

EB-2014-0096

Ontario Energy Board

IN THE MATTER OF the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15, (Schedule B);

AND IN THE MATTER OF an application by Niagara Peninsula Energy Inc. for an order approving just and reasonable rates and other charges for electricity distribution to be effective May 1, 2015.

**VULNERABLE ENERGY CONSUMERS COALITION
("VECC")
CROSS-EXAMINATION COMPENDIUM**

March 13 2015

NIAGARA PENINSULA ENERGY INC.
2015 RATE APPLICATION (EB-2014-0096)
VECC CROSS EXAMINATION COMPENDIUM

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TAB 1

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1

Table 8-2: Proposed Fixed / Variable Split

| 2015 Projected Distribution Revenue at Proposed Rates | | | | | | |
|---|------------|-----------------|---------------|------------------|---------|------------|
| Rate Class | Fixed Rate | Volumetric Rate | Fixed Revenue | Variable Revenue | Fixed % | Variable % |
| Residential | 19.96 | 0.0152 | 11,273,383 | 6,070,649 | 65.00% | 35.00% |
| General Service < 50 kW | 46.39 | 0.0111 | 2,441,279 | 1,314,381 | 65.00% | 35.00% |
| General Service > 50 kW | 159.22 | 3.7887 | 1,647,013 | 6,142,529 | 21.14% | 78.86% |
| Unmetered Scattered Load | 20.14 | 0.0141 | 101,871 | 31,293 | 76.50% | 23.50% |
| Sentinel Lighting | 15.26 | 19.0381 | 55,489 | 13,422 | 80.52% | 19.48% |
| Street Lighting | 1.19 | 4.6237 | 185,594 | 97,949 | 65.46% | 34.54% |

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Table 8-3: Comparison of Fixed Rates

| Comparison of Fixed Rates | | | | | |
|---------------------------|---------|----------------------------------|----------|-------------------------------|---------------------------------|
| Rate Class | Current | At Existing Fixed/Variable Split | Proposed | Cost Allocation Model - Floor | Cost Allocation Model - Ceiling |
| Residential | 16.06 | 17.97 | 19.96 | 6.92 | 28.59 |
| General Service < 50 kW | 37.79 | 39.13 | 46.39 | 11.71 | 38.26 |
| General Service > 50 kW | 179.58 | 159.22 | 159.22 | 55.28 | 179.58 |
| Unmetered Scattered Load | 19.53 | 20.14 | 20.14 | 0.29 | 19.53 |
| Sentinel Lighting | 12.87 | 15.26 | 15.26 | 4.33 | 24.43 |
| Street Lighting | 1.15 | 1.19 | 1.19 | 0.13 | 16.53 |

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9 Further details of the proposed fixed charges for each rate class are given below.

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11 Residential

12 NPEI's current Board approved monthly service charge for the Residential class is \$16.06 per
 13 month, and the current volumetric charge is \$0.0161 per kWh. Based on 2015 projections at
 14 existing rates, the result is a fixed/variable split of 58.53% fixed revenue and 41.47% variable
 15 revenue. Applying the 58.53% fixed / 41.47% variable proportions to the proposed 2015 base
 16 revenue requirement for the Residential class would result in a monthly service charge of
 17 \$17.97.

18

19 In March 2010 the Board undertook to review revenue decoupling for the province's electricity
 20 and natural gas distributors (EB-2010-0060 – Distribution Revenue Decoupling). Board staff
 21 released a paper by the Pacific Economic Group LLC, "Review of Distribution Revenue



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1 *Decoupling Mechanisms*" (the "PEG Report"). Staff prepared a Report to the Board
2 summarizing the PEG Report and stakeholder comments. The Board suspended the initiative to
3 complete the development of its *Renewed Regulatory Framework for Electricity* ("RRFE"). The
4 Board indicated at the time it would restart the review once the RRFE had established the
5 mechanisms for planning and performance. On April 3, 2014, the Board released its *Draft*
6 *Report on Rate Design for Electricity Distributors* (EB-2012-0410), which proposes
7 implementing a fixed monthly charge for distribution services for the Residential and General
8 Service < 50 kW classes. The draft rate design report sets out three rate design proposals for
9 revenue recovery. The Board has invited stakeholders to make comments on the proposals.

10
11 Section 2.11.2 of the Filing Requirements states: "*While the policy consultation is still ongoing,*
12 *distributors can propose a fixed monthly charge within their applications based on the proposed*
13 *policy options as applicable, for the Board's consideration.*"

14
15 NPEI does not propose to adopt any of the three specific proposals described in the draft report
16 for its 2015 rates. However, given that the Board has determined it will proceed with revenue
17 decoupling for the low volume classes, NPEI submits that it is appropriate to begin increasing
18 the fixed proportion of the Residential and General Service < 50 kW classes at this time.
19 Therefore, NPEI proposes a 65% fixed / 35% variable split for the Residential class for 2015.
20 This results in a Residential monthly service charge of \$19.96 and a Residential volumetric
21 charge of \$0.0152 per kWh.

22 23 24 General Service < 50 kW

25 NPEI's current Board approved monthly service charge for the GS < 50 kW class is \$37.79 per
26 month, and the current volumetric charge is \$0.0138 per kWh. Based on 2015 projections at
27 existing rates, the result is a fixed/variable split of 54.83% fixed revenue and 45.17% variable
28 revenue. Applying the 54.83% fixed / 45.17% variable proportions to the proposed 2015 base
29 revenue requirement for the GS < 50 kW class results in a monthly service charge of \$39.13.

TAB 2

(PAGE 6)

1 **Table 8-6 Monthly Service Charge Information from Cost Allocation Model**

| Table 8-6 NF Monthly Service Charge Information from Cost Allocation Model | | | |
|---|--|--|---|
| Rate Classification | 2010 Monthly Service Charge Excluding Smart Meter Adder | Customer Unit Cost per month - Avoided Cost | Customer Unit Cost per month - Minimum System with PLCC Adjustment |
| Residential | \$15.96 | \$4.77 | \$27.09 |
| GS < 50 | \$47.27 | \$11.34 | \$39.75 |
| General Service 50 to 4999 kW | \$280.14 | \$59.26 | \$114.35 |
| Streetlight | \$0.32 | \$0.16 | \$20.01 |
| Sentinel Lights | \$1.10 | \$0.18 | \$21.65 |
| Unmetered Scattered Load | \$23.65 | \$0.09 | \$19.99 |

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| Table 8-6 PW Monthly Service Charge Information from Cost Allocation Model | | | |
|---|--|--|---|
| Rate Classification | 2010 Monthly Service Charge Excluding Smart Meter Adder | Customer Unit Cost per month - Avoided Cost | Customer Unit Cost per month - Minimum System with PLCC Adjustment |
| Residential - Urban | \$10.04 | \$4.77 | \$27.09 |
| Residential - Suburban | \$10.65 | \$4.77 | \$27.09 |
| GS < 50 | \$10.65 | \$11.34 | \$39.75 |
| General Service 50 to 4999 kW | \$22.75 | \$59.26 | \$114.35 |
| Streetlight | \$0.59 | \$0.16 | \$20.01 |
| Sentinel Lights | \$1.04 | \$0.18 | \$21.65 |
| Unmetered Scattered Load | \$5.18 | \$0.09 | \$19.99 |

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6 Consistent with the Board's Decision in Norfolk Power's 2008 EDR CoS Application
 7 (EB-2007-0753), NPEI submits that a monthly service charge ceiling has not been
 8 established and the fixed/variable split should not be adjusted until Board
 9 proceedings, discussed below, relating to distribution rate design are completed.

10 In 2007, the Board had initiated a distribution rate review proceeding (EB-2007-0031,
 11 referred to as the "Rate Review Proceeding"). One of the objectives of the Rate

1 Review Proceeding was to explore what would be the appropriate fixed/variable split.
2 At the time, Norfolk Power submitted in its 2008 cost of service rate application that it
3 would not be appropriate to adjust the fixed/variable split until this proceeding was
4 completed and the Board accepted this position

5 The Board decided to defer completion of the Rate Review Proceeding while staff
6 conducted more research and expands the ability to model rate impacts. However,
7 On March 22, 2010, the Board notified stakeholders that it "is initiating a consultation
8 process to examine the revenue adjustment and cost recovery mechanisms that are
9 currently available to electricity and natural gas distributors to address revenue
10 erosion resulting from unforecasted changes in the volume of energy sold. Such
11 mechanisms have now been in place for some time, and the Board has determined
12 that a review is appropriate at this time to enable the Board to confirm whether such
13 remain adequate and sufficient under current conditions." This is referred to as the
14 Board's "Distribution Revenue Decoupling" proceeding (EB-2010-0060).

15 As noted in the Executive Summary on the Review of Distribution Revenue
16 Decoupling Mechanisms ("the Review"), commissioned by the Board and undertaken
17 by Pacific Economics Group ("PEG") in the Distribution Revenue Decoupling
18 proceeding, "The cost of energy distribution and customer care is driven, in the short
19 run, chiefly by customer growth and is largely fixed with respect to system use." (page
20 5, paragraph 2).

21 In this application, NPEI submits that until "Distribution Revenue Decoupling"
22 proceeding (EB-2010-0060) is completed it would not be appropriate to change the
23 fixed/variable split. As a result, changes in monthly service charges are due solely to
24 changes in the total base revenue requirement attributable to each customer class.

25 The following Table 8-7 provides NPEI's calculations of its proposed monthly fixed
26 distribution charges for the 2011 Test Year assuming the fixed/variable split
27 supporting the current approved rates.

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Table 8-7 Proposed Monthly Service Charge

| Table 8-7 Proposed Monthly Service Charge | | | | |
|---|--------------------------------|--------------------------|------------------------------------|------------------------------------|
| Rate Classification | Total Base Revenue Requirement | Fixed Revenue Proportion | Annualized Customers / Connections | Proposed Fixed Distribution Charge |
| Residential | \$16,982,230 | 54.8% | 562,798 | \$16.55 |
| GS < 50 | \$3,716,300 | 54.0% | 52,228 | \$38.45 |
| General Service 50 to 4999 kW | \$9,155,837 | 24.8% | 10,180 | \$222.81 |
| Streetlight | \$182,318 | 65.4% | 148,892 | \$0.80 |
| Sentinel Lights | \$55,565 | 86.9% | 6,722 | \$7.19 |
| Unmetered Scattered Load | \$143,333 | 77.4% | 5,582 | \$19.87 |
| Total | \$30,235,583 | | | |

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34 **Proposed Volumetric Charges:**

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6 The variable distribution charge is calculated by dividing the variable distribution
7 portion of the base revenue requirement by the appropriate 2011 Test Year usage,
8 kWh or kW, as the class charge determinant.

9 The following Table 8-8 provides NPEI's calculations of its proposed volumetric
10 distribution charges for the 2011 Test Year which maintains the same fixed/variable
11 split used in designing the current approved rates.

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TAB 3

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VECC

162. 8.0 –VECC -47

Reference: E8/T1/S1, pg. 3 - 5

- a) Please explain more fully how the proposed 65% fixed / 35% variable split for the Residential and GS<50 classes was established (i.e., why this particular ratio in each case?).
- b) What is rationale for proposing service charges for the GS<50 and USL classes that are above the ceiling rates calculated by the cost allocation model?

Response

a) NPEI’s proposed movement toward a greater fixed proportion for the Residential and GS<50 kW classes is aimed at mitigating bill impacts upon future implementation of full revenue decoupling. The particular ratio of 65% fixed / 35% variable was selected for the Residential class since it results in a lower bill impact than the existing fixed / variable split for a typical Residential customer consuming an average of 800 kWh or more per month.

Please see the tables below which provides a summary of Residential monthly bill impacts for the existing fixed / variable split, NPEI’s proposed 65% / 35% split, and 100% fixed, for the consumption levels requested in 8-VECC-49. The yellow highlights indicate where the proposed 65:35 split results in lower bill impacts than the existing fixed / variable split.

| TOU May - October Usage | Total Bill | Total Bill | Total Bill | Total Bill | Total Bill | Total Bill |
|----------------------------|----------------------------------|-------------------------------------|-------------|-------------|------------|------------|
| | \$ Change | % Change | \$ Change | % Change | \$ Change | % Change |
| kWh / month | Existing Fixed/Variable Split | Existing Fixed/Variable Split | 65:35 split | 65:35 split | 100% fixed | 100% fixed |
| 100 | 2.18 | 6.78% | 4.05 | 12.60% | 13.45 | 41.77% |
| 250 | 2.74 | 5.16% | 4.18 | 7.89% | 11.30 | 21.26% |
| 500 | 3.69 | 4.20% | 4.39 | 4.99% | 7.73 | 8.78% |
| 800 | 4.83 | 3.72% | 4.64 | 3.57% | 3.42 | 2.64% |
| 1000 | 5.58 | 3.54% | 4.79 | 3.04% | 0.55 | 0.35% |
| 1500 | 7.47 | 3.28% | 5.21 | 2.26% | (6.61) | -2.91% |
| 2000 | 9.36 | 3.15% | 5.62 | 1.89% | (13.77) | -4.63% |

| TOU November - April | | Total Bill | Total Bill | Total Bill | Total Bill | Total Bill | Total Bill |
|-----------------------------|-------------------------------|-------------------------------|-------------|-------------|------------|------------|------------|
| Usage | \$ Change | % Change | \$ Change | % Change | \$ Change | % Change | |
| kWh / month | Existing Fixed/Variable Split | Existing Fixed/Variable Split | 65:35 split | 65:35 split | 100% fixed | 100% fixed | |
| 100 | 2.18 | 6.78% | 4.05 | 12.58% | 13.45 | 41.77% | |
| 250 | 2.74 | 5.16% | 4.18 | 7.89% | 11.30 | 21.26% | |
| 500 | 3.69 | 4.20% | 4.39 | 4.99% | 7.73 | 8.78% | |
| 800 | 4.82 | 3.88% | 4.64 | 3.57% | 3.42 | 2.64% | |
| 1000 | 5.58 | 3.54% | 4.79 | 3.04% | 0.55 | 0.35% | |
| 1500 | 7.47 | 3.28% | 5.21 | 2.29% | (6.61) | -2.91% | |
| 2000 | 9.36 | 3.15% | 5.62 | 1.89% | (13.77) | -4.63% | |

| RPP May - October | | Total Bill | Total Bill | Total Bill | Total Bill | Total Bill | Total Bill |
|--------------------------|-------------------------------|-------------------------------|-------------|-------------|------------|------------|------------|
| Usage | \$ Change | % Change | \$ Change | % Change | \$ Change | % Change | |
| kWh / month | Existing Fixed/Variable Split | Existing Fixed/Variable Split | 65:35 split | 65:35 split | 100% fixed | 100% fixed | |
| 100 | 2.18 | 6.93% | 4.05 | 12.86% | 13.45 | 42.71% | |
| 250 | 2.75 | 5.36% | 4.18 | 8.14% | 11.31 | 22.02% | |
| 500 | 3.69 | 4.37% | 4.38 | 5.19% | 7.72 | 9.14% | |
| 800 | 4.82 | 3.79% | 4.63 | 3.64% | 3.42 | 2.69% | |
| 1000 | 5.58 | 3.56% | 4.80 | 3.06% | 0.56 | 0.36% | |
| 1500 | 7.47 | 3.24% | 5.21 | 2.26% | (6.61) | -2.87% | |
| 2000 | 9.36 | 3.07% | 5.62 | 1.85% | (13.77) | -4.53% | |

| RPP November - April | | Total Bill | Total Bill | Total Bill | Total Bill | Total Bill | Total Bill |
|-----------------------------|-------------------------------|-------------------------------|-------------|-------------|------------|------------|------------|
| Usage | \$ Change | % Change | \$ Change | % Change | \$ Change | % Change | |
| kWh / month | Existing Fixed/Variable Split | Existing Fixed/Variable Split | 65:35 split | 65:35 split | 100% fixed | 100% fixed | |
| 100 | 2.18 | 6.93% | 4.05 | 12.86% | 13.45 | 42.71% | |
| 250 | 2.75 | 5.36% | 4.18 | 8.14% | 11.31 | 22.02% | |
| 500 | 3.69 | 4.37% | 4.38 | 5.19% | 7.72 | 9.14% | |
| 800 | 4.82 | 3.88% | 4.63 | 3.73% | 3.42 | 2.76% | |
| 1000 | 5.58 | 3.70% | 4.79 | 3.18% | 0.55 | 0.36% | |
| 1500 | 7.47 | 3.33% | 5.21 | 2.32% | (6.61) | -2.95% | |
| 2000 | 9.36 | 3.14% | 5.62 | 1.88% | (13.77) | -4.62% | |

NPEI is proposing the 65% fixed / 35% variable split for the GS<50 kW class to be consistent with the Residential class.

Please see the table below which shows typical monthly bill impacts for the existing fixed / variable split and NPEI's proposed 65% / 35% split, for a GS<50 kW customer consuming 2,000 kWh per month.

GS< 50

| TOU | Total Bill | Total Bill | Total Bill | Total Bill |
|-------------|----------------------------------|-------------------------------------|-------------|-------------|
| Usage | \$ Change | % Change | \$ Change | % Change |
| kWh / month | Existing Fixed/Variable Split | Existing Fixed/Variable Split | 65:35 split | 65:35 split |
| 2000 | 3.15 | 1.00% | 4.15 | 1.32% |

| RPP | Total Bill | Total Bill | Total Bill | Total Bill |
|-------------|----------------------------------|-------------------------------------|-------------|-------------|
| Usage | \$ Change | % Change | \$ Change | % Change |
| kWh / month | Existing Fixed/Variable Split | Existing Fixed/Variable Split | 65:35 split | 65:35 split |
| 2000 | 3.15 | 0.99% | 4.15 | 1.30% |

- b) NPEI is proposing a service charge that is above the ceiling rate for the GS<50 kW class due to movement towards revenue decoupling, and the associated bill impacts, as indicated in the response to part a) above.
 NPEI’s proposal for a service charge that is above the ceiling rate for the Unmetered Scattered Load class is based on maintaining the existing fixed / variable split for this class.

163. 8.0 –VECC -48

Reference: E8/T3/S1

- a) Please update the proposed RTSR rates for 2015 to reflect the 2015 transmission rates recently proposed by Hydro One (EB-2014-0140).

Response

NPEI’s RTSR Model has been updated to reflect the 2015 Uniform Transmission Rates (“UTRs”) proposed by Hydro One in EB-2014-0140):

- Network - \$3.80 / kW
- Line Connection - \$0.86 / kW
- Transformation Connection-\$2.01 / kW

The table below shows NPEI’s RTSRs as originally filed, and as updated for the 2015 UTRs.

TAB 4

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3. LOAD FORECAST, COST ALLOCATION AND RATE DESIGN

- 3.1 **Are the proposed load and customer forecast, loss factors, CDM adjustments and resulting billing determinants appropriate? Are they an appropriate reflection of the energy and demand requirements of the applicant's customers?**

Complete Settlement - Customer Forecast, load forecast, CDM and billing determinants

The Parties agree that the customer forecast, load forecast, CDM adjustment and resultant billing determinants set forth below are appropriate. For the 2015 test year, the Parties have agreed that a billed energy forecast of 1,208.063 GWh is appropriate. The Board's Appendix 2-IA, which can be found in Appendix 3.1-A, provides the agreed allocation across the various rate classes.

The Table below provides the customer / connection forecast for the 2015 Test Year.

Customer/Connection Counts

(No change from Originally Filed to After Settlement)

| Class | 2015 Test Year Originally Filed | 2015 Test Year Filed with Interrogatories and Technical Conference | 2015 Test Year Filed After Settlement |
|--|--|---|--|
| Residential | 47,067 | 47,067 | 47,067 |
| GS<50 kW | 4,385 | 4,385 | 4,385 |
| GS>50 kW | 862 | 862 | 862 |
| Unmetered Scattered Load (connections) | 422 | 422 | 422 |
| Sentinel Lights (connections) | 303 | 303 | 303 |
| Streetlighting (connections) | 12,989 | 12,989 | 12,989 |
| Totals | 66,028 | 66,028 | 66,028 |

In response to Interrogatories, NPEI revised the CDM adjustments for 2013 and 2015, made a correction for the double counting of 2014 and 2015 CDM results, and updated the regression equation used to forecast the 2015 Test Year purchased energy. The table below provides the resulting 2015 weather normalized billed energy forecast by rate class.

2015 Weather Normalized Billed kWh Forecast

| Class | 2015 Test Year Originally Filed | 2015 Test Year Filed with Interrogatories and Technical Conference | 2015 Test Year Filed After Settlement |
|--------------------------|---------------------------------|--|---------------------------------------|
| Residential | 399,166,843 | 407,092,792 | 407,092,792 |
| GS<50 kW | 118,740,733 | 121,037,129 | 121,037,129 |
| GS>50 kW | 657,957,068 | 669,981,013 | 669,981,013 |
| Unmetered Scattered Load | 2,215,047 | 2,215,047 | 2,215,047 |
| Sentinel Lights | 259,459 | 259,459 | 259,459 |
| Streetlighting | 7,477,962 | 7,477,962 | 7,477,962 |
| Totals | 1,185,817,112 | 1,208,063,402 | 1,208,063,402 |

The billed kW demand forecast for the 2015 Test Year is based on a three year average ratio of kW to kWh for the classes that are billed distribution revenue on a demand basis. The table below shows the 2015 Test Year kW forecast.

2015 Billed kW Forecast

| Class | 2015 Test Year Originally Filed | 2015 Test Year Filed with Interrogatories and Technical Conference | 2015 Test Year Filed After Settlement |
|-----------------|---------------------------------|--|---------------------------------------|
| GS>50 kW | 1,739,879 | 1,771,675 | 1,771,675 |
| Sentinel Lights | 705 | 705 | 705 |
| Streetlighting | 21,184 | 21,184 | 21,184 |
| Totals | 1,761,769 | 1,793,564 | 1,793,564 |

During the Interrogatory process, NPEI updated the CDM results that were incorporated into the weather normalized load forecasting model. The Parties agree that for the purposes of LRAMVA, the amount of CDM savings that are included in the 2015 Test Year Load Forecast is 15,433,325 kWh (on a net basis). The corresponding demand reduction for the GS>50 kW class that has been included in the 2015 Test Year Demand Forecast is 25,326 kW. The table below provides a summary of the CDM results that have been included in the 2015 Test Year forecasts.

TAB 5

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FIXED / VARIABLE REVENUE SPLITS

| 2015 Projected Revenue at Existing Rates | Base Revenue | % of Base Revenue by Class | Fixed Charge Revenue | Variable Revenue | Fixed % | Variable % | Fixed Charge | Volumetric Charge |
|---|---------------------|-----------------------------------|-----------------------------|-------------------------|----------------|-------------------|---------------------|--------------------------|
| Residential | 15,624,862 | 54.51% | 9,070,668 | 6,554,194 | 58.05% | 41.95% | \$ 16.06 | \$ 0.0161 |
| General Service < 50 kW | 3,659,015 | 12.76% | 1,988,703 | 1,670,312 | 54.35% | 45.65% | \$ 37.79 | \$ 0.0138 |
| General Service > 50 kW | 8,920,210 | 31.12% | 1,857,576 | 7,062,635 | 20.82% | 79.18% | \$ 179.58 | \$ 4.2400 |
| Unmetered Scattered Load | 129,135 | 0.45% | 98,789 | 30,346 | 76.50% | 23.50% | \$ 19.53 | \$ 0.0137 |
| Sentinel Lighting | 58,115 | 0.20% | 46,795 | 11,319 | 80.52% | 19.48% | \$ 12.87 | \$ 16.0553 |
| Street Lighting | 273,855 | 0.96% | 179,253 | 94,602 | 65.46% | 34.54% | \$ 1.15 | \$ 4.4657 |
| TOTAL | 28,665,192 | 100.00% | 13,241,783 | 15,423,409 | 46.19% | 53.81% | | |

| 2015 Projected Revenue at Proposed Rates | Base Revenue | % of Base Revenue by Class | Fixed Charge Revenue | Variable Revenue | Fixed % | Variable % | Fixed Charge | Volumetric Charge |
|---|---------------------|-----------------------------------|-----------------------------|-------------------------|----------------|-------------------|---------------------|--------------------------|
| Residential | 17,928,848 | 62.55% | 11,653,751 | 6,275,097 | 65.00% | 35.00% | \$ 20.63 | \$ 0.0154 |
| General Service < 50 kW | 3,655,627 | 12.75% | 1,986,861 | 1,668,766 | 54.35% | 45.65% | \$ 37.76 | \$ 0.0138 |
| General Service > 50 kW | 6,587,012 | 22.98% | 1,058,338 | 5,528,674 | 16.07% | 83.93% | \$ 102.31 | \$ 3.3629 |
| Unmetered Scattered Load | 129,140 | 0.45% | 98,793 | 30,347 | 76.50% | 23.50% | \$ 19.53 | \$ 0.0137 |
| Sentinel Lighting | 76,552 | 0.27% | 61,641 | 14,910 | 80.52% | 19.48% | \$ 16.95 | \$ 21.1488 |
| Street Lighting | 288,013 | 1.00% | 188,520 | 99,493 | 65.46% | 34.54% | \$ 1.21 | \$ 4.6966 |
| TOTAL | 28,665,191 | 100.00% | 15,047,904 | 13,617,288 | 52.50% | 47.50% | | |

As an update to IRR#162 8.0-VECC-47. the updated table below provides a summary of total bill impacts for the Residential class, based on three different rate design scenarios: maintain the existing fixed/variable split of 58% fixed / 42% variable, using the 65% fixed / 35% variable split proposed by NPEI and using a fixed charge of 100%.

Residential Bill Impacts Summary

| TOU May - October | | Total Bill | Total Bill | Total Bill | Total Bill | Total Bill | Total Bill |
|--------------------------|----------------------|-------------------------------------|-------------------------------------|-------------|-------------|------------|------------|
| Usage | | \$ Change | % Change | \$ Change | % Change | \$ Change | % Change |
| kWh / month | Existing | Existing Fixed/Variable Split | Existing Fixed/Variable Split | 65:35 split | 65:35 split | 100% fixed | 100% fixed |
| | Fixed/Variable Split | | | | | | |
| 100 | 2.91 | 9.02% | 4.82 | 14.99% | 14.56 | 45.19% | |
| 250 | 3.59 | 6.76% | 5.04 | 9.51% | 12.42 | 23.38% | |
| 500 | 4.75 | 5.39% | 5.40 | 6.14% | 8.87 | 10.08% | |
| 800 | 6.12 | 4.71% | 5.84 | 4.50% | 4.60 | 3.55% | |
| 1000 | 7.03 | 4.45% | 6.12 | 3.88% | 1.75 | 1.11% | |
| 1500 | 9.33 | 4.10% | 6.84 | 3.01% | (5.36) | -2.36% | |
| 2000 | 11.63 | 3.91% | 7.56 | 2.54% | (12.47) | -4.20% | |

| TOU November - April | | Total Bill | Total Bill | Total Bill | Total Bill | Total Bill | Total Bill |
|-----------------------------|----------------------|-------------------------------------|-------------------------------------|-------------|-------------|------------|------------|
| Usage | | \$ Change | % Change | \$ Change | % Change | \$ Change | % Change |
| kWh / month | Existing | Existing Fixed/Variable Split | Existing Fixed/Variable Split | 65:35 split | 65:35 split | 100% fixed | 100% fixed |
| | Fixed/Variable Split | | | | | | |
| 100 | 2.91 | 9.02% | 4.82 | 14.97% | 14.56 | 45.19% | |
| 250 | 3.59 | 6.76% | 5.04 | 9.51% | 12.42 | 23.38% | |
| 500 | 4.75 | 5.39% | 5.40 | 6.14% | 8.87 | 10.08% | |
| 800 | 6.12 | 4.71% | 5.84 | 4.50% | 4.60 | 3.55% | |
| 1000 | 7.03 | 4.45% | 6.12 | 3.88% | 1.75 | 1.11% | |
| 1500 | 9.33 | 4.10% | 6.84 | 3.01% | (5.36) | -2.36% | |
| 2000 | 11.63 | 3.91% | 7.56 | 2.54% | (12.47) | -4.20% | |

| RPP May - October | | Total Bill | Total Bill | Total Bill | Total Bill | Total Bill | Total Bill |
|--------------------------|----------------------|-------------------------------------|-------------------------------------|-------------|-------------|------------|------------|
| Usage | | \$ Change | % Change | \$ Change | % Change | \$ Change | % Change |
| kWh / month | Existing | Existing Fixed/Variable Split | Existing Fixed/Variable Split | 65:35 split | 65:35 split | 100% fixed | 100% fixed |
| | Fixed/Variable Split | | | | | | |
| 100 | 2.91 | 9.22% | 4.82 | 15.31% | 14.56 | 46.21% | |
| 250 | 3.60 | 7.01% | 5.04 | 9.82% | 12.42 | 24.20% | |
| 500 | 4.74 | 5.61% | 5.40 | 6.40% | 8.86 | 10.50% | |
| 800 | 6.12 | 4.81% | 5.83 | 4.58% | 4.6 | 3.62% | |
| 1000 | 7.04 | 4.49% | 6.12 | 3.90% | 1.75 | 1.12% | |
| 1500 | 9.33 | 4.05% | 6.84 | 2.97% | (5.36) | -2.33% | |
| 2000 | 11.63 | 3.82% | 7.56 | 2.48% | (12.47) | -4.10% | |

| RPP November - April | | Total Bill | Total Bill | Total Bill | Total Bill | Total Bill | Total Bill |
|-----------------------------|----------------------|-------------------------------------|-------------------------------------|-------------|-------------|------------|------------|
| Usage | | \$ Change | % Change | \$ Change | % Change | \$ Change | % Change |
| kWh / month | Existing | Existing Fixed/Variable Split | Existing Fixed/Variable Split | 65:35 split | 65:35 split | 100% fixed | 100% fixed |
| | Fixed/Variable Split | | | | | | |
| 100 | 2.91 | 9.22% | 4.82 | 15.31% | 14.56 | 46.21% | |
| 250 | 3.60 | 7.01% | 5.04 | 9.82% | 12.42 | 24.20% | |
| 500 | 4.74 | 5.61% | 5.40 | 6.40% | 8.86 | 10.50% | |
| 800 | 6.12 | 4.93% | 5.83 | 4.70% | 4.6 | 3.71% | |
| 1000 | 7.03 | 4.66% | 6.12 | 4.06% | 1.75 | 1.16% | |
| 1500 | 9.33 | 4.16% | 6.84 | 3.05% | (5.36) | -2.39% | |
| 2000 | 11.63 | 3.90% | 7.56 | 2.53% | (12.47) | -4.18% | |

TAB 6

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| Network | Billing Determinant | RTSR Model - Originally Filed | | RTSR Model - Updated for Proposed 2015 UTRs | |
|---------------------------------|---------------------|-------------------------------|----------------|---|----------------|
| | | 2015 Forecast Wholesale \$ | 2015 RTSR Rate | 2015 Forecast Wholesale \$ | 2015 RTSR Rate |
| Residential | kWh | 3,318,860 | 0.0076 | 3,304,272 | 0.0076 |
| General Service Less Than 50 kW | kWh | 903,753 | 0.0069 | 899,781 | 0.0069 |
| General Service 50 to 4,999 kW | kW | 4,892,913 | 2.8421 | 4,871,407 | 2.8297 |
| Unmetered Scattered Load | kWh | 16,360 | 0.0069 | 16,288 | 0.0069 |
| Sentinel Lighting | kW | 1,507 | 2.1043 | 1,501 | 2.0951 |
| Street Lighting | kW | 44,709 | 2.1486 | 44,512 | 2.1391 |
| | | 9,178,102 | | 9,137,760 | |

| Connection | Billing Determinant | RTSR Model - Originally Filed | | RTSR Model - Updated for Proposed 2015 UTRs | |
|---------------------------------|---------------------|-------------------------------|----------------|---|----------------|
| | | 2015 Forecast Wholesale \$ | 2015 RTSR Rate | 2015 Forecast Wholesale \$ | 2015 RTSR Rate |
| Residential | kWh | 2,252,405 | 0.0052 | 2,300,676 | 0.0053 |
| General Service Less Than 50 kW | kWh | 596,993 | 0.0046 | 609,787 | 0.0047 |
| General Service 50 to 4,999 kW | kW | 3,111,286 | 1.8073 | 3,177,964 | 1.8460 |
| Unmetered Scattered Load | kWh | 10,807 | 0.0046 | 11,038 | 0.0047 |
| Sentinel Lighting | kW | 1,082 | 1.5101 | 1,105 | 1.5425 |
| Street Lighting | kW | 28,893 | 1.3885 | 29,512 | 1.4183 |
| | | 6,001,465 | | 6,130,083 | |

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Reference: E8/T13/S1, Attachment 1

a) Please provide Residential bill impact schedules based on the following monthly usage levels that include the updated RTSR rates from the preceding question:

- 100 kWh
- 250 kWh
- 500 kWh
- 800 kWh
- 1,000 kWh
- 1,500 kWh and
- 2,000 kWh

b) Based on the most recent 12 months of billing data available, please provide a breakdown as to the number of residential customers that fall into the following ranges of monthly usage:

- 0-100 kWh
- >100 – 250 kWh
- >500 – 800 kWh
- >800 – 1,000 kWh

- >1,000 – 1,500 kWh
- >1,500 – 2,000 kWh
- >2,000 kWh

Response

- a) The bill impacts are included in Attachment #17. Please see the response to 8-VECC-47 above for the bill impacts summary table for the requested levels of consumption.
- b) The table below shows the breakdown of Residential customers into the given ranges of consumption.

| Range of Average Monthly Consumption | Number of Residential Customers | % of Total |
|---|--|-------------------|
| 0 - 100 kWh | 690 | 1.5% |
| 100 - 250 kWh | 2,800 | 6.0% |
| 250 - 500 kWh | 12,717 | 27.0% |
| 500 - 800 kWh | 15,943 | 33.9% |
| 800 - 1000 kWh | 6,221 | 13.2% |
| 1000 - 1500 kWh | 6,007 | 12.8% |
| 1500 - 2000 kWh | 1,641 | 3.5% |
| > 2000 kWh | 1,026 | 2.2% |
| Total | 47,045 | 100.0% |
