

# Capital Module

## Applicable to ACM and ICM

**Note: Depending on the selections made below, certain worksheets in this workbook will be hidden.**

Version 1.0

<b>Utility Name</b>	<input type="text" value="Northern Ontario Wires Inc."/>					
<b>Assigned EB Number</b>	<input type="text" value="EB-2024-0046"/>					
<b>Name of Contact and Title</b>	<input type="text" value="Geoff Sutton, CFO"/>					
<b>Phone Number</b>	<input type="text" value="705-272-6669"/>					
<b>Email Address</b>	<input type="text" value="geoffs@nowinc.ca"/>					
<b>Is this Capital Module being filed in a CoS or Price-Cap IR Application?</b>	<input type="text" value="COS"/>	<b>Rate Year</b> <input type="text" value="2025"/>				
<b>Northern Ontario Wires Inc. is applying for:</b>	<input type="text" value="ACM Approval"/>					
<b>Last COS OEB Application Number</b>	<input type="text" value="EB-2023-0043"/>					
<b>The most recent complete year for which actual billing and load data exists</b>	<input type="text" value="2023"/>					
<b>Current IPI</b>	<input type="text" value="3.60%"/>					
<b>Stretch Factor Assigned to Middle Cohort*</b>	<input type="text" value="III"/>					
<b>Stretch Factor Value</b>	<input type="text" value="0.30%"/>					
<b>Price Cap Index</b>	<input type="text" value="3.30%"/>					
<p><b>Based on the inputs above, the growth factor utilized in the Materiality Threshold Calculation will be determined by:</b></p> <table border="1" style="margin-left: auto; margin-right: auto; border-collapse: collapse;"> <tr> <td style="width: 50%; text-align: center;">Revenues Based on 2025 Test Year Distribution Revenues</td> <td style="width: 50%;"></td> </tr> <tr> <td style="width: 50%; text-align: center;">Revenues Based on 2023 Actual Distribution Revenues</td> <td style="width: 50%;"></td> </tr> </table>			Revenues Based on 2025 Test Year Distribution Revenues		Revenues Based on 2023 Actual Distribution Revenues	
Revenues Based on 2025 Test Year Distribution Revenues						
Revenues Based on 2023 Actual Distribution Revenues						

**Notes**

- Pale green cells represent input cells.
- Pale blue cells represent drop-down lists. The applicant should select the appropriate item from the drop-down list.
- White cells contain fixed values, automatically generated values or formulae.

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While this model has been provided in Excel format and is required to be filed with the applications, the onus remains on the applicant to ensure the accuracy of the data and the results.

\*As per ACM/ICM policy, the middle cohort stretch factor is applied to all ACM/ICM applications.

OEB policies regarding rate-setting and rebasing following distributor consolidations could allow a distributor to not rebase rates for up to ten years. A distributor could also apply for and receive OEB approval to defer rebasing. If a distributor is under Price Cap IR for more than four years after rebasing and applies for an ICM, this spreadsheet will need to be adapted to accommodate those circumstances. The distributor should contact OEB staff to discuss the circumstances so that a customized model can be provided.



Ontario Energy Board

# Capital Module

## Applicable to ACM and ICM

Northern Ontario Wires Inc.

Select the appropriate rate classes as they appear on your most recent Board-Approved Tariff of Rates and Charges, excluding the MicroFit Class.

How many classes are on your most recent Board-Approved Tariff of Rates and Charges?

5

Select Your Rate Classes from the **Blue Cells** below. Please ensure that a rate class is assigned to **each shaded cell**.

	Rate Class Classification
1	RESIDENTIAL
2	GENERAL SERVICE LESS THAN 50 kW
3	GENERAL SERVICE 50 TO 4,999 KW
4	STREET LIGHTING
5	UNMETERED SCATTERED LOAD

# Capital Module

## Applicable to ACM and ICM

Northern Ontario Wires Inc.

Input the billing determinants associated with Northern Ontario Wires Inc.'s Revenues Based on 2025 Test Year Distribution Revenues. Input the current approved distribution rates. Sheets 4 & 5 calculate the NUMERATOR portion of the growth factor calculation.

2025 Test Year Distribution Revenues

Proposed Distribution Rates

Rate Class	Units	Billed Customers or Connections	Billed kWh	Billed kW (if applicable)	Monthly Service Charge	Distribution Volumetric Rate kWh	Distribution Volumetric Rate kW
RESIDENTIAL	\$/kWh	5,179	41,340,698		59.90	0.0000	
GENERAL SERVICE LESS THAN 50 kW	\$/kWh	707	17,945,241		45.41	0.0253	
GENERAL SERVICE 50 TO 4,999 KW	\$/kW	69	56,240,557	155,213	314.86		2.6459
STREET LIGHTING	\$/kW	1,710	491,060	1,468	11.37		13.3409
UNMETERED SCATTERED LOAD	\$/kWh	22	163,953		26.45	0.0290	

# Capital Module

## Applicable to ACM and ICM

Northern Ontario Wires Inc.

Calculation of 2025 Revenue Requirement. No input required.

Rate Class	2025 Test Year Distribution Revenues			Proposed Distribution Rates			Service Charge Revenue	Distribution Volumetric Rate Revenue kWh	Distribution Volumetric Rate Revenue kW	Revenues from Rates	Service Charge % Revenue	Distribution Volumetric Rate % Revenue kWh	Distribution Volumetric Rate % Revenue kW	Total % Revenue
	Billed Customers or Connections	Billed kWh	Billed kW (if applicable)	Monthly Service Charge	Distribution Volumetric Rate kWh	Distribution Volumetric Rate kW								
	A	B	C	D	E	F	G	H	I	J	K = G / J	L = H / J	M = I / J	N
RESIDENTIAL	5,179	41,340,698		59.90	0.0000	0.0000	3,722,621	0	0	3,722,621	100.0%	0.0%	0.0%	67.7%
GENERAL SERVICE LESS THAN 50 kW	707	17,945,241		45.41	0.0253	0.0000	385,244	454,015	0	839,258	45.9%	54.1%	0.0%	15.3%
GENERAL SERVICE 50 TO 4,999 kW	69	56,240,557	155,213	314.86	0.0000	2.6459	260,708	0	410,679	671,387	38.8%	0.0%	61.2%	12.2%
STREET LIGHTING	1,710	491,060	1,468	11.37	0.0000	13.3409	233,312	0	19,584	252,896	92.3%	0.0%	7.7%	4.6%
UNMETERED SCATTERED LOAD	22	163,953		26.45	0.0290	0.0000	6,983	4,755	0	11,737	59.5%	40.5%	0.0%	0.2%
<b>Total</b>	<b>7,687</b>	<b>116,181,510</b>	<b>156,681</b>				<b>4,608,868</b>	<b>458,769</b>	<b>430,263</b>	<b>5,497,900</b>				<b>100.0%</b>

# Capital Module

## Applicable to ACM and ICM

Northern Ontario Wires Inc.

### 2025 Test Year COS Rebasing

**Applicants Rate Base**

**Average Net Fixed Assets**

Gross Fixed Assets - Re-based Opening	\$	15,195,967	A		
Add: CWIP Re-based Opening	\$	587,242	B		
Re-based Capital Additions	\$	1,826,925	C		
Re-based Capital Disposals	\$	-	D		
Re-based Capital Retirements	\$	-	E		
Deduct: CWIP Re-based Closing	-\$	587,242	F		
Gross Fixed Assets - Re-based Closing	\$	17,022,892	G		
<b>Average Gross Fixed Assets</b>				\$	16,109,430     H = ( A + G ) / 2

Accumulated Depreciation - Re-based Opening	\$	5,890,532	I		
Re-based Depreciation Expense	\$	558,374	J		
Re-based Disposals	\$	-	K		
Re-based Retirements	\$	-	L		
Accumulated Depreciation - Re-based Closing	\$	6,448,906	M		
<b>Average Accumulated Depreciation</b>				\$	6,169,719     N = ( I + M ) / 2

**Average Net Fixed Assets**

**\$ 9,939,711     O = H - N**

**Working Capital Allowance**

Working Capital Allowance Base	\$	18,112,365	P		
Working Capital Allowance Rate		7.5%	Q		
<b>Working Capital Allowance</b>				\$	1,358,427     R = P * Q

**Rate Base**

**\$ 11,298,138     S = O + R**

**Return on Rate Base**

Deemed ShortTerm Debt %	4.00%	T	\$ 451,926		W = S * T
Deemed Long Term Debt %	56.00%	U	\$ 6,326,957		X = S * U
Deemed Equity %	40.00%	V	\$ 4,519,255		Y = S * V
Short Term Interest	6.23%	Z	\$ 28,155		AC = W * Z
Long Term Interest	3.86%	AA	\$ 244,378		AD = X * AA
Return on Equity	9.21%	AB	\$ 416,223		AE = Y * AB
<b>Return on Rate Base</b>			<b>\$ 688,757</b>		<b>AF = AC + AD + AE</b>

**Distribution Expenses**

OM&A Expenses	\$	4,550,911	AG		
Amortization	\$	444,406	AH		
Ontario Capital Tax	\$	-	AI		
Grossed Up Taxes/PILs	\$	-	AJ		
Low Voltage			AK		
Transformer Allowance			AL		
			AM		
			AN		
			AO		
<b>Distribution Expenses</b>				\$	4,995,317     AP = SUM ( AG : AO )

**Revenue Offsets**

Specific Service Charges	-\$	34,311	AQ		
Late Payment Charges	-\$	21,200	AR		
Other Distribution Income	-\$	178,027	AS		
Other Income and Deductions	-\$	14,311	AT	-\$	247,849     AU = SUM ( AQ : AT )

**Revenue Requirement from Distribution Rates**

**\$ 5,436,225     AV = AF + AP + AU**

**Rate Classes Revenue**

**Rate Classes Revenue - Total (Sheet 4)**     \$ 5,497,900     AW

# Capital Module

## Applicable to ACM and ICM

Northern Ontario Wires Inc.

Input the billing determinants associated with Northern Ontario Wires Inc.'s Revenues Based on 2023 Actual Distribution Revenues. This sheet calculates the DENOMINATOR portion of the growth factor calculation. Pro forma Revenue Calculation.

Rate Class	2023 Actual Distribution Revenues			Proposed Distribution Rates			Service Charge Revenue	Distribution Volumetric Rate Revenue kWh	Distribution Volumetric Rate Revenue kW	Total Revenue By Rate Class	Service Charge % Revenue	Distribution Volumetric Rate % Revenue kWh	Distribution Volumetric Rate % Revenue kW	Total % Revenue
	Billed Customers or Connections	Billed kWh	Billed kW	Monthly Service Charge	Distribution Volumetric Rate kWh	Distribution Volumetric Rate kW								
	A	B	C	D	E	F	G	H	I	J	K = G / J <sub>total</sub>	L = H / J <sub>total</sub>	M = I / J <sub>total</sub>	N
RESIDENTIAL	5,187	39,128,268		59.90	0.0000	0.0000	3,728,416	0	0	3,728,416	67.8%	0.0%	0.0%	67.8%
GENERAL SERVICE LESS THAN 50 kW	714	17,511,886		45.41	0.0253	0.0000	389,073	443,051	0	832,124	7.1%	8.1%	0.0%	15.1%
GENERAL SERVICE 50 TO 4,999 KW	70	56,007,213	155,213	314.86	0.0000	2.6459	264,482	0	410,678	675,160	4.8%	0.0%	7.5%	12.3%
STREET LIGHTING	1,710	491,060	1,468	11.37	0.0000	13.3409	233,312	0	19,584	252,897	4.2%	0.0%	0.4%	4.6%
UNMETERED SCATTERED LOAD	22	163,953		26.45	0.0290	0.0000	6,983	4,755	0	11,737	0.1%	0.1%	0.0%	0.2%
<b>Total</b>	<b>7,703</b>	<b>113,302,380</b>	<b>156,681</b>				<b>4,622,266</b>	<b>447,805</b>	<b>430,263</b>	<b>5,500,334</b>				<b>100.0%</b>

# Capital Module

## Applicable to ACM and ICM

Northern Ontario Wires Inc.

**Current Revenue from Rates**

This sheet is used to determine the applicant's most current allocation of revenues (after the most recent revenue to cost ratio adjustment, if applicable) to appropriately allocate the incremental revenue requirement to the classes.

Rate Class	Proposed Base Rates in Current CoS Application			2025 Test Year Distribution Revenues			Current Base Service Charge Revenue	Current Base Distribution Volumetric Rate kWh Revenue	Current Base Distribution Volumetric Rate kW Revenue	Total Current Base Revenue	Service Charge % Total Revenue	Distribution Volumetric Rate % Total Revenue	Distribution Volumetric Rate % Total Revenue	Total % Revenue
	Monthly Service Charge	Distribution Volumetric Rate kWh	Distribution Volumetric Rate kW	Re-based Billed Customers or Connections	Re-based Billed kWh	Re-based Billed kW								
	A	B	C	D	E	F	G	H	I	J	L = G / J <sub>total</sub>	M = H / J <sub>total</sub>	N = I / J <sub>total</sub>	O
RESIDENTIAL	59.90	0	0	5,179	41,340,698	0	3,722,621	0	0	3,722,621	67.71%	0.00%	0.00%	67.7%
GENERAL SERVICE LESS THAN 50 kW	45.41	0.0253	0	707	17,945,241	0	385,244	454,015	0	839,258	7.01%	8.26%	0.00%	15.3%
GENERAL SERVICE 50 TO 4,999 kW	314.86	0	2.6459	69	56,240,557	155,213	260,708	0	410,679	671,387	4.74%	0.00%	7.47%	12.2%
STREET LIGHTING	11.37	0	13.3409	1,710	491,060	1,468	233,312	0	19,584	252,896	4.24%	0.00%	0.36%	4.6%
UNMETERED SCATTERED LOAD	26.45	0.029	0	22	163,953	0	6,983	4,755	0	11,737	0.13%	0.09%	0.00%	0.2%
<b>Total</b>							<b>4,608,868</b>	<b>458,769</b>	<b>430,263</b>	<b>5,497,900</b>				<b>100.0%</b>

# Capital Module

## Applicable to ACM and ICM

Northern Ontario Wires Inc.

No Input Required.

### Preliminary Materiality Threshold Calculation

$$\text{Threshold Value (\%)} = 1 + \left[ \left( \frac{RB}{d} \right) \times (g + PCI \times (1 + g)) \right] \times ((1 + g) \times (1 + PCI))^{n-1} + 10\%$$

<b>Cost of Service Rebasing Year</b>	<b>2025</b>	
<b>Price Cap IR Year in which Application is made</b>	<b>COS</b>	<i>n</i>
<b>Price Cap Index</b>	<b>3.30%</b>	<i>PCI</i>
<b>Growth Factor Calculation</b>		
Revenues Based on 2025 Test Year Distribution Revenues	\$5,497,900	
Revenues Based on 2023 Actual Distribution Revenues	\$5,500,334	
<b>Growth Factor</b>	<b>-0.02%</b>	<i>g (Note 1)</i>
<b>Dead Band</b>	<b>10%</b>	
<b>Average Net Fixed Assets</b>		
Gross Fixed Assets Opening	\$ 15,195,967	
Add: CWIP Opening	\$ 587,242	
Capital Additions	\$ 1,826,925	
Capital Disposals	\$ -	
Capital Retirements	\$ -	
Deduct: CWIP Closing	-\$ 587,242	
Gross Fixed Assets - Closing	\$ 17,022,892	
<b>Average Gross Fixed Assets</b>	<b>\$ 16,109,430</b>	
Accumulated Depreciation - Opening	\$ 5,890,532	
Depreciation Expense	\$ 558,374	
Disposals	\$ -	
Retirements	\$ -	
Accumulated Depreciation - Closing	\$ 6,448,906	
<b>Average Accumulated Depreciation</b>	<b>\$ 6,169,719</b>	
<b>Average Net Fixed Assets</b>	<b>\$ 9,939,711</b>	
<b>Working Capital Allowance</b>		
Working Capital Allowance Base	\$ 18,112,365	
Working Capital Allowance Rate	8%	
<b>Working Capital Allowance</b>	<b>\$ 1,358,427</b>	
<b>Rate Base</b>	<b>\$ 11,298,138</b>	<i>RB</i>
<b>Depreciation</b>	<b>\$ 558,374</b>	<i>d</i>
<b>Threshold Value (varies by Price Cap IR Year subsequent to CoS rebasing)</b>		
Price Cap IR Year 2026	176%	
Price Cap IR Year 2027	178%	
Price Cap IR Year 2028	181%	
Price Cap IR Year 2029	183%	
Price Cap IR Year 2030	185%	
Price Cap IR Year 2031	188%	
Price Cap IR Year 2032	190%	
Price Cap IR Year 2033	193%	
Price Cap IR Year 2034	196%	
Price Cap IR Year 2035	199%	
<b>Threshold CAPEX</b>		
Price Cap IR Year 2026	\$ 984,468	<i>Threshold Value × d</i>
Price Cap IR Year 2027	\$ 996,602	
Price Cap IR Year 2028	\$ 1,009,133	
Price Cap IR Year 2029	\$ 1,022,075	
Price Cap IR Year 2030	\$ 1,035,442	
Price Cap IR Year 2031	\$ 1,049,246	
Price Cap IR Year 2032	\$ 1,063,503	
Price Cap IR Year 2033	\$ 1,078,226	
Price Cap IR Year 2034	\$ 1,093,433	
Price Cap IR Year 2035	\$ 1,109,138	

**Note 1:** The growth factor *g* is annualized, depending on the number of years between the numerator and denominator for the calculation. Typically, for ACM review in a cost of service and in the fourth year of Price Cap IR, the ratio is divided by 2 to annualize it. No division is normally required for the first three years under Price Cap IR.



