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March 20, 2014

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. Reply Submission to the Draft Tariff of Rates and Charges
2014 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 March 20, 2014.

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

1
2 **IN THE MATTER OF** the Ontario Energy Board Act, 1998, S.O.
3 1998, c. 15, (Schedule B);
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5 **AND IN THE MATTER OF** an application by Festival Hydro Inc. to
6 the Ontario Energy Board for an order or orders approving or
7 fixing just and reasonable distribution rates and other charges, to
8 be effective May 1, 2014.
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10 **FESTIVAL HYDRO INC.**

11 **2014 3rd GENERATION IRM RATE APPLICATION**

12 **REPLY SUBMISSION TO THE DRAFT TARIFF OF RATES AND CHARGES**

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15 **FILED MARCH 20, 2014**
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18 **A. INTRODUCTION**
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20 In the Board's March 13, 2014 Decision and Order, the Board directed Festival Hydro to
21 *"review the draft Tariff of Rates and Charges set out in Appendix A. Festival shall file*
22 *with the Board a written confirmation assessing the completeness and accuracy of the*
23 *draft Tariff of Rates and Charges, or provide a detailed explanation of any inaccuracies*
24 *or missing information within 7 days of the date of issuance of this Decision and Order".*
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26 This is the reply submission of Festival Hydro to the Draft Tariff of Rates and Charges
27 presented by the Board in its Decision and Order dated March 13, 2014.
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B. REPLY SUBMISSION TO THE DRAFT TARIFF OF RATES AND CHARGES

Festival Hydro confirms the completeness and accuracy of the Draft Tariff of Rates and Charges presented by the Board in Appendix A of its Decision and Order dated March 13, 2014, with only one point of clarification and one minor change required:

1. Festival plans to file its 2015 COS application in April 2014 with an effective date for COS-based rates of January 1, 2015. The “Rate Rider for Application of Tax Change” – states it is effective until April 30, 2015. Festival is questioning whether this should be changed to effective until December 31, 2014, or will the new COS rates approved effective January 1, 2015 replace this existing rate rider? Festival wants to ensure that this rate rider will end December 31, 2014 should COS based rates be approved effective January 1, 2015.
2. As noted in the Decision and Order, Street Lighting fixed monthly charges are determined on a per light basis. Please change the Rate Rider for Recovery of Incremental Capital (2013) to state on a (per light) basis rather than a (per connection) basis.

Festival has also reviewed the three updated IRM models found in the Festival’s EB-2013-0129 web drawer. Festival is in agreement with the results in the IRM Tax Sharing Model dated 20140313 and the IRM RTSR Model dated 20140313, but has identified the following discrepancies in the final IRM Rate Generator model dated 20140313 on Tab 11 Proposed Rates and Tab 12 Summary Sheet:

1. For all rate classes the Rural Rate Protection Charge should be \$0.0013 per kWh.
2. For all rate classes (except Unmetered Scattered Load, Sentinel Lighting and Street Lighting), there is a Rate Rider for Deferral/Variance Account Disposition(2014) effective until April 30, 2015 appearing for each rate class.

1 Festival did not request nor did the Board approve a Deferral/Variance Account
2 Disposition (2014) rate rider. These should be removed.

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4 3. For the General Service > 50 to 4,999 kW rate class the following Retail
5 Transmission Rates need revised:

| | |
|---|-----------------|
| 6 Network Service | \$2.6136 per kW |
| 7 Line and TX Connection | \$1.8682 per kW |
| 8 Network – Interval Metered | \$2.7761 per kW |
| 9 Line and TX Connection – Interval Metered | \$2.0481 per kW |

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12 4. Sentinel Lighting has an ICM Rate Rider for Recovery of Incremental Capital
13 (2013) in the amount of \$1.38 appearing which needs removed. Sentinel
14 Lighting also has an ICM Rate Rider for Recovery of Incremental Capital (2013)
15 in the amount of \$0.7080 per kWh showing up twice on the schedule. One of
16 these duplicate charges of \$0.7080 needs removed.

- 17
18 5. For all rate classes the “Rate Rider for Application of Tax Change” – states it is
19 effective until April 30, 2015. As noted in reference to Appendix A, Festival
20 wants to ensure that this rate rider will end December 31, 2014 should COS-
21 based rates be approved effective January 1, 2015.

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25 All of which is respectfully submitted this 20th of March 2014.