

Chapleau Public Utilities Corp.

110 Lorne St. S
Chapleau, Ontario
P.O. Box 670
P0M 1K0

Telephone (705) 864-0111
Fax (705) 864-1962 E-mail chec@onlink.net

October 22, 2014

Ms. K. Walli
Board Secretary
Ontario Energy Board
Suite 2701
2300 Yonge Street
Toronto, Ontario M4P 1E4

**Re: 4th Generation IRM Distribution Rate Application EB-2014-0063 –
Chapleau Public Utilities Corporation (CPUC).**

Dear Ms. Walli:

Chapleau Public Utilities Corporation (CPUC) hereby submits its application for 2015 Distribution Rates effective May 1, 2015, that includes the 2015 Rate Generator, the 2015 IRM Revenue to Cost Ratio Adjustment Work-Form and other documents.

All documents and exhibits used to develop the 2015 distribution rates are included with this submission. Electronic version of all documents have been sent through the Boards e-Filing Services (RESS).

These documents are filed on behalf of Chapleau Public Utilities Corporation.

Sincerely,

Original signed by:

Peter Ioannou

Enclosure

cc: Marita Morin, Chapleau Public Utilities Corporation.

MANAGER'S SUMMARY

Chapleau Public Utilities Corporation

Application Number EB-2014-0063

Licence Number ED-2002-0528

IN THE MATTER OF the *Ontario Energy Board Act, 1998*, S.O. 1998, c.15, Schedule B of the *Energy Competition Act, 1998*:

AND IN THE MATTER OF an Application by Chapleau Public Utilities Corporation for 2015 electricity distribution rates, effective May 1, 2015, in accordance with the Filing Requirements for Distribution Rate Applications: Chapter 3 - Incentive Regulation, letter issued July 25, 2014 by the Ontario Energy Board.

1. Introduction

- 1.1 Chapleau Public Utilities Corporation (CPUC) is a licensed electricity distribution business operating in the Town of Chapleau under Licence # ED-2002-0528 with special conditions in 14.3 to 14.5 in its licence.
- 1.2 The CPUC submits this Application which includes the 2015 Rate Generator Model for 2015 Filers and the 2015 IRM Revenue Cost Ratio Adjustments Work-form, Version 2.0 and the required documentation/schedules for the calculation of just and reasonable distribution rates effective May 1, 2015 in accordance with the Filing Guidelines issued by the Ontario Energy Board ("Board") letter and dated July 25, 2014.

- 1.3 Chapleau Public Utilities Corporation requests approval of the following proposed rates to be effective May 1, 2015:
 - Distribution Rates as determined Under the Price Cap IR Rate Setting Method.
 - Rate Riders for Disposition of Deferral/Variance Accounts (2015) - effective until April 30, 2016.
 - Retail Transmission Rates for Network and Transformation Connection Service Rates.

- 1.4 The CPUC will prorate customer consumptions with pre-May 1, 2015 consumptions at the old rates and post-May 1, 2015 consumption at the new rates.

- 1.5 The Primary contact for this application is Marita Morin.

- 1.6 CPUC proposes to place a notice in the Chapleau Express (delivered to every home) as it has the highest circulation numbers in the town.

2. Incentive Regulation Model for 2015 Filers.

The following summarizes the inputs and outputs of the 2015 Incentive Regulation Model.

- 2.1 Sheet 1 **LDC Information Sheet**
- General information related to the application has been entered and have chosen the Price Cap IR as the Rate-Setting Method.
- 2.2 Sheet 3 **Rate Class Selection**
- CPUC's most recent 2014 Board-Approved Tariff of Rates and Charges shows 7 classes listed and have been included in this sheet.
- 2.3 Sheet 4 **Current Tariff of Rates**
- CPUC has entered all class descriptions and the applicability of rates for each class. Rate descriptions for each class are entered as they appear in the 2014 Board-Approved Tariff of Rates and Charges.
- 2.4 Sheet 5 **2015 Continuity Schedule**
- As CPUC filed its 2014 IRM Application and has received approval to dispose of the December 31, 2011 balances therefore, the starting point on the Continuity Schedule is column "Y" for the principal and column "AG" for the interest. The 2012 opening balances for principal and interest has been entered.
- There are 3 adjustments made to the continuity schedule as follows:

2013 Account 1595 - Disposition and Recovery/Refund of Regulatory Balances (2008) for the amount \$135 credit. Adjustment was made to write off balance of interest accumulated in the account in error.

2013 Account 1595 - Disposition and Recovery/Refund of Regulatory Balances (2010) for the amount of \$3 debit. Adjustment was made to write off balance of interest accumulated in the account in error.

2013 2nd Quarter RSVA - Wholesale Market Service Charge for the amount of \$1,565 credit. Adjustment was made to correct an IESO charge that was previously allocated in error to cost of power.

Variances between RRR and December 31, 2013 Balance (Principal and Interest) is due to rounding.

Total claim as at December 31, 2013 is a debit of \$37,373 for Group 1 Accounts, made up as follows:

Description - Group 1 Accounts	Account Number	Amount \$ DR (CR)
LV Variance	1550	(12,363)
Smart Metering Entity Charge Variance	1551	1,951
RSVA - Wholesale Market Service Charge	1580	(26,815)
RSVA - Retail Transmission Network Charge	1584	2,779
RSVA - Retail Transmission Connection Charge	1586	31
RSVA - Power (excluding Global Adjustment)	1588	(5,690)
RSVA - Power - Sub-Account - Global Adjustment	1589	77,915
Disposition & Recovery/Refund of Reg. Bal. (2011)	1595	(435)
Sub-Total Global Adjustment		77,915
Sub-Total (excluding Global Adjustment)		(40,543)
Total All Accounts		37,373

The amount of \$37.373 debit, exceeds the threshold test of \$0.001 per kWh, therefore CPUC request that the Ontario Energy Board approve its disposition over a one year period.

CPUC has made no adjustment to any deferral and variance account balances previously approved by the Board on a final basis.

2.5 Sheet 6 **Billing Determinants for Deferral Variance Accounts**

Although there is no material difference between the latest Board-approved volumetric forecast, for 2012, and the most recent 12-month actual volumetric data for 2013. (The most recent 2013 actual is lower by 1.45% for kWh and lower by 4.63% for kW).

There is however a material difference in the billed kWh for Non RPP customers for 2013 as follows:

Customer Class Non-RPP	2013 Actual		2012 Forecast		% difference	
	kWh	kW	kWh	kW	kWh	kW
Residential	291,486		416,388		(30.00)	
GS - <50 kW	100,335		68,712		45.02	
GS - >50 kW	7,033,427	18,430	7,497,050	19,530	(6.18)	(5.63)

CPUC will therefore use the most recent volumetric data for 2013.

2.6 Sheet 7 **Allocation of Deferral - Variance Balances**

Group 1 Deferral/Variance account balances have been allocated to the appropriate classes.

2.7 Sheet 8 **Calculation of Deferral-Variance Rate Riders**

Group 1 Deferral/Variance Account Rate Riders have been determined for all customer classes as follows:

Rate Class	Deferral Variance Account Rate Rider	Global Adjustment Rate Rider
Residential	(0.0014)	0.0105
General Service <50 kW	(0.0015)	0.0105
General Service >50 kW	(0.5960)	4.0045
Unmetered Scattered Load	(0.0016)	0.00
Sentinel Lights	(0.6567)	0.00
Street Lights	(0.5573)	0.00

2.8 Sheet 9 **STS - Billing Det. & Rates**

The 2012 Board Approved Billing Determinants and Base monthly service and volumetric charges have been entered.

2.9 Sheet 10 **STS - Rebased Rev.**

Rebased revenue has been calculated.

2.10 Sheet 11 **STS - Tax Change**

All the appropriate entries have been made resulting in no Incremental Tax Savings.

2.11 Sheet 12 **STS - Tax Change Rate Rider**

As there were no Incremental Tax Savings no Rate Riders have been calculated for volumetric rates.

2.12 Sheet 13 **RTSR - Rate Sheet**

Current Retail Transmission Rates have been consolidated from sheet 4.

2.13 Sheet 14 **RTSR - RRR Data**

The most recent non loss adjusted, reported RRR billing determinants have been entered

2.14 Sheet 15 **RTSR - UTRs & Sub-Tx**

The current UTRs effective January 1, 2014 for Hydro One and the IESO are being used for 2015 for Network and Line Connection until UTR adjustments have been determined. CPUC has no Transmission Connection charges.

2.15 Sheet 16 **RTSR - Historical Wholesale**

As instructed by the Board CPUC has entered billing detail for wholesale transmission from the IESO and Hydro One for the same reporting period as the billing determinants on Sheet "14. RTSR RRR Data". CPUC has no Transformation Connection charges.

2.16 Sheet 17 **RTSR - Current Wholesale**

The expected billing has been determined for 2014.

2.17 Sheet 18 **RTSR - Forecast Wholesale**

The expected forecasted billing has been determined for 2015.

2.18 Sheet 19 **RTSR Ntwrk to Current WS**

Network rates have been re-aligned to recover current Network wholesale costs.

2.19 Sheet 20 **RTSR Adj to Conn to Current WS**

Connection rates have been re-aligned to recover current wholesale Connection costs.

2.20 Sheet 21 **RTSR Adj Ntwrk to Forecast WS**

Network rates have been re-aligned to recover forecast Network wholesale costs.

2.21 Sheet 22 **RTSR Adj Conn to Forecast WS**

Connection rates have been re-aligned to recover forecast wholesale Connection costs.

2.22 Sheet 23 **RTSR Final 2015 RTS Rates**

Proposed Network and Connection Rates have been determined for all customer classes.

Rate Class	Unit	Proposed RTSR Network	Proposed RTSR Connection
Residential	kWh	\$0.0070	\$0.0016
General Service <50 kW	kWh	\$0.0062	\$0.0016
General Service >50 kW	kW	\$2.5635	\$0.5755
Unmetered Scattered Load	kWh	\$0.0062	\$0.0016
Sentinel Lights	kW	\$1.9432	\$0.4542
Street Lights	kW	\$1.9334	\$0.4449

2.23 Sheet 24 **Rev2Cost GDPIPI**

The adjustments related to the Revenue to Cost Ratio model have been entered into columns C and E.

2.24 Sheet 25 **Other Charges & Loss Factors**

Other charges and Loss Factors as found in the most recent Board Approved Tariff Schedule have been entered.

2.25 Sheet 26 **Proposed Rates**

CPUC is not proposing any new Rate Riders that are not included in this model.

2.25 Sheet 27 **Final Tariff Schedule**

The final Tariff Schedule is complete and a copy was created in a separate file.

Please note that all the data (rates) appear to have been brought forward correctly onto this sheet, but when I open the sheet it shows the following message "Run Time Error 438" and "object doesn't support this property or method" and when the "end" is activated, the Tariff of rates can be created in a separate file. However when Sheet 28 "Bill Impacts" is activated, again all data appear to have been brought forward except for CPUC's loss factor of 1.0654. The loss factor that appears is 2.1308. When the loss factor of 1.0654, for Chapleau is entered and the bill impact is updated, the loss factor changes back to 2.1308.

I contacted the OEB and sent them a copy of the Rate Generator file and they activated all the previous sheets and all seemed OK. This did not work for me.

2.26 Sheet 28 **Bill Impacts**

The following table shows bill impacts with the basis for comparison being Time-Of-Use before taxes.

Customer Class/kW & kWh Consumptions	Amount \$	%
Residential		
100	(0.16)	(0.38)
250	(0.85)	(1.38)
500	(1.99)	(2.11)
800	(3.37)	(2.51)

1000	(4.29)	(2.66)
1141 Average Consumption	(4.93)	(2.74)
1500	(6.58)	(2.89)
2000	(8.87)	(3.02)
GS <50 kW		
1000	(4.26)	(2.41)
2000	(8.94)	(2.87)
2825 Average Consumption	(12.81)	(3.02)
5000	(23.00)	(3.20)
10000	(46.44)	(3.32)
GS >50 kW		
60 kW - 30000 kWh	174.84	4.74
100 kW - 60000 kWh	290.17	4.12
110 kW - 41866 Average Consumption	319.00	6.08
150 kW - 75000 kWh	434.33	4.87
200 kW - 110000 kWh	578.49	4.50
Unmetered Scattered Load		
50	(0.08)	(0.25)
84 Average Consumption	(0.08)	(0.21)
150	(0.38)	(0.83)
Sentinel Lights		
.15 kW - 65 kWh	0.72	4.27
.24 kW - 99 kWh Average Consumption	0.67	3.08
1.00 kW 250 kWh	0.18	0.38
Street Lights		
.20 kW - 69 kWh Average Consumption	(0.28)	(1.73)
65 kW - 24550 kWh Total Consumption	(106.52)	(2.70)

Customer impacts for the Residential, General Service <50 kW, Unmetered Scattered Load and Street Light classes are negative due to the elimination or the end of the following Rate Riders:

- Disposition of Global Adjustment Sub-Account (2013) for non RPP customers only - effective until April 30, 2015.
- Disposition of Deferral/Variance Accounts (2013 - effective until April 30, 2015)

Customer impacts for the General Service >50 kW customer class are positive (increase) due to the Rate Rider for disposition of Global Adjustment Sub Account (2015).

Customer impacts for the Sentinel Light customer class are positive (increase) due to the Revenue to Cost Ratio adjustments.

3. **2015 Revenue to Cost Ratio Adjustment Work-Form.**

The following summarizes the inputs and outputs of the 2015 Revenue to Cost Ratio Adjustment Work-Form.

- 3.1 Sheet 1 **LDC Information Sheet**
- General information related to the application has been entered.
- 3.2 Sheet 3 **Rebased-Bill det. & Rates**
- The appropriate customer rate classes and the rebased billing determinants from the 2012 Cost of Service application and the current service rates as they appear in the most recent Board-Approved (2014) Tariff of Rates and Charges have been entered.
- 3.3 Sheet 4 **Removal of Rate Adders**
- CPUC has no rate adders.
- 3.4 Sheet 5 **Re-Based Revenue From Rates**
- The current revenue from rates has been calculated.
- 3.5 Sheet 6 **Decision Cost Revenue Adj.**
- The Revenue to Cost Ratios as determined from column G on Sheet "10 Proposed R C Ratio Adj." of CPUC's 2014 Revenue to Cost Ratio Adjustment Work-form have been entered.
The required changes to 2 customer classes, General Service >50 kW and the Sentinel Lights, requiring changes in 2015 have been identified.

- 3.6 Sheet 7 **Revenue Offsets Allocation**
- The Revenue Offsets found in CPUC's 2012 COS application to the various rate classes in proportion to the allocation from the Cost Allocation informational filing have been entered.
- 3.7 Sheet 8 **Transformer Allowance**
- The Transformer Allowance from the Last Cost of Service Decision has been entered .
- 3.8 Sheet 9 **R C Ratio Revenue**
- This sheet calculates revenue by rate class that includes revenue offsets and excludes Transformer Allowance prior to Revenue Cost Ratio Adjustment re-allocation.
- 3.9 Sheet 10 **Proposed RC Ratio Adj.**
- The proposed Revenue to Cost Ratio adjustment has been calculated.
- 3.10 Sheet 11 **Proposed Revenue**
- Proposed Revenue from Revenue Cost Ratio has been calculated.
- 3.11 Sheet 12 **Proposed F V Rev Alloc**
- Proposed Fixed and Variable Revenue has been allocated.
- 3.12 Sheet 13 **Proposed F V Rates**
- Proposed Fixed and Variable Rates have been calculated.

3.13 Sheet 14 **Adjust to Proposed Rates**

The Proposed adjustments to Base Service Charge and Distribution Volumetric Rate have been calculated as follows:

Customer Class	Service Charge	Volumetric Rate kW
General Service .50 kW	(\$0.54)	(\$0.0101)
Sentinel Lights	\$0.71	\$1.2332

These have been entered into Sheet 24 of the 2015 IRM Rate Generator Model.