



187 Erie Street, Stratford
P.O. Box 397, Stratford
Ontario, N5A 6T5
Telephone: 519-271-4700
Toll-Free: 1-866-444-9370
Fax: 519-271-7204
www.festivalhydro.com

November 22, 2013

BY RESS & COURIER

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

**Re: EB-2013-0129
Festival Hydro Inc. Response to Board Staff Interrogatories
2014 IRM3 Electricity Distribution Rates**

Dear Ms. Walli:

On September 12, 2013, Festival Hydro Inc. (Festival), filed its application for 2014 IRM3 electricity distribution rates and, subsequently, on November 11, 2013, Board staff submitted its interrogatories. Enclosed are Festival's responses to those interrogatories.

The Vulnerable Energy Consumers Coalition (VECC) issued a Notice of Intervention on October 3, 2013. To date, Festival has not received any interrogatories related to this proceeding.

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

Should you require any further information or clarification of any of the above, kindly contact the writer.

Respectfully submitted,
Originally Signed by

W.G. Zehr, President

cc. VECC

Response to Board Staff Interrogatories

**2013 IRM3 Rate Application
Festival Hydro Inc. ("Festival Hydro")
EB-2013-0129
Filed November 22, 2013**

Manager's Summary

Board Staff Interrogatory No. 1

Ref: Manager's Summary – Page 6

Ref: Reply Comments on Draft Rate Order, EB-2009-0263, April 15, 2010 – Page 6

On page 6 of the Manager's Summary, Festival Hydro states:

With the 2013 IRM rate year, the only outstanding revenue to cost adjustment required as per EB-2009-0263 was the continuation towards harmonization of the Hensall residential rate. While the intent was for both Residential and Residential Hensall to have the same Revenue to Cost ratios by 2013, when the rebalancing was complete in the model, it resulted in a slight difference. The 2013 Residential ratio was at 106.47% compared to the Hensall Board approved rate of 106.27%.

A table from page 6 of Festival Hydro's Reply Comments on its Draft Rate Order from its 2010 Cost of Service application (EB-2009-0263) is reproduced below. This table indicates the changes to Festival Hydro's revenue-to-cost ratios that were approved by the Board in its decision.

Revenue to Cost Ratio - Table of Changes

Customer Class	2010 Rev Cost Ratio Result	2010 Adjusted Rev Cost Ratio	2011 Proposed Rev Cost Ratio	2012 Proposed Rev Cost Ratio	2013 Proposed Rev Cost Ratio
Residential	107.14%	106.84%	106.66%	106.45%	106.27%
Residential - Hensall	70.90%	82.65%	91.00%	99.00%	106.27%
GS < 50 kW	115.88%	114.19%	113.13%	112.03%	112.03%
GS >50	81.38%	81.39%	81.31%	81.31%	81.31%
Large Use	117.07%	114.22%	113.13%	112.03%	112.03%
Sentinel Lights	31.04%	50.52%	60.00%	70.00%	70.00%
Street Lighting	32.62%	51.30%	60.60%	70.00%	70.00%
USL	139.13%	120.00%	120.00%	120.00%	120.00%

- a) Please indicate why Festival Hydro is proposing to harmonize rates for the residential classes at a revenue-to-cost ratio above the amounts approved in Festival Hydro's 2010 cost of service application.

- b) Please provide the total decrease in revenue from the Residential class that would be required to achieve the Board approved revenue-to-cost ratio of 106.27%.
- c) Were the amount in b) to be immaterial, would Festival Hydro be opposed to adjusting revenues to the Residential class such that both residential classes have a revenue-to-cost ratio of 106.27%, as approved in Festival Hydro's last cost of service application (EB-2009-0263)?
- d) Please provide:
 - a. The weighted average fixed/variable split for the two residential classes combined using the base rates and billing determinants (i.e. customer numbers and billed consumption) approved in Festival Hydro's last cost of service application.
 - b. The total combined cost for both residential classes, as approved in EB-2009-0253).
 - c. Using b) calculate the overall residential class revenue that would result in a revenue-to-cost ratio of 106.27%.
 - d. Calculate the overall residential class revenue in 2014 by applying the approved price cap index adjustment from Festival Hydro's 2011 – 2013 IRM applications, as well as, Festival Hydro's proposed price cap index adjustment for 2014.
 - e. Using a) calculate the fixed monthly service charge and distribution volumetric charge (in \$/kWh) that would yield the class revenue calculated in d).
 - f. Updated bill impacts for each residential class using the rates calculated in e).

RESPONSE:

- a) **In each of the IRM application years from 2011 through to 2014, the net annual rebalancing amount in of the Revenue to Cost model has been charged to the Residential class (since the Residential class ratio is in excess of 100% and the bulk of the rebalancing related to Residential Hensall). Using the rebalancing feature in the 2011 to 2014 models has resulted in the Residential class producing a Revenue to Cost Ratio which differs from the projected Revenue to Cost Ratios as reported in Festival's 2010 COS application. The table below compares the 2010 Projected Revenue to Cost Ratios as reported to the 2010 COS application to the actual ratios reported in the 2011 to 2014 IRM application years in order to rebalance the net revenue amount as close as possible to zero.**

Comparison of 2010 COS Projected Ratios to Actual Ratios used in 2011 to 2014 IRM Application

Residential Class	2010 COS Original	2010 COS Adjusted	2011 IRM	2012 IRM	2013 IRM	2014 IRM Requested
<u>Residential</u>						
2010 COS Projected Ratio	107.14%	106.84%	106.66%	106.45%	106.27%	106.27%
Actual Ratio after rebalancing as submitted to Board	107.14%	106.84%	106.62%	106.50%	106.47%	106.47%
<u>Hensall Residential</u>						
2010 COS Projected Ratio	70.90%	82.65%	91.00%	99.00%	106.27%	106.27%
Actual Ratio after rebalancing as submitted to Board	70.90%	82.65%	91.00%	99.00%	106.27%	106.47%

In order for Festival Hydro to attain its allowable distribution revenues, the 2014 ratio required for Residential and Residential Hensall has to be 106.47% rather than the 106.27% as originally reported in the 2010 COS application. The ratios of 106.27% as originally projected in the 2010 COS application would result in a shortfall in revenue for Festival Hydro.

- b) The table below illustrates what occurs when 106.27% is entered as the ratio into the Revenue to Cost Model for both Residential and Residential Hensall. The revenue is out of balance by \$11,122 or an overall shortfall of Residential revenue of \$11,122. By adjusting both to 106.47 it creates an amount very close to balanced (\$146.00).**

2014 Revenue to Cost model with Residential ratios at 106.27

Rate Class	Adjusted Revenue	Current Revenue Cost Ratio	Re-Allocated Cost	Proposed Revenue Cost Ratio	Final Adjusted Revenue	Dollar Change	Percentage Change
	A	B	C = A / B	D	E = C * D	F = E - C	G = (E / C) - 1
Residential	\$ 5,847,733	1.0647	\$ 5,492,247	1.06270	\$ 5,836,611	-\$ 11,122	-0.2%
Residential - Hensall	\$ 150,558	1.0627	\$ 141,675	1.06270	\$ 150,558	\$ -	0.0%
General Service Less Than 50 k	\$ 1,777,659	1.1203	\$ 1,586,771	1.12030	\$ 1,777,659	\$ 0	0.0%
General Service 50 to 4,999 kW	\$ 2,259,018	0.8131	\$ 2,778,278	0.81310	\$ 2,259,018	-\$ 0	0.0%
Large Use	\$ 319,030	1.1203	\$ 284,772	1.12030	\$ 319,030	\$ 0	0.0%
Unmetered Scattered Load	\$ 34,417	0.7000	\$ 49,167	0.70000	\$ 34,417	-\$ 0	0.0%
Sentinel Lighting	\$ 9,749	0.7000	\$ 13,927	0.70000	\$ 9,749	-\$ 0	0.0%
Street Lighting	\$ 139,862	1.2000	\$ 116,552	1.20000	\$ 139,862	\$ 0	0.0%
	\$ 10,538,026		\$ 10,463,389		\$ 10,526,904	-\$ 11,122	-0.1%
Out of Balance					11,122		

2014 Revenue to Cost model with Residential ratios at 106.47

Rate Class	Adjusted Revenue	Current Revenue Cost Ratio	Re-Allocated Cost	Proposed Revenue Cost Ratio	Final Adjusted Revenue	Dollar Change	Percentage Change
	A	B	C = A / B	D	E = C * D	F = E - C	G = (E / C) - 1
Residential	\$ 5,847,733	1.06	\$ 5,492,247	1.0647	\$ 5,847,596	-\$ 137	0.0%
Residential - Hensall	\$ 150,558	1.06	\$ 141,675	1.0647	\$ 150,841	\$ 283	0.2%
General Service Less Than 50 k	\$ 1,777,659	1.12	\$ 1,586,771	1.1203	\$ 1,777,659	\$ 0	0.0%
General Service 50 to 4,999 kW	\$ 2,259,018	0.81	\$ 2,778,278	0.8131	\$ 2,259,018	-\$ 0	0.0%
Large Use	\$ 319,030	1.12	\$ 284,772	1.1203	\$ 319,030	\$ 0	0.0%
Unmetered Scattered Load	\$ 34,417	0.70	\$ 49,167	0.7000	\$ 34,417	-\$ 0	0.0%
Sentinel Lighting	\$ 9,749	0.70	\$ 13,927	0.7000	\$ 9,749	-\$ 0	0.0%
Street Lighting	\$ 139,862	1.20	\$ 116,552	1.2000	\$ 139,862	\$ 0	0.0%
	\$ 10,538,026		\$ 10,463,389		\$ 10,538,172	\$ 146	0.0%
Out of Balance					- 146		

c) The overall objective of the IRM model is to allow the LDC to earn the distribution revenues as approved in their most recent COS adjusted annually for the price cap index adjustment. As illustrated in the table below, Festival has taken its 2010 approved total distribution revenue and applied the annual adjustments to determine its 2014 allowed total distribution revenue. This total calculated distribution revenue amount is very close to the result on Tab 10 Proposed R/C ratio Adj of the 2014 IRM Revenue to Cost Model. Festival is of the opinion that the Company should be allowed to earn this amount of distribution revenue. This can only be achieved by adjusting the ratios accordingly within the Revenue to Cost model.

Overall Revenue applying the Price Cap Adjustments

		2010 COS	
		Total Revenue Requirement	
2010 COS Approved Total Revenue		\$	10,288,194
Less Misceallenous Revenue		-\$	677,916
Net 2010 COS Distribution Revenue		\$	<u>9,610,278</u>
Total Distribution Revneue after applying annual price cap adjustment			
<u>Annual Price Cap Adjustment</u>	2011	0.38%	\$ 9,646,797.06
	2012	1.08%	\$ 9,750,982.46
	2013	0.68%	\$ 9,817,289.15
	2014	0.48%	\$ 9,864,412.13
Add Miscellaneous Revenue		\$	677,916
Total 2014 Revenue		\$	<u>10,542,328.13</u>
Revenue to Cost Model Tab 10 Proposed R/C ratio Adj		\$	<u>10,538,172.00</u>
Difference		\$	<u>4,156.13</u>

In Festival’s 2013 IRM Application (EB-2012-0124), the Manager Summary submitted by Festival Hydro contains the following explanation with regard to the Revenue to Cost Adjustments:

“For the 2013 IRM rate year, the only outstanding revenue to cost adjustment required as per EB-2009-0263 is continuation towards harmonization of the Hensall residential rate. While the intent was for both Residential and Residential Hensall to have the same Revenue to Cost ratios by 2013, when the rebalancing is complete in the model, it results in a slight difference. The Residential ratio is at 106.47% compared to the Hensall Board approved rate of 106.27%”.

The Board in its Decision and Order dated April 4, 2013 (EB-2001-0124) did approve the May 1, 2013 IRM submission as submitted with ratios of 106.47% and 106.27% for Residential and Residential Hensall, respectively. In the event the Board does not allow the requested change to the ratios for 2014, Festival request continuation of the 2013 Board approved Revenue to Costs ratios of 106.47% and 106.27% for Residential and Residential Hensall, respectively.

d) The table below provides the detailed calculations for questions (a to e). The bill impacts for Residential 800 kWh, Hensall Residential 800 kWh and Hensall Residential 250 kWh are included in Appendix A.

Revenue to Cost Calculations		Residential	Residential Hensall	Total Residential
d (a).	Board approved Customer Numbers	17,115	413	17,528
	Board Approved Service Charge	\$ 14.75	\$ 11.21	
	Board Approved Service Charge Revenue	\$ 3,029,355.00	\$ 55,556.76	\$ 3,084,911.76
	Board approved kWh Billed Consumption	141,132,375	4,143,109	145,275,484
	Board Approved Volumetric Rate	\$ 0.0163	\$ 0.0120	
	Board Approved Volumetric Charge Revenue	\$ 2,300,457.71	\$ 49,717.31	\$ 2,350,175.02
	Total Revenue	5,329,813	105,274	5,435,087
	Fixed to Variable Split:			Wghted avge
	Fixed	56.8%	52.8%	56.8%
	Variable	43.2%	47.2%	43.2%
	Total Revenue (as calculated above)	\$ 5,329,812.71	\$ 105,274.07	\$ 5,435,086.78
	Total Board Approved Revenue	\$ 5,332,656.00	\$ 105,502.00	\$ 5,438,158.00
	Difference (rounding)	-\$ 2,843.29	-\$ 227.93	-\$ 3,071.22

Per Revenue to Cost Second Run 2010

	Distribution Revenue	\$ 5,349,133.00	\$ 89,216.00	\$ 5,438,349.00
	Miscellaneous Revenue	\$ 412,176.00	\$ 9,050.00	\$ 421,226.00
	Total Revenue	\$ 5,761,309.00	\$ 98,266.00	\$ 5,859,575.00
				Combined Costs
d (b)	Total Cost per Revenue to Cost 2nd Run 2010	\$ 5,377,136.00	\$ 138,600.00	\$ 5,515,736.00
	Revenue to Cost Ratio	107.14%	70.90%	106.23%
d (c)	Overall Residential Revenue that would result in a Revenue to Cost Ratio of 106.27%			\$ 5,861,572.65
			Less Misc Revenue	-\$ 421,226.00
d (d)	Overall Residential Revenue after applying annual price cap adjustment		Net Distn Rate Rev	\$ 5,440,346.65
		Annual Price Cap Adjustment		
	2011	0.38%		\$ 5,461,019.96
	2012	1.08%		\$ 5,519,998.98
	2013	0.68%		\$ 5,557,534.97
	2014	0.48%		\$ 5,584,211.14
		Fixed (56.8%)	Volumetric (43.2%)	Total
d (e)	Total 2014 Revenue	\$ 3,171,831.93	\$ 2,412,379.21	\$ 5,584,211.14
	Total # of customers / kWh billed	17,528	145,275,484	
	Monthly service Charge	\$ 15.08		
	kWh Volumetric Rate		\$ 0.0166	

d (f)	Bill Impact (total bill basis):	Existing Rates	Proposed Rates	\$ increase/ (decrease)	% increase/ (decrease)
	Residential 800 kWh				
	- as filed on Sept 12, 13 with 106.47 Ratio	\$ 123.08	\$ 123.02	-\$ 0.06	-0.05%
	- as filed on Nov 22, 13 with 106.27 Ratio	\$ 123.08	\$ 122.89	-\$ 0.19	-0.15%
	Residential Hensall 800 kWh				
	- as filed on Sept 12, 13 with 106.47 Ratio	\$ 122.45	\$ 123.02	\$ 0.57	0.47%
	- as filed on Nov 22, 13 with 106.27 Ratio	\$ 122.45	\$ 122.89	\$ 0.44	0.36%
	Residential Hensall 250 kWh				
	- as filed on Sept 12, 13 with 106.47 Ratio	\$ 52.22	\$ 52.35	\$ 0.13	0.25%
	- as filed on Nov 22, 13 with 106.27 Ratio	\$ 52.22	\$ 52.33	\$ 0.11	0.21%

Board Staff Interrogatory No. 2

Ref: Manager's Summary – Page 12

Ref: Chapter 3, Filing Requirements for 4th Generation Incentive Rate-setting and annual Incentive Rate-setting Index, July 17, 2013 – Page 19

On page 12 of the Manager's Summary, Festival Hydro states:

... Festival seeks the Board's approval to harmonize the Regular Residential and Hensall Residential Rates as part of the 2014 IRM application. In addition to harmonization of the Monthly Fixed Charge and the kWh volumetric charge, the only other rates which require adjusting to achieve full harmonization are the incremental capital rate riders.

On page 19 of Chapter 3 of the Filing Requirements, the Board lists specific exclusions from the IRM rate application process. Specifically, the Board states that that IRM process is not an appropriate venue by which a distributor to seek relief on issues related to rate harmonization "other than pursuant to a prior Board decision."

- a) Please explain why Festival Hydro believes that the proposed harmonization of its ICM rate riders is within the scope of its 2014 IRM proceeding.

RESPONSE:

The ICM rate rider rate mechanism was introduced by the Board to compensate LDCs for major incremental capital expenditures during the IRM intervening years. As part of the 2013 IRM Application, Festival Hydro requested and was approved ICM rate riders related to the construction of a new transformer station. Being the rate riders were calculated based on Festival's 2010 Rebased kW and kWh loads, and 2010 Rebased Service Charges and 2010 Rebased Volumetric Charges, it resulted in creating different ICM rate riders for Residential customers compared to Residential Hensall customers.

Pursuant to the prior Board's decision with respect to rate harmonization, it is Festival Hydro's view that the one of the objectives of the Revenue to Cost adjustments approved as part of Festival's 2010 Rate application was for the purpose of achieving rate harmonization during the intervening IRM

years. Given that an ICM rate rider can only arise during the IRM years, if an LDC is not allowed to harmonize ICM rate riders during the IRM period, it means that overall harmonization of rates can never occur during an IRM period when ICM rate riders should arise.

It is Festival's belief that this is the first IRM application before the Board whereby an LDC has an ICM rate rider in place and has requested harmonization of ICM rate riders in order to accomplish overall harmonization. In the interest of achieving the goal of rate harmonization, it is Festival's belief that the introduction of ICM rate riders should not prevent overall harmonization from occurring, providing it is achieved on a revenue neutral (or close to neutral) basis. Festival requests the Board approve the proposed ICM rate rider harmonization in order to achieve the overall goal of rate harmonization.

2013 IRM Rate Generator Model

Board Staff Interrogatory No. 3

Ref: 2014 IRM Rate Generator Model – Sheet 4

Ref: Rate Order, Festival Hydro's 2013 IRM Application, April 18, 2013 – Appendix A, Page 2

On Sheet 4 of the 2014 IRM Rate Generator Model, Festival Hydro has provided a Service Charge (per light) of \$1.09 for the Street Lighting service class. The Tariff of Rates and Charges, issued by the Board on April 18, 2013, for Festival Hydro's 2013 IRM application shows a Service Charge (per connection).

- a) If the Service Charge (per light) was selected in error, please confirm the error and Board staff will make the appropriate changes to the model. If not, please explain why Festival Hydro is proposing to change the billing basis for the service charge in the Street Lighting service class.

RESPONSE:

On May 17, 2013, the Board posted a Report on its website prepared by the Board staff's consultant, Elenchus Research Associates, that makes specific recommendations and provides guidance with respect to the issue of Cost Allocation Policy for Unmetered Loads. Within the report it clarifies the definition of a connection versus a device (.i.e. light). It was at that point that Festival realized it was using the wrong terminology on its Tariff of Rates and Charges for its monthly fixed charge for streetlights. Festival has historically billed its streetlight fixed monthly charge based on the number of lights; not the number of connections. In its 2010 and

previous Cost of Service applications, the calculation of the streetlight monthly fixed rate has been based on the number of lights. The number of streetlight connections is used strictly as part of the Revenue to Cost model.

Festival requests that the Board approve the correction on the Tariff of Rates and Charges for May 1, 2014 for the Streetlight Service Charge to be on a per light billing basis.

2014 Shared Tax Savings Model

Board Staff Interrogatory No. 4

Ref: 2014 Shared Tax Savings Model – Sheet 3

Ref: Rate Order, Festival Hydro's 2013 IRM Application, April 18, 2013 – Appendix A, Page 2

Sheet 3 of Festival Hydro's 2014 Shared Tax Savings Model indicates a monthly service charge of \$14.99 for the Residential – Hensall service class in column D. The Tariff of Rates and Charges, issued on April 18, 2013, for Festival Hydro's 2013 IRM Application indicates a service charge of \$15.01.

- a) If the service charge of \$14.99 was entered in error, please confirm the error and Board staff will make the appropriate changes to the model. If not, please explain the difference between the service charge provided in the model and the amount of \$15.01 present on the Board approved tariff from Festival Hydro's 2013 IRM Application.

RESPONSE:

The amount of \$14.99 was entered in error. It should be \$15.01. We ask that Board staff please make the appropriate changes to the model.

Respectfully submitted this 22nd day of November 2013.

Attachments: Appendix A – Bill Impacts

APPENDIX A

Bill Impacts

Residential 800 kWh
Residential Hensall 800 kWh
Residential Hensall 250 kWh



Incentive Regulation Model for 2014 Filers

Festival Hydro Inc. - Greater Bruce/Huron

Rate Class **RESIDENTIAL**

Loss Factor **1.0307**

Consumption kWh **800**

If Billed on a kW basis:

Demand kW

Load Factor

	Current Board-Approved			Proposed			Impact	
	Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	\$ 14.99	1	\$ 14.99	\$ 15.08	1	\$ 15.08	\$ 0.09	0.60%
Distribution Volumetric Rate	\$ 0.0167	800	\$ 13.36	\$ 0.0166	800	\$ 13.28	-\$ 0.08	-0.60%
Fixed Rate Riders	\$ 3.99	1	\$ 3.99	\$ 3.79	1	\$ 3.79	-\$ 0.20	-5.01%
Volumetric Rate Riders	0.0014	800	\$ 1.12	0.0007	800	\$ 0.56	-\$ 0.56	-50.00%
Sub-Total A (excluding pass through)			\$ 33.46			\$ 32.71	-\$ 0.75	-2.24%
Line Losses on Cost of Power	\$ 0.0839	25	\$ 2.06	\$ 0.0839	25	\$ 2.06	\$ -	0.00%
Total Deferral/Variance Account	-0.0009	800	-\$ 0.72	0.0000	800	\$ -	\$ 0.72	-100.00%
Rate Riders								
Low Voltage Service Charge	\$ 0.0002	800	\$ 0.16	\$ 0.0002	800	\$ 0.16	\$ -	0.00%
Smart Meter Entity Charge	\$ 0.7900	1	\$ 0.79	\$ 0.7900	1	\$ 0.79	\$ -	0.00%
Sub-Total B - Distribution (includes Sub-Total A)			\$ 33.69			\$ 33.66	-\$ 0.03	-0.09%
RTSR - Network	\$ 0.0069	825	\$ 5.69	\$ 0.0068	825	\$ 5.61	-\$ 0.08	-1.45%
RTSR - Connection and/or Line and Transformation Connection	\$ 0.0049	825	\$ 4.04	\$ 0.0048	825	\$ 3.96	-\$ 0.08	-2.04%
Sub-Total C - Delivery (including Sub-Total B)			\$ 43.42			\$ 43.22	-\$ 0.19	-0.45%
Wholesale Market Service Charge (WMSC)	\$ 0.0044	825	\$ 3.63	\$ 0.0044	825	\$ 3.63	\$ -	0.00%
Rural and Remote Rate Protection (RRRP)	\$ 0.0012	825	\$ 0.99	\$ 0.0012	825	\$ 0.99	\$ -	0.00%
Standard Supply Service Charge	\$ 0.2500	1	\$ 0.25	\$ 0.2500	1	\$ 0.25	\$ -	0.00%
Debt Retirement Charge (DRC)	\$ 0.0070	800	\$ 5.60	\$ 0.0070	800	\$ 5.60	\$ -	0.00%
TOU - Off Peak	\$ 0.0670	512	\$ 34.30	\$ 0.0670	512	\$ 34.30	\$ -	0.00%
TOU - Mid Peak	\$ 0.1040	144	\$ 14.98	\$ 0.1040	144	\$ 14.98	\$ -	0.00%
TOU - On Peak	\$ 0.1240	144	\$ 17.86	\$ 0.1240	144	\$ 17.86	\$ -	0.00%
Total Bill on TOU (before Taxes)			\$ 121.02			\$ 120.83	-\$ 0.19	-0.16%
HST	13%		\$ 15.73	13%		\$ 15.71	-\$ 0.03	-0.16%
Total Bill (including HST)			\$ 136.76			\$ 136.54	-\$ 0.22	-0.16%
Ontario Clean Energy Benefit ¹			-\$ 13.68			-\$ 13.65	\$ 0.03	-0.22%
Total Bill on TOU (including OCEB)			\$ 123.08			\$ 122.89	-\$ 0.19	-0.15%

Note: For distributors who have a majority of customers on Tiered pricing, please provide a separate bill impact for such customers.



Incentive Regulation Model for 2014 Filers

Festival Hydro Inc. - Greater Bruce/Huron

Rate Class **RESIDENTIAL - HENSALL**

Loss Factor **1.0307**

Consumption kWh **800**

If Billed on a kW basis:

Demand kW

Load Factor

	Current Board-Approved			Proposed			Impact	
	Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	\$ 15.01	1	\$ 15.01	\$ 15.08	1	\$ 15.08	\$ 0.07	0.47%
Distribution Volumetric Rate	\$ 0.0162	800	\$ 12.96	\$ 0.0166	800	\$ 13.28	\$ 0.32	2.47%
Fixed Rate Riders	\$ 3.91	1	\$ 3.91	\$ 3.79	1	\$ 3.79	-\$ 0.12	-3.07%
Volumetric Rate Riders	0.0013	800	\$ 1.04	0.0007	800	\$ 0.56	-\$ 0.48	-46.15%
Sub-Total A (excluding pass through)			\$ 32.92			\$ 32.71	-\$ 0.21	-0.64%
Line Losses on Cost of Power	\$ 0.0839	25	\$ 2.06	\$ 0.0839	25	\$ 2.06	\$ -	0.00%
Total Deferral/Variance Account	-0.0010	800	-\$ 0.80	0.0000	800	\$ -	\$ 0.80	-100.00%
Rate Riders								
Low Voltage Service Charge	\$ 0.0002	800	\$ 0.16	\$ 0.0002	800	\$ 0.16	\$ -	0.00%
Smart Meter Entity Charge	\$ 0.7900	1	\$ 0.79	\$ 0.7900	1	\$ 0.79	\$ -	0.00%
Sub-Total B - Distribution (includes Sub-Total A)			\$ 33.07			\$ 33.66	\$ 0.59	1.78%
RTSR - Network	\$ 0.0069	825	\$ 5.69	\$ 0.0068	825	\$ 5.61	-\$ 0.08	-1.45%
RTSR - Connection and/or Line and Transformation Connection	\$ 0.0049	825	\$ 4.04	\$ 0.0048	825	\$ 3.96	-\$ 0.08	-2.04%
Sub-Total C - Delivery (including Sub-Total B)			\$ 42.80			\$ 43.22	\$ 0.43	0.99%
Wholesale Market Service Charge (WMSC)	\$ 0.0044	825	\$ 3.63	\$ 0.0044	825	\$ 3.63	\$ -	0.00%
Rural and Remote Rate Protection (RRRP)	\$ 0.0012	825	\$ 0.99	\$ 0.0012	825	\$ 0.99	\$ -	0.00%
Standard Supply Service Charge	\$ 0.2500	1	\$ 0.25	\$ 0.2500	1	\$ 0.25	\$ -	0.00%
Debt Retirement Charge (DRC)	\$ 0.0070	800	\$ 5.60	\$ 0.0070	800	\$ 5.60	\$ -	0.00%
TOU - Off Peak	\$ 0.0670	512	\$ 34.30	\$ 0.0670	512	\$ 34.30	\$ -	0.00%
TOU - Mid Peak	\$ 0.1040	144	\$ 14.98	\$ 0.1040	144	\$ 14.98	\$ -	0.00%
TOU - On Peak	\$ 0.1240	144	\$ 17.86	\$ 0.1240	144	\$ 17.86	\$ -	0.00%
Total Bill on TOU (before Taxes)			\$ 120.40			\$ 120.83	\$ 0.43	0.35%
HST	13%		\$ 15.65	13%		\$ 15.71	\$ 0.06	0.35%
Total Bill (including HST)			\$ 136.06			\$ 136.54	\$ 0.48	0.35%
Ontario Clean Energy Benefit ¹			-\$ 13.61			-\$ 13.65	-\$ 0.04	0.29%
Total Bill on TOU (including OCEB)			\$ 122.45			\$ 122.89	\$ 0.44	0.36%

Note: For distributors who have a majority of customers on Tiered pricing, please provide a separate bill impact for such customers.



Incentive Regulation Model for 2014 Filers

Festival Hydro Inc. - Greater Bruce/Huron

Rate Class **RESIDENTIAL - HENSALL**

Loss Factor **1.0307**

Consumption **kWh 250**

If Billed on a kW basis:

Demand **kW**

Load Factor

	Current Board-Approved			Proposed			Impact	
	Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	\$ 15.01	1	\$ 15.01	\$ 15.08	1	\$ 15.08	\$ 0.07	0.47%
Distribution Volumetric Rate	\$ 0.0162	250	\$ 4.05	\$ 0.0166	250	\$ 4.15	\$ 0.10	2.47%
Fixed Rate Riders	\$ 3.91	1	\$ 3.91	\$ 3.79	1	\$ 3.79	-\$ 0.12	-3.07%
Volumetric Rate Riders	0.0013	250	\$ 0.33	0.0007	250	\$ 0.18	-\$ 0.15	-46.15%
Sub-Total A (excluding pass through)			\$ 23.30			\$ 23.20	-\$ 0.10	-0.43%
Line Losses on Cost of Power	\$ 0.0839	8	\$ 0.64	\$ 0.0839	8	\$ 0.64	\$ -	0.00%
Total Deferral/Variance Account	-0.0010	250	-\$ 0.25	0.0000	250	\$ -	\$ 0.25	-100.00%
Rate Riders								
Low Voltage Service Charge	\$ 0.0002	250	\$ 0.05	\$ 0.0002	250	\$ 0.05	\$ -	0.00%
Smart Meter Entity Charge	\$ 0.7900	1	\$ 0.79	\$ 0.7900	1	\$ 0.79	\$ -	0.00%
Sub-Total B - Distribution (includes Sub-Total A)			\$ 23.89			\$ 24.04	\$ 0.15	0.63%
RTSR - Network	\$ 0.0069	258	\$ 1.78	\$ 0.0068	258	\$ 1.75	-\$ 0.03	-1.45%
RTSR - Connection and/or Line and Transformation Connection	\$ 0.0049	258	\$ 1.26	\$ 0.0048	258	\$ 1.24	-\$ 0.03	-2.04%
Sub-Total C - Delivery (including Sub-Total B)			\$ 26.93			\$ 27.02	\$ 0.10	0.37%
Wholesale Market Service Charge (WMSC)	\$ 0.0044	258	\$ 1.13	\$ 0.0044	258	\$ 1.13	\$ -	0.00%
Rural and Remote Rate Protection (RRRP)	\$ 0.0012	258	\$ 0.31	\$ 0.0012	258	\$ 0.31	\$ -	0.00%
Standard Supply Service Charge	\$ 0.2500	1	\$ 0.25	\$ 0.2500	1	\$ 0.25	\$ -	0.00%
Debt Retirement Charge (DRC)	\$ 0.0070	250	\$ 1.75	\$ 0.0070	250	\$ 1.75	\$ -	0.00%
TOU - Off Peak	\$ 0.0670	160	\$ 10.72	\$ 0.0670	160	\$ 10.72	\$ -	0.00%
TOU - Mid Peak	\$ 0.1040	45	\$ 4.68	\$ 0.1040	45	\$ 4.68	\$ -	0.00%
TOU - On Peak	\$ 0.1240	45	\$ 5.58	\$ 0.1240	45	\$ 5.58	\$ -	0.00%
Total Bill on TOU (before Taxes)			\$ 51.35			\$ 51.45	\$ 0.10	0.19%
HST	13%		\$ 6.68	13%		\$ 6.69	\$ 0.01	0.19%
Total Bill (including HST)			\$ 58.02			\$ 58.14	\$ 0.11	0.19%
Ontario Clean Energy Benefit ¹			-\$ 5.80			-\$ 5.81	-\$ 0.01	0.17%
Total Bill on TOU (including OCEB)			\$ 52.22			\$ 52.33	\$ 0.10	0.19%

Note: For distributors who have a majority of customers on Tiered pricing, please provide a separate bill impact for such customers.