



CANADIAN NIAGARA POWER INC.

A **FORTIS** ONTARIO
Company

October 3, 2014

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4

Dear Ms. Walli:

**RE: 2015 ELECTRICITY DISTRIBUTION RATE APPLICATION FOR CANADIAN NIAGARA POWER INC.,
("CNPI") EB-2014-0061**

Please find accompanying this letter two (2) copies of CNPI's responses to the interrogatories submitted to the Board by Board staff and the Vulnerable Energy Consumers Coalition (VECC).

A PDF version of these responses will, coincidentally with this written submission, be filed via the Board's Regulatory Electronic Submission System.

If you have any questions in connection with the above matter, please do not hesitate to contact the undersigned at (905) 994-3634.

Yours truly,

Original Signed by:

Douglas Bradbury P.Eng,
Director Regulatory Affairs

Enclosure

(page left blank intentionally)

Board Staff

Deferral and Variance Account Disposition

Interrogatory #1

Ref: Deferral and Variance Models, Tab 8 – Calculation of Def-Var RR

At the above reference, the rate rider recovery period is 2 years.

- A. Please explain why a one year rate rider recovery period was not used.
 - B. Please provide the bill impacts for a one year rate rider recovery period for all three service territories.
-

RESPONSE:

- A. CNPI utilized a two year disposition period in an effort to mitigate the overall bill impact, as highlighted by the following two factors:
 - i. In EB-2013-0117, the threshold test was not exceeded and therefore the Group 1 Deferral and Variance Accounts (“DVAS”) were not disposed. Therefore, within this proceeding, the disposition of two years of DVA activity is being requested and so a two year recovery period was calculated.
 - ii. The impact of reducing the rate rider to one year would have an especially significant bill impact (i.e. change from two year to one year recovery has greater than 2% total bill impact) on several rate categories within the Gananoque service territory including: Residential non-RPP, General Service Less Than 50 kW non-RPP, General Service 50 to 4,999 kW, and Gananoque Street Lighting. This can be further noted by referring to the bill impacts completed in Part B. below.

- B. Please find outlined below the bill impact summary’s updated for a one year rate rider. Three live Excel workbooks also accompany this response. The filenames of these Models are:
 - 2015_IRM_Rate_Generator_V1.1_FE_20140930_1YR.xslm
 - 2015_IRM_Rate_Generator_V1.1_PC_20140930_1YR.xslm

- 2015_IRM_Rate_Generator_V1.1_EOP_20140930_2YR.xslm

**Selected Delivery Charge and Bill Impacts Per Application
Fort Erie 2015**

Customer Classification and Billing Type	Energy kWh	Demand kW	Monthly Delivery Charge			
			Current	Per Application	Change	
					\$	%
Residential RPP	800		\$ 53.78	\$ 52.44	-\$ 1.33	-2.5%
Residential Non-RPP	800		\$ 53.78	\$ 48.44	-\$ 5.33	-9.9%
GS<50 kW RPP	2,000		\$ 114.00	\$ 110.94	-\$ 3.07	-2.7%
GS<50 kW Non-RPP	2,000		\$ 114.00	\$ 100.94	-\$ 13.07	-11.5%
GS>50 kW	68,620	200	\$ 2,899.08	\$ 2,500.37	-\$ 398.71	-13.8%
USL	800		\$ 92.09	\$ 73.16	-\$ 18.93	-20.6%
Sentinel Lighting	60	0.20	\$ 7.26	\$ 7.11	-\$ 0.15	-2.0%
Street Lighting	172,000	490	\$ 27,037.73	\$ 25,348.27	-\$ 1,689.46	-6.2%
Customer Classification and Billing Type	Energy kWh	Demand kW	Total Bill			
			Current	Per Application	Change	
					\$	%
Residential RPP	800		\$ 134.97	\$ 133.62	-\$ 1.36	-1.0%
Residential Non-RPP	800		\$ 134.97	\$ 129.55	-\$ 5.42	-4.0%
GS<50 kW RPP	2,000		\$ 316.27	\$ 313.15	-\$ 3.12	-1.0%
GS<50 kW Non-RPP	2,000		\$ 316.27	\$ 302.98	-\$ 13.29	-4.2%
GS>50 kW	68,620	200	\$ 9,215.70	\$ 8,810.21	-\$ 405.49	-4.4%
USL	800		\$ 166.98	\$ 147.72	-\$ 19.26	-11.5%
Sentinel Lighting	60	0.20	\$ 11.27	\$ 11.12	-\$ 0.15	-1.3%
Street Lighting	172,000	490	\$ 43,206.42	\$ 41,488.24	-\$ 1,718.18	-4.0%

**Selected Delivery Charge and Bill Impacts Per Application
Gananoque 2015**

Customer Classification and Billing Type	Energy kWh	Demand kW	Monthly Delivery Charge			
			Current	Per Application	Change	
					\$	%
Residential RPP	800		\$ 53.57	\$ 51.72	-\$ 1.84	-3.4%
Residential Non-RPP	800		\$ 53.57	\$ 63.64	\$ 10.08	18.8%
GS<50 kW RPP	2,000		\$ 114.02	\$ 109.14	-\$ 4.89	-4.3%
GS<50 kW Non-RPP	2,000		\$ 114.02	\$ 138.94	\$ 24.91	21.8%
GS>50 kW	68,620	200	\$ 2,841.62	\$ 3,846.41	\$ 1,004.79	35.4%
USL	800		\$ 89.77	\$ 76.28	-\$ 13.49	-15.0%
Sentinel Lighting	60	0.20	\$ 7.03	\$ 7.33	\$ 0.30	4.2%
Street Lighting	46,000	129	\$ 6,822.81	\$ 7,229.55	\$ 406.73	6.0%
Customer Classification and Billing Type	Energy kWh	Demand kW	Total Bill			
			Current	Per Application	Change	
					\$	%
Residential RPP	800		\$ 138.91	137.03	-\$ 1.88	-1.4%
Residential Non-RPP	800		\$ 138.91	\$ 149.16	\$ 10.25	7.4%
GS<50 kW RPP	2,000		\$ 326.66	\$ 321.69	-\$ 4.97	-1.5%
GS<50 kW Non-RPP	2,000		\$ 326.66	\$ 352.00	\$ 25.34	7.8%
GS>50 kW	68,620	200	\$ 9,513.17	\$ 10,535.04	\$ 1,021.87	10.7%
USL	800		\$ 168.77	\$ 155.05	-\$ 13.72	-8.1%
Sentinel Lighting	60	0.20	\$ 11.36	\$ 11.66	\$ 0.30	2.6%
Street Lighting	46,000	129	\$ 11,378.83	\$ 11,792.48	\$ 413.65	3.6%

**Selected Delivery Charge and Bill Impacts Per Application
Port Colborne 2015**

Customer Classification and Billing Type	Energy kWh	Demand kW	Monthly Delivery Charge			
			Current	Per Application	Change	
					\$	%
Residential RPP	800		\$ 55.88	\$ 50.97	-\$ 4.90	-8.8%
Residential Non-RPP	800		\$ 55.88	\$ 47.29	-\$ 8.58	-15.4%
GS<50 kW RPP	2,000		\$ 117.28	\$ 105.89	-\$ 11.40	-9.7%
GS<50 kW Non-RPP	2,000		\$ 117.28	\$ 96.69	-\$ 20.60	-17.6%
GS>50 kW	68,620	200	\$ 2,790.31	\$ 2,472.25	-\$ 318.06	-11.4%
USL	800		\$ 77.87	\$ 64.17	-\$ 13.70	-17.6%
Sentinel Lighting	60	0.20	\$ 7.38	\$ 7.33	-\$ 0.05	-0.7%
Street Lighting	155,000	445	\$ 15,466.25	\$ 15,645.14	\$ 178.89	1.2%
Customer Classification and Billing Type	Energy kWh	Demand kW	Total Bill			
			Current	Per Application	Change	
					\$	%
Residential RPP	800		\$ 142.80	\$ 137.82	-\$ 4.99	-3.5%
Residential Non-RPP	800		\$ 142.80	\$ 134.07	-\$ 8.73	-6.1%
GS<50 kW RPP	2,000		\$ 333.84	\$ 322.25	-\$ 11.59	-3.5%
GS<50 kW Non-RPP	2,000		\$ 333.84	\$ 312.90	-\$ 20.95	-6.3%
GS>50 kW	68,620	200	\$ 9,593.58	\$ 9,270.12	-\$ 323.47	-3.4%
USL	800		\$ 165.18	\$ 151.24	-\$ 13.94	-8.4%
Sentinel Lighting	60	0.20	\$ 11.70	\$ 11.65	-\$ 0.05	-0.4%
Street Lighting	155,000	445	\$ 25,928.34	\$ 26,110.27	\$ 181.93	0.7%

(page left blank intentionally)

LRAMVA Disposition

VECC Question #1

Ref: Application EB-2014-0061 Page 2 Paragraph 6

a) Please confirm the approvals CNP is seeking from the Board regarding its LRAMVA.

RESPONSE:

CNP is seeking to establish an LRAMVA effective January 1, 2015 with an opening balance of \$80,868.18. The variance would be collected over a one year period ending December 31, 2015.

(page left blank intentionally)

VECC Question #2

Ref: Manager's Summary

- a) Page 16 - Please discuss if the final LRAMVA amounts include carrying amounts and if yes please provide the amounts. If no, please explain.

RESPONSE:

The LRAMVA amounts do not include carrying amounts. In CNPI's last IRM application (EB-2013-0117), CNPI proposed to establish an LRAMVA with an opening balance of \$54,273.51. In the Board's decision, the Board was silent on our request. CNPI has taken a conservative approach and has chosen not to include carry amounts until the Board approves the opening balance.

(page left blank intentionally)

VECC Question #3

Ref: Schedule B, Burman Energy Report, LRAMVA Support, Supporting Attachments

- a) Please confirm that the 2011-2012 kW savings values reported for the Demand Response 3 program are contracted values and not actual demand reductions in each year.
 - b) Does CNP have any record as to how much actual demand reduction was achieved in each year due to the Demand Response 3 program? If so, how much was the actual demand reduction in each year and was the demand reduction coincident with the peak interval used to establish the customers' billing demands?
-

RESPONSE:

- a) The savings reported for the Demand Response 3 program are contracted values and not actual demand reductions in each year.
- b) No. CNPI is not privy to this information.