

Festival Hydro

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April 11, 2013

Ms. Kirsten Walli, Board Secretary
Ontario Energy Board
2300 Yonge Street, 26th Floor, P.O. Box 2319
TORONTO, ON M4P 1E4

**Re: EB-2012-0124
Festival Hydro Inc. Reply Submission to the Draft Tariff of Rates and Charges
2013 3rd Generation IRM Rate Application**

Dear Ms. Walli:

Please find accompanying this letter two copies of Festival Hydro's Reply Submission to the Draft Tariff of Rates and Charges due to the Board by April 11, 2013.

A copy of this package has been electronically filed through the Ontario Energy Board's RESS system and emailed to the Board Secretary.

Should you require any further information or clarification of any of the above, please do not hesitate to contact me.

Respectfully submitted,
Original Signed by



W.G. Zehr, President

cc Intervenors of Record

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IN THE MATTER OF the Ontario Energy Board Act, 1998, S.O.
1998, c. 15, (Schedule B);

AND IN THE MATTER OF an application by Festival Hydro Inc. to
the Ontario Energy Board for an order or orders approving or
fixing just and reasonable distribution rates and other charges, to
be effective May 1, 2013.

FESTIVAL HYDRO INC.

2013 3rd GENERATION IRM RATE APPLICATION

REPLY SUBMISSION TO THE DRAFT TARIFF OF RATES AND CHARGES

FILED APRIL 11, 2013

A. INTRODUCTION

In the Board's April 4, 2013 Decision and Order, the Board directed Festival Hydro to
*“review the draft Tariff of Rates and Charges set out in Appendix A. Festival shall file
with the Board a written confirmation assessing the completeness and accuracy of the
draft Tariff of Rates and Charges, or provide a detailed explanation of any inaccuracies
or missing information within 7 days of the date of issuance of this Decision and Order”.*

This is the reply submission of Festival Hydro to the Draft Tariff of Rates and Charges
presented by the Board in its Decision and Order dated April 4, 2013.

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2 **B. REPLY SUBMISSION TO THE DRAFT TARIFF OF RATES AND CHARGES**

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4 Festival Hydro confirms the completeness and accuracy of the Draft Tariff of Rates and
5 Charges presented by the Board in Appendix A of its Decision and Order dated April 4,
6 2013, with the exceptions as noted below:
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8 **1. Residential Service Class for Hensall Service Area**

9
10 The following rate rider should be added:

11 **Rate Rider for Smart Meter Entity Charge – effective until October 31, 2018 \$0.79**

12
13 **2. Rate Rider for Recover of Incremental Capital (2013) –effective until April**
14 **30, 2014**

15 The word Recover should be **Recovery**. Please change for both the fixed \$
16 based charge and the volumetric kWh/ kW based charge for all rate classes on
17 the tariff sheet.
18

19
20 **3. Rate Rider for Recover of Incremental Capital (2013) –effective until April**
21 **30, 2014**

22 Festival's 2013 IRM Reply Submission dated December 3, 2012, on page 11
23 "*Festival requests the Board approve the recovery of the incremental revenue*
24 *requirement through Option A, thereby allowing for the collection of a combined*
25 *monthly fixed service charge and distribution volumetric charge. Festival*
26 *requests the rate riders be in place until the effective date of the next cost of*
27 *service-based rate order*".
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30 In the Board's Decision and Order dated April 4, 2013, it states in the Board
31 Finding on page 12 "*The annual revenue requirement impact arising from the*
32 *proposed cost of \$7,854,730 is therefore approved for recovery through rate*

1 *riders to be included on Festival Hydro's Tariff of Rates and Charges for 2013*
2 *rates and until the effective date of its next cost of service rate order."*
3

4 The Draft Tariff of Rates and Charges currently has the following description:
5 Rate Rider for Recover of Incremental Capital (2013) –effective until April 30,
6 2014. Festival request that the draft tariff sheet be changed to agree to the
7 Board approval for recovery until the effective date of its next cost of service-
8 based rate order. This change applies to all rate classes for both the fixed \$
9 charge and the monthly volumetric kWh/kW charge to read as follows:
10

11 **Rate Rider for Recovery of Incremental Capital (2013) – in effect until the**
12 **effective date of the next cost of service-based rate order.**
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15 **4. Sentinel Light Service Classification**

16 **Street Light Service Classification**

17 **Unmetered Scattered Load Classification**
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19 The Rate Rider for Recovery of incremental capital (2013) – effective until April
20 30, 2014 (**per connection**). Can you please add (**per connection**) to the
21 description so as to clarify that this is a per connection charge as opposed to a
22 per bill charge. This change applies to the Sentinel Light, Street Light and
23 Unmetered Scattered Load Classifications.
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27 **5. Allowances**
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29 Please make the following changes on Page 10:
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31 Transformer Allowance - should appear as \$/kW (\$0.60)
32 Primary Metering Allowance - should appear as % (1.00)
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4 **6. Residential Service Class – Hensall Service Area**
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7 In the final IRM Rate Generator model posted on the Board website
8 (Festival_2013_IRM_Rate_Generator_V2.3_20130404) on sheet 13 Final Tariff
9 Schedule, the Monthly Service Charge for Residential Hensall Service Area is
10 \$15.01 per month. However, the draft tariff sheet attached to the April 4, 2013
11 Decision and Order has \$14.99, which is equal to the \$14.99 for the Festival
12 Hydro Residential charge. Festival would prefer the fixed monthly service
13 charges for Residential Main and Residential Hensall to be the same at \$14.99.
14

15 In order to correct this, Festival believes the Rate Generator model needs
16 adjusted on Page 9 Rev2Cost_GDPIPI. Under the MFC Adjustment, in Cell C23
17 the revenue to cost adjustment should be reduced to \$1.07 from \$1.09. This
18 technically means Festival is foregoing \$98.40 of distribution revenue (i.e. \$0.02
19 per customer x 410 customers x 12 months). However, Festival is willing to
20 forego this revenue in order for the fixed monthly rate to be the same at \$14.99
21 for both Residential Main and Residential Hensall.
22

23 We also noted that the Wholesale Market and Rural Rate Protection Charges
24 should be revised in the final IRM Rate Generator model, to \$kWh 0.0044 and
25 \$kWh 0.0012 from \$kWh 0.0052 and \$kWh 0.0011, respectively, for all rate
26 classes.
27

28 All of which is respectfully submitted this 11th of April 2013.
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