



Schedule 5.1 – Allocators

April 15, 2024

Functional and Classification Allocators

E - External Allocation Factors - based on direct knowledge from data in the utility's accounting and other records

I - Internal Allocation Factors - based on some combination of external allocation factors, previously directly assigned costs and other internal allocation factors.

Allocator Name	Description
Functional Allocators	
F_DIST	100% Functionalized to Distribution and is considered to be directly related to the Distribution System (E)
F_ONSIT	100% Functionalized to Onsite, which refers to the costs associated with a customer on the system (onsite includes a portion of service lines, meters and regulators installed on-site at the customer's premises) (E)
F_REVNU	100% functionalized as Revenue-Related
Classification Allocators	
CUS	based on costs that vary with specific customer requirements, the number of customers, or both (such as meters and service lines) - (100% classified to Customer) (E)
DEM	based on costs associated with design day demand (100% classified to Demand) (E)
REV	100% classified to Revenue
MAINS	assumes 64.2% classification to Customer (to meet the minimum system requirements) and 35.8% classification to Demand (to meet peak demand needs) - applied to plastic mains (E)



Class Allocators

Demand Allocators	
Peak	calculated peak design day (the 24-hour period where there is the maximum amount of system demand). Based on forecasted consumption with adjustments for forecasted weather (degree days) - No amount allocated to Small General Service (E)
MainsDemand	based on the Calculated peak design day - No amount allocated to Small General Service or ICG (E)
Customer Allocators	
Billing	calculated using average number of customers with a weighting to account for differences in assumed billing costs between classes. Allocations based on interviews with billing, professional judgment, and assumptions based on prior client studies/experience (E)
Bills_All	calculated by multiplying the average number of customers in the class by 12 (assumed number of bills per customer per year) (E)
MainsCustomer	the average number of total customers in each rate class for 2023 - no allocation to ICG (E)
Meter_Invest	the average cost per meter, multiplied by the average number of customers in each rate class (E)
MetersRead	expenses are calculated using the average number of customers and incorporating a weighting, using assumptions based on prior client studies/experience, to account for differences in assumed costs between classes. The weightings account for staff time and capital (E)
Service_Invest	the average cost per service multiplied by the average number of customers in each rate class (E)
Write-offs	based on the percentage of bad debt expense calculated for each rate class (E)
Revenue Allocators	
Delivery_Rev	percentages are established based on the breakdown of forecasted distribution revenue by rate class (E)
Penalty_Charge	percentages are established based on the breakdown of uncollectable accounts



Internal Allocators

Internal allocators are used for all three stages of the cost-of-service study; for functionalization, classification, and class allocation.

Internal Allocators	
DIST_PT	based on total Distribution Plant (I)
DISTOnlyPT	based only Distribution Plant Accounts 473 – 478 – used to allocate Land & Land Rights and Other Distribution Expenses and Development
LABOR	total labour amount, based on a review of total O&M labour costs in each cost centre (I)
O&MXGAS	total operating expenses (less any gas related O&M i.e. gas nomination services) (I)
PLANT	total amount of Plant in Service (I)
MAIN_SERVICE	based on the mains and services portion of Distribution Plant and contains a Demand and Customer component (I)
PropertyTax	based on Net Plant (I)
Pre_Tax	total amount of Rate Base (I)

