-2 Schedule of Distribution Property, Plant & Equipment
- 20-3 Schedule of Distribution Accumulated Depreciation
- 20-4 Schedule of Distribution Capital Expenditures
- 20-5 Schedule of Distribution ES&G

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- 20-6 Schedule of Distribution Contribution in Aid of Construction
- 20-7 Schedule of Distribution Computer System Costs

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Section 21 – Distribution Necessary Working Capital

Summary

The applicant shall include a description of the methodology used in calculating each item included in necessary working capital. The description shall include a description of the Lead/Lag study used, and the sampling techniques used. To the extent that there have not been material changes relating to working capital items, then the utility has the option to not provide a lead lag study update and provide the date of the last filed lead-lag study. The applicant shall provide a summary of the process reviewed to determine that a new lead lag study is not needed.

The applicant will explain any other non Lead/Lag items included in necessary working capital.

The applicant shall also provide an explanation of changes in working capital from prior years, and an explanation of changes in methodology from prior applications.

Distribution Necessary Working Capital Schedules

- 21-1 Schedule of Distribution Necessary Working Capital
- 21-2 Schedule of Distribution Necessary Working Capital Calculation
- 21-3 Distribution Lead/Lag Days for Necessary Working Control
- 21-4 Schedule of Distribution Net Operating Expense Lead/Lag Days
- 21-5 Schedule of Distribution Operating Expense Lag Days
- 21-6 Distribution GST Impact on Working Capital

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Section 22 – Isolated Operating Costs

Summary

The applicant shall also provide an explanation of the costs included in Isolated Generation Costs, including an explanation of year over year changes in cost forecasts.

Isolated Operating Cost Schedules

- 22-1 Schedule of Isolated Generation Operation & Maintenance Power Production
- 22-2 Schedule of Isolated Generation O&M Variance Explanations

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Section 23 – General Operation and Maintenance

Summary

This section shall contain an explanation of General Operation and Maintenance expenditures. Applicants are to explain forecast expenditures. Applicants shall provide an explanation of the major factors that are driving forecast expenditures. Applications shall demonstrate how applicants have applied stated policies and incorporated stated assumptions into forecasts provided.

Applicants shall explain and quantify all significant changes in Operation and Maintenance Expense such as

- new programs;
- reductions and eliminations of programs; and
- impact of industry changes, such as unbundling and transfer of retail businesses.

Applicants shall explain corporate costs and allocation methodology to various subsidiaries. Applicants to explain corporate costs in order to demonstrate that costs are required by utilities, and that any method(s) used to allocate costs to utilities are appropriate. Applicants shall explain all allocation methods, and provide all data used in the calculation of the allocation.

In Section 23 Schedules, applicants should provide explanations for all significant explanations at the activity level.

At the Transmission or Distribution level, the costs should be disclosed as labour, fringe, contractor services and other.

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For labour variances at the Transmission or Distribution level applicants can explain variances between actual results and respective approved forecast by using items such as:

- growth – growth in employee base;
- attrition – reductions in employee base;
- vacancy – provision for vacant positions;
- inflation – general wage increases;
- benefits, wages – changes in benefit costs due to changes in labour costs;
- benefits, plan – changes in benefit costs due to changes in the benefits plan;
- variable compensation – changes in variable compensation; and
- other – any other changes in labour and related costs.

For “other” variances at the Transmission or Distribution level, explanations shall be based on the nature of cost increases.

General Operation and Maintenance Schedules

23-1 Schedule of General Operation & Maintenance by Account

23-2 Schedule of General Operation & Maintenance Variance Explanations

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Section 24 – Common Operations

Summary

This section applies mainly to utilities that have multiple functions within the regulated utility, and provide common services to all functions. This section will contain costs related operations that are shared between transmission and distribution, when both functions are in one legal entity. This section shall contain an explanation of Common Operations expenditures. Applicants to provide explanations for forecast expenditures. Applicants shall provide an explanation of the major factors that are driving forecast expenditures. Applications shall demonstrate how applicants have applied stated policies and incorporated stated assumptions into forecasts provided.

Applicants shall explain and quantify all significant changes in Common Operations Expense such as

- new programs;
- reductions and eliminations of programs; and
- impact of industry changes, such as unbundling and transfer of retail businesses.

Applicants shall explain corporate costs and allocation methodology to various subsidiaries. Applicants are to provide explanations regarding corporate costs to demonstrate that costs are required by utilities, and that any method(s) used to allocate costs to utilities are appropriate. Applicants shall explain all allocation methods, and provide all data used in the calculation of the allocation.

On a Transmission and Distribution level, costs shall be disclosed as, labour, fringe benefits, contractor services, and other.

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In Section 24 Schedules, applicants to explain changes from year to year. Applicants can explain variances between actual results and any respective approved forecast by using such items as:

- growth – growth in employee base;
- attrition – reductions in employee base;
- vacancy – provision for vacant positions;
- inflation – general wage increases;
- benefits, wages – changes in benefit costs due to changes in labour costs;
- benefits, plan – changes in benefit costs due to changes in the benefits plan;
- variable compensation – changes in variable compensation; and
- other – any other changes in labour and related costs.

Explanations shall be provided for “other” costs based on the nature of cost increases.

Common Operations Schedules

- 24-1 Schedule of Common Operations by Account Note 2
- 24-2 Methodology of Assigning Common Operations Costs

Note 2 This schedule would be on an as required basis to provide more information on significant accounts

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Section 25 – Corporate Administration and General

Summary

This section shall contain an explanation of Corporate Administration and General Expenditures. Applicants shall provide an explanation of the major factors that are driving forecast expenditures. Applications shall demonstrate how applicants have applied stated policies and incorporated stated assumptions into forecasts provided.

Applicants shall explain and quantify all significant changes in Corporate Administration and General Expense such as

- new programs;
- reductions and eliminations of programs; and
- impact of industry changes, such as unbundling and transfer of retail businesses.

Applicants shall explain corporate costs and allocation methodology to various subsidiaries. Applicants to explain corporate costs to demonstrate that costs are required by utilities, and that any method(s) used to allocate costs to utilities are appropriate. Applicants shall explain all allocation methods, and provide all data used in the calculation of the allocation.

On a Transmission and Distribution level, costs shall be disclosed as, labour, fringe benefits, contractor services, and other.

In Section 25 Schedules, applicants can explain year over year variances between actual results and any respective approved forecast by using items such as:

- growth – growth in employee base;
- attrition – reductions in employee base;
- vacancy – provision for vacant positions;
- inflation – general wage increases;
- benefits, wages – changes in benefit costs due to changes in labour costs;

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- benefits, plan – changes in benefit costs due to changes in the benefits plan;
- variable compensation – changes in variable compensation; and
- other – any other changes in labour and related costs.

Explanations shall be provided for “other” based on the nature of cost increases.

Corporate Administration and General Schedules

- 25-1 Schedule of Corporate Administration & General by Account
- 25-2 Schedule of Corporate Administration & General Accounts Details Note 1
- 25-3 Schedule of Corporate Administration & General Accounts - Variance Explanations
- 25-4 Schedule of Corporate Costs
- 25-5 Schedule of Corporate Manpower – Full Time Equivalent (FTEs)
- 25-6 Allocation of Corporate Administration and General Note 2
- 25-7 Communication Expenditures
- 25-8 Schedule of Corporate Computer System Costs
- 25-9 Schedule of Rate Hearing Costs - Total

Note 1 This schedule would be on an as required basis to provide more information on significant accounts.

Note 2 These schedules would be on an as required basis for those utilities that have corporate groups.

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Section 26 – General Corporate Property Plant and Equipment

Summary

Section 26 shall contain an explanation of rate base and capital additions. Applicants to explain and provide support for requested expenditures. Applicants shall provide an explanation of the major factors driving capital expenditures. Applications shall demonstrate how applicants have applied stated policies and incorporated stated assumptions into forecasts provided. Applicants shall group capital expenditures into meaningful categories. Categories may include:

- growth - expenditures required to meet growth in customers or load.
- replacement and improvement - expenditures to replace or improve utility plant which is intended to provide a benefit to the customer. This should be broken into significant projects.
- Information Technology projects
- Any other significant programs.

Applicants should provide an explanation of the nature of each project and the drivers and assumptions used in developing the forecast. The applicant to explain what is included in each category and explain year over year changes in expenditures. Where ever possible, benefits should be identified. Benefits may be financial, or other non-financial customer service benefits; such as reliability of improved service. Any applicants who seek approval of capital expenditures on the basis of a system reliability requirement must clearly describe the nature of the system reliability risk that would arise if the proposed project were not undertaken. In addition, the Applicant should clearly explain why the proposed project is the most cost effective alternative to address the identified reliability requirement.

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Applicants shall provide details in support of large volume capital additions (i.e. distribution extensions, services, meters, etc.), which may include number of units, unit costs and an explanation of changes in these items.

Applicants shall explain the nature of, and reason for, all difference between property, plant, and equipment and capital additions included in the determination of revenue requirement and property, plant, and equipment and capital additions included in audited financial statements.

Business Cases

Applicants shall provide business cases for capital projects and programs in excess of \$500,000 (Smaller applicants with revenues less than \$100 million, excluding the cost of energy will be subject to a materiality limit of \$100,000) over the life of the project, clearly showing:

- The reasons for the proposed expenditure;
- The alternatives examined;
- The incremental capital and operating costs associated with each alternative examined for a minimum 10 year period;
- The discount or investment rate used to compare alternatives and the basis for its use;
- The annual costs of each alternative for the period analyzed;
- The rationale for choosing a specific alternative, including any qualitative considerations used in choosing the alternative; and
- The date of preparation and the date of approval.

Post Implementation Reviews

Post Implementation Reviews (PIRs) shall be prepared when directed by the Board. During the review of an application, interveners may provide information to substantiate a request for the Board to direct the applicant to prepare PIRs for certain projects. It is expected that, if the Board decides to grant the request, the Board would provide

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guidance to the Applicant on how the PIRs that are to be included in the Applicant's next GTA should be prepared.

Typically, PIRs should involve a comparison of approved business cases to actual experience and a comparison of actual costs and benefits of the project with costs and benefits approved in the business case. A PIR should also include a comparison of the completed project with the planned project. This includes such items as size, capacity, throughput, functionality, or other characteristics that may be different than planned. Any differences should be fully explained. Finally, PIRs should address any process improvements implemented for future projects as a result of reviewing the project.

Corporate General PP&E Schedules

- 26-1 Schedule of Corporate General PP&E Gross Depreciation Provisions
- 26-2 Schedule of Corporate General PP&E Expenditures

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Section 27 – Cost Functionalization

Summary

Applicants shall explain in detail how General Operation and Maintenance Costs, Common Operations Costs, and Corporate Administration and General Costs are allocated to Distribution and Transmission services. Applicants shall provide copies of any studies or analyses supporting the allocation as well as an understanding of any assumptions made in the allocation.

Cost Functionalization Schedules

- 27-1 Assignment of General Operation and Maintenance Costs Note 1
- 27-2 Allocation of Corporate Administration and General
- 27-3 Allocation of Corporate General Property, Plant & Equipment Computer
Systems
- 27-4 Assignment of Common Operations Costs

Note 1 Affiliate costs currently separately disclosed will be rolled up to the agreed accounts.

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Section 28 - Financing

Summary

The applicant shall discuss the types of capital used to finance Rate Base. The applicant will discuss the choices made and the terms and conditions of each type of financing in place. The applicant will explain why incremental financing is required, as well as any significant changes in financing.

Schedules

- 28-1 Schedule of Capital Structure and Average Cost of Capital
- 28-2 Schedule of Debt Capital Employed and Embedded Cost
- 28-3 Schedule of Preferred Capital Employed and Embedded Cost

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Section 29 – No Cost Capital

Summary

The applicant shall discuss the sources of no cost capital used to finance Rate Base. The applicant will discuss the choices made and the terms and conditions of each type of no cost financing in place.

Schedules

- 29-1 Schedule of Mid-Year No Cost Capital
- 29-2 Schedule of Reserve for injuries and Damages
- 29-3 Reserve for Injuries and Damages Target Balance
- 29-4 Schedule of Future Income Taxes
- 29-5 Schedule of Deferred Pension/Post Retirement Benefits

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Section 30 – Affiliate Transactions

Summary

In each application, applicants shall explain all affiliate relationships and related transactions.

The applicant shall include a discussion and explanation of all proposed or forecast transactions with affiliated entities. Applicants shall file a schedule that outlines and quantifies all major transactions with affiliated entities, and summaries of minor transactions with affiliated entities. The schedule shall separate total operating expense, total capital expenditures, and total revenues with each affiliated entity as well as the nature and the purpose of the transactions.

The applicant shall disclose those affiliate transactions which have been valued using fair market value and those which have been valued using full cost recovery.

Applicants shall file the current Inter-Affiliate Code of Conduct in place for the utility. Applicants shall file evidence, such as transfer pricing policies, audit reports from Board audits, evidence of filing of Inter-Affiliate compliance reports, or recent Board orders demonstrating that their Code is compliant with applicable regulations and prior Board Decisions. Applicants shall also identify any areas where they are not in compliance with their Code.

Utilities will comply with their approved code of conducts. The schedules will be provided to meet and reflect the various utilities' requirements.

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Applicants to identify changes in their Code from prior applications as well as provide an explanation of the reason for the changes. The applicant will file the last two years actual compliance filing for affiliate transactions as an appendix to the application.

Schedules

- 30-1 Schedule of Transmission Affiliate Cost of Goods Sold
- 30-2 Schedule of Transmission Affiliate Cost of Goods Sold
- 30-3 Schedule of Distribution Account Services and Public Information Affiliate Costs
- 30-4 Schedule of Distribution Customer Accounting Affiliate Costs
- 30-5 Schedule of Distribution Affiliate Costs
- 30-6 Schedule of Isolated O&M Affiliate Costs
- 30-7 Schedule of General O&M Affiliate Costs
- 30-8 Schedule of Common Operations O&M Affiliate Costs
- 30-9 Schedule of Corporate Affiliate Costs

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31 Supplementary Information

Summary

Applicants shall provide copies of studies and supplementary information used in the preparation of the application and related forecasts. Typical information may include:

- all Master Service Agreements, Service Level Agreements, and Annual Supplementary Operating Agreements for services provided by or for affiliates;
- Cost of Service Study;
- Forecast of inflation and economic activity;
- Lead Lag Study;
- Depreciation Study;
- Customer Satisfaction Surveys;
- Overhead Study;
- Overhead Calculations;
- Benchmarks and Best Practice Studies;
- Compensation Surveys; and
- Executive Compensation Surveys.
- Franchise Agreement

Other Matters

Applicants shall provide any other information that will assist the Board and other parties in their review of the application. Other items may be included in or relate to a filed application. Such items may include, but not be limited to

- Deferral Accounts Summary (including all placeholder amounts);
- Reserves;
- Pension Plan Details;
- Other Expenses.

Applicants shall provide a discussion of all other items included in the application.

Applicants shall provide details for all deferral accounts. Applicants shall detail forecast additions to deferral accounts and proposed rate impacts on deferral accounts.

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Applicants shall include a copy of the last two years' Annual Report of Finances and Operations with each application.

Quality of Service Reports

Applicants shall include a copy of the last two Annual Quality of Service Reports with each application. Transmission utilities shall report annual quality of service reliability indices and employee safety statistics and vehicle incidents rate. The report shall include annual data for the latest five years and a five year moving average.

Accounting Policies

To the extent that an applicant has developed accounting policies, the applicant shall include copies of the policies in the application. Policies may include:

- the latest Capitalization Policy, including
 - policy or guidelines governing whether new plant is determined to be an asset addition or maintenance expense;
 - policy guidelines on asset re-use; and
 - policy guidelines on return to stores;
- the latest Transfer Pricing Policy;
- the latest Overhead Policy including calculations of overhead rate(s); as they relate to charges to third party companies or affiliates.
- the latest Overhead Policy including calculations of overhead rate(s); as they relate to charges to capital.
- a schedule outlining any differences between the Code of Accounts used by the utility and the Uniform System of Accounts, as may be prescribed by the Board or legislation from time to time.

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Appendix 1 – Transition Provisions

Summary

If the EUB decides that the USA Committee's USA and MFR should be implemented, a plan to transition smoothly to the new USA and MFR regime would need to be established. This would ensure that there is a good measure of comparability between a utility's last GTA filed under the current system and its first GTA under the new USA/MFR regime.

The transition plan can be developed by the EUB in consultation with the utilities and interveners once the decision is made to proceed with implementation of the USA and MFR.

Hence, this appendix is left intentionally blank.