



**Grimsby Power Incorporated**

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Sent by courier, e-mail and RESS

Ontario Energy Board  
PO Box 2319  
2300 Yonge Street, Suite 2700  
Toronto, Ontario  
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**Attention: Ms. Walli, Board Secretary**

**Re: Board File Number EB-2013-0132  
Grimsby Power Incorporated  
2014 Electricity Distribution Rate Application**

Dear Madam:

In accordance with the Ontario Energy Board's Procedural Order No. 1 dated September 24, 2013, please find attached Grimsby Power's responses to the Board Staff's Interrogatories in the above proceeding.

In addition, Grimsby Power has re-filed an updated RTSR Model from September 17, 2013 in PDF and Excel formats in conjunction with the Board Staff Interrogatory #3(A).

Should there be any questions, please do not hesitate to contact me.

Respectfully,

David Kelly CMA  
Financial & Regulatory Analyst  
Grimsby Power Incorporated

**Grimsby Power Inc. ("GPI")  
2014 Electricity Distribution Rates  
EB-2013-0132  
Response to Board Staff Interrogatories**

**1. Smart Metering Entity Charge("SMEC")**

Ref: Rate Generator Model

A portion of Sheet "4. Current Tariff Schedule" from the Rate Generator Model is reproduced below.

**RESIDENTIAL Service Classification**

MONTHLY RATES AND CHARGES - Delivery Component <span style="color: red;">(If applicable, Effective Date MUST be included in rate description)</span>		
Service Charge	\$	15.27
Distribution Volumetric Rate	\$/kWh	0.0117
Low Voltage Service Rate	\$/kWh	0.0007
Rate Rider for Disposition of Deferral/Variance Accounts (2013) - effective until December 31, 2013	\$/kWh	(0.0032)
Rate Rider for Disposition of Global Adjustment Sub-Account (2013) - effective until December 31, 2013 Applicable only for Non-RPP Customers	\$/kWh	0.0215
Rate Rider for Recovery of Lost Revenue Adjustment Mechanism (LRAM) - effective until December 31, 2013	\$/kWh	0.0005
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0067
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0052

**GENERAL SERVICE LESS THAN 50 KW Service Classification**

MONTHLY RATES AND CHARGES - Delivery Component <span style="color: red;">(If applicable, Effective Date MUST be included in rate description)</span>		
Service Charge	\$	25.89
Distribution Volumetric Rate	\$/kWh	0.0127
Low Voltage Service Rate	\$/kWh	0.0006
Rate Rider for Disposition of Deferral/Variance Accounts (2013) - effective until December 31, 2013	\$/kWh	(0.0032)
Rate Rider for Disposition of Global Adjustment Sub-Account (2013) - effective until December 31, 2013 Applicable only for Non-RPP Customers	\$/kWh	0.0215
Rate Rider for Recovery of Lost Revenue Adjustment Mechanism (LRAM) - effective until December 31, 2013	\$/kWh	0.0004
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0062
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0045

Board staff notes that the Board's Decision (EB-2012-0211)<sup>1</sup> dated March 28, 2013 stated that effective May 1, 2013 the SMEC to be levied and collected by Distributors identified in the Board's annual *Yearbook of Electricity Distributors*

<sup>1</sup> [http://www.ontarioenergyboard.ca/OEB/Documents/EB-2012-0100/dec\\_order\\_IESO-SME\\_20130328.pdf](http://www.ontarioenergyboard.ca/OEB/Documents/EB-2012-0100/dec_order_IESO-SME_20130328.pdf)

from Residential and General Service <50kW customers shall be \$0.79 per month.

Board staff further notes that the current tariff schedule in GPI's Rate Generator Model does not list the SMEC for Residential and General Service <50kW customers.

- a. If the omission of the SMEC in the Rate Generator Model is an error, Board staff will make the relevant correction.

### **GPI Response:**

GPI acknowledges that the SMEC charge was not included in the current tariff schedule, but confirms that this charge is in fact being levied in compliance with the Board's Decision (EB-2012-0100 / EB-2012-0211). In light of this error, Board staff may proceed to make the relevant correction.

The 2013 Tariff of Rates and Charges for GPI contains rates in effect from January 1, 2013. On May 1, 2013, there were Board-authorized changes to three regulatory rates as follows:

Description	Per Unit	Period in 2013		Rate Classes Affected
		January 1 to April 30	May 1 to December 31	
Wholesale Market Service Rate	\$/kWh	0.0052	0.0044	All
Rural Rate Protection Charge	\$/kWh	0.0011	0.0012	All
Smart Meter Entity Charge	\$	0.00	0.79	Residential / GS<50

GPI included the changes to the Wholesale Market Service Rate ("WMS") and the Rural Rate Protection Charge ("RRPC") in the 'Current Tariff Schedule' worksheet of the Rate Generator Model, since to do otherwise would have not properly updated the WMS and RRPC values in the Proposed Tariff of Rates and Charges. The new SMEC charge was not included in error.

## 2. Non-Loss Adjusted Metered Billed kWh and kW

Ref: RTSR Model

A portion of Sheet “4. RRR Data” from the RTSR Model is reproduced below.

Rate Class	Unit	Non-Loss Adjusted Metered kWh	Non-Loss Adjusted Metered kW	Applicable Loss Factor	Load Factor	Loss Adjusted Billed kWh	Billed kW
Residential	kWh	93,033,674		1.0526		97,927,245	-
General Service Less Than 50 kW	kWh	18,390,206		1.0526		19,357,530	-
General Service 50 to 4,999 kW	kW	15,860,595	54,693		39.75%	15,860,595	54,693
General Service 50 to 4,999 kW – Interval Metered	kW	51,909,538	128,629		55.31%	51,909,538	128,629
Street Lighting	kW	1,581,189	4,368		49.62%	1,581,189	4,368
Unmetered Scattered Load	kWh	384,963		1.0526		405,212	-

- a. Please confirm that the amounts entered into the columns “Non-Loss Adjusted Metered kWh” and “Non-Loss Adjusted Metered kW” have not been adjusted by GPI’s Board-approved loss factor.

### GPI Response:

GPI confirms that the amounts entered into the columns “Non-Loss Adjusted Metered kWh” and “Non-Loss Adjusted Metered kW” have not been adjusted by GPI’s Board-approved loss factor.

## 1. Transformer Allowance Credit

Ref: RTSR Model

A portion of Sheet “5. UTRs and Sub-Transmission” from the RTSR Model is reproduced below.

		Historical 2012	Current 2013	Forecast 2014
Transformer Allowance Credit (if applicable, enter as a negative value)	\$	-\$ 33,000	-\$ 33,000	-\$ 33,000

Board staff notes that the value provided above by GPI corresponds to the transformer ownership allowance<sup>2</sup> related to GPI’s General Service 50 to 4,999 kW customer class. Board staff further notes that the RTSR Model was updated to reflect that this line should be used only for distributors that receive a credit from Hydro One for owning low voltage switchgears. Board staff is of the view that these values should be zero.

- a. If GPI is in agreement, Board staff will make the relevant correction.

### GPI Response:

Sheet “5. UTRs and Sub-Transmission” from the RTSR Model, at the time of the application, depicted the line in question as requesting information on the ‘Transformer Allowance Credit’, which may reasonably be understood as the utility’s transformer ownership allowance. The wording of this label was confusing in consideration that the desired information was the Low Voltage Switchgear Credit.

GPI is in agreement with the view that the line previously labeled ‘*Transformer Allowance Credit*’, and now labeled ‘*Low Voltage Switchgear Credit*’, as noted above, should be zero. Board staff may proceed to make the relevant correction.

The latest RTSR model (as updated September 17, 2013) is re-submitted as part of this response.

<sup>2</sup> 2012 cost-of service rate application, EB-2011-0273, exhibit 8/page 16/table 8.12.  
[http://www.rds.ontarioenergyboard.ca/webdrawer/webdrawer.dll/webdrawer/rec/290955/view/Grimsby\\_A\\_PPL\\_COS\\_20110816.PDF](http://www.rds.ontarioenergyboard.ca/webdrawer/webdrawer.dll/webdrawer/rec/290955/view/Grimsby_A_PPL_COS_20110816.PDF)

## 1. Transformer Connection Rate

Ref: RTSR Model

A portion of Sheet "5. UTRs and Sub-Transmission" from the RTSR Model is reproduced below.

Uniform Transmission Rates	Unit	Effective January 1, 2012	Effective January 1, 2013	Effective January 1, 2014
Rate Description		Rate	Rate	Rate
Network Service Rate	kW	\$ 3.57	\$ 3.63	\$ 3.63
Line Connection Service Rate	kW	\$ 0.80	\$ 0.75	\$ 0.75
Transformation Connection Service Rate	kW	\$ 1.86	\$ 1.85	\$ 1.85

A portion of Sheet "6. Historical Wholesale" from the RTSR Model is reproduced below.

IESO	Network			Line Connection			Transformation Connection		
Month	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Units Billed	Rate	Amount
January	19,516	\$3.57	\$ 69,672	19,516	\$0.80	\$ 15,613	19,516	\$1.77	\$ 34,543
February	17,330	\$3.57	\$ 61,868	18,360	\$0.80	\$ 14,688	18,360	\$1.77	\$ 32,498
March	18,065	\$3.57	\$ 64,493	18,065	\$0.80	\$ 14,452	18,065	\$1.77	\$ 31,975
April	15,794	\$3.57	\$ 56,384	16,286	\$0.80	\$ 13,029	16,286	\$1.77	\$ 28,827
May	22,993	\$3.57	\$ 82,085	22,993	\$0.80	\$ 18,394	22,993	\$1.77	\$ 40,698
June	27,273	\$3.57	\$ 97,363	27,273	\$0.80	\$ 21,818	27,273	\$1.77	\$ 48,273
July	28,525	\$3.57	\$ 101,835	28,525	\$0.80	\$ 22,820	28,525	\$1.77	\$ 50,490
August	24,869	\$3.57	\$ 88,781	26,263	\$0.80	\$ 21,010	26,263	\$1.77	\$ 46,486
September	23,148	\$3.57	\$ 82,639	23,386	\$0.80	\$ 18,709	23,386	\$1.77	\$ 41,394
October	17,532	\$3.57	\$ 62,588	17,778	\$0.80	\$ 14,223	17,778	\$1.77	\$ 31,467
November	18,686	\$3.57	\$ 66,710	18,686	\$0.80	\$ 14,949	18,686	\$1.77	\$ 33,075
December	18,922	\$3.57	\$ 67,550	18,717	\$0.80	\$ 14,973	18,717	\$1.77	\$ 33,128
<b>Total</b>	<b>252,652</b>	<b>\$ 3.57</b>	<b>\$ 901,969</b>	<b>255,849</b>	<b>\$ 0.80</b>	<b>\$ 204,679</b>	<b>255,849</b>	<b>\$ 1.77</b>	<b>\$ 452,853</b>

Board staff notes that the Transformation Connection rate used by GPI in Sheet 6 is \$1.77, whereas Sheet 5 indicates a rate of \$1.86, effective January 1, 2012.

- a. If the Transformation Connection rate of \$1.77 in Sheet 6 is an error, Board staff will make the relevant correction to \$1.86.

**GPI Response:**

There is no error in this regard. Niagara West Transformation Corporation (“NWTC”) is GPI’s supplier with respect to transmission connection services and they were granted a rate separate from the UTR process.

In the OEB Decision for NWTC’s Rate Application (EB-2010-0345, August 25, 2011), the Board ordered that, “Niagara West Transformation Corporation is granted a monthly transmission transformation connection rate of \$1.77 per kW effective March 1, 2011”...”separate and apart from the UTR process” (p. 7). NWTC charged GPI the \$1.77 per kW rate throughout 2012 in compliance with this Decision, and the UTR rate was not applicable.