

July 8, 2015

**VIA RESS AND COURIER**

Ms. Kirsten Walli  
**ONTARIO ENERGY BOARD**  
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Dear Ms. Walli:

**Re: EB-2014-0101: Oshawa PUC Networks Inc. (OPUCN) 2015-2019 Rates**

**Transcript Undertaking Responses**

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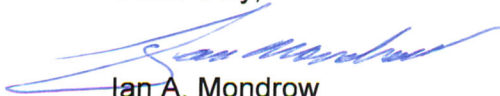
Further to our letter sent earlier today, filed with this letter please find OPUCN's response to transcript undertaking J2.11. This concludes the filing of responses to transcript undertakings. (In our earlier letter we indicated 3 undertaking responses which that had been filed during the course of the oral hearing (J1.2, J1.3 and J1.4). We neglected to mention a 4<sup>th</sup> response that was also filed earlier; J2.10.)

In addition, filed with this letter are:

1. An updated version of the response to undertaking J1.2 previously filed. As previously filed, the response to J1.2 provides rate impacts incorporating OPUCN's June, 2015 update (now Exhibit K1.2). The updated version filed with this letter incorporates the further adjustments reflected in the undertaking responses filed (as indicated in the updated response).
2. A table which provides a continuity revenue requirement impact from the initial filing through the May and June updates, the various corrections reflected in the undertaking responses previously filed, and the scenario in which no updates are permitted by the Board (i.e. reflecting reduced net new connection costs as discussed in undertaking response J2.4).

While not requested, these materials may be of assistance to the Hearing Panel and the parties.

Yours truly,



Ian A. Mondrow

- c. Phil Martin, OPUCN  
Harold Thiessen, OEB STAFF  
Jennifer Lea, OEB STAFF COUNSEL  
Intervenors of Record

**OSHAWA PUC NETWORKS INC.**

**Undertaking J2.11**

To advise, if the board doesn't agree to adjustments, what forecast OPUCN wants; and is it reasonable for parties to then want to know what is the rate impact of that scenario.

**Response:**

Please see response to interrogatory J2.4 for discussion of the load forecast that OPUCN would propose in the event that the Board did not permit in-period load forecast adjustments.

In the scenario where no load forecast adjustments were permitted during the rate plan term, the rate impact of the load forecast discussed in J2.4 would be as follows. These rates are prepared under the assumption that rates are approved September 1, 2015, with recovery of foregone revenue for the period January 1, 2015 to August 31, 2015 allowed over the four year period 2016 to 2019.

**Distribution Rate & Bill Impacts (inclusive of rate smoothing): \$**

Customer Class		Year over Year \$ Change					2014-2019
		2015	2016	2017	2018	2019	
<b>Distribution Sub-Total</b> (includes DVA, Smart Meter rate riders & line loss on Cost of Power)							
Residential	800 kWh	\$1.93	\$2.17	\$2.37	\$2.39	\$2.72	\$11.58
GS Less Than 50 KW	2000 kWh	\$2.17	\$2.23	\$2.35	\$2.43	\$2.13	\$11.31
GS 50 To 999 KW	480 KW	\$92.16	\$101.84	\$105.59	\$106.69	\$112.80	\$519.09
GS 1,000 To 4,999 KW	919 KW	\$(231.99)	\$279.17	\$89.74	\$215.54	\$126.73	\$479.19
Large Use	7828 KW	\$(705.7)	\$2,078.2	\$648.3	\$1,550.9	\$916.3	\$4,488.0
Street Lighting	0.12/0.08 KW	\$0.19	\$(0.62)	\$0.14	\$0.34	\$0.20	\$0.26
Sentinel Lighting	0.4 KW	\$1.96	\$0.70	\$0.37	\$0.72	\$0.43	\$4.18
Unmetered Scattered Load	750 kWh	\$1.69	\$2.30	\$2.24	\$2.52	\$2.83	\$11.57
<b>Customer Class</b>							
Customer Class		Year over Year \$ Change					2014-2019
		2015	2016	2017	2018	2019	
<b>Total Bill (including OCEB)</b>							
Residential	800 kWh	\$2.81	\$2.21	\$2.41	\$2.43	\$2.76	\$12.62
GS Less Than 50 KW	2000 kWh	\$4.34	\$2.26	\$2.40	\$2.47	\$2.17	\$13.62
GS 50 To 999 KW	480 KW	\$246.71	\$103.58	\$107.38	\$108.51	\$114.72	\$680.89
GS 1,000 To 4,999 KW	919 KW	\$140.17	\$283.92	\$91.27	\$219.20	\$128.88	\$863.43
Large Use	7828 KW	\$2,613.8	\$2,113.6	\$659.3	\$1,577.3	\$931.8	\$7,895.8
Street Lighting	0.12/0.08 KW	\$(2.89)	\$(2.45)	\$0.14	\$0.35	\$0.20	\$(4.65)
Sentinel Lighting	0.4 KW	\$2.12	\$0.71	\$0.38	\$0.73	\$0.44	\$4.37
Unmetered Scattered Load	750 kWh	\$2.47	\$2.34	\$2.28	\$2.55	\$2.87	\$12.52

## OSHAWA PUC NETWORKS INC.

### Undertaking J1.2 Updated

To update the rate impacts set out at Tables 20 and 21 on Exhibit I, Tab C, page 45, given the may updates and the June updates, and also 14 include for residential consumption at 400 kilowatt hours per month and 1,000.

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#### Response:

OPUCN understands the request as discussed at the hearing to have been to provide rate impacts updated to reflect the most current requested revenue requirement position of OPUCN (i.e. as of the update filed June 23, 2015, now Exhibit K1.2). OPUCN has also incorporated the updated information provided in undertakings J1.1 (updated working capital allowance), J2.12 (recalculated 2015 weighted average debt rate) and J3.2 (corrected "other revenue" forecast for 2016 through 2019). In response, OPUCN has provided updated tables 18 through 21 of its prefiled evidence (Exhibit I, Tab C, page 45), which present both distribution rate and total bill impacts, on both a smoothed and unsmoothed basis, for each of the test years 2015 through 2019.

OPUCN notes that for the 400kwh and 1,000kwh residential customer analysis requested, the "smoothed" rates are not quite smooth. This is because OPUCN applied the smoothing calculations developed for the typical (800kwh) consumption level. It is not practical to do separate smoothing exercises using 400kwh and 1,000kwh usage. These alternative usage levels are not typical and do not fit with the typical load shape.

Table 18: Distribution Rate & Bill Impacts (inclusive of rate smoothing): \$

Customer Class		Year over Year \$ Change					2014-2019
		2015	2016	2017	2018	2019	
<b>Distribution Sub-Total</b> (includes DVA, Smart Meter rate riders & line loss on Cost of Power)							
Residential	800 kWh	\$1.71	\$1.76	\$1.89	\$2.02	\$2.29	\$9.67
Residential	400 kWh	\$2.10	\$0.88	\$1.01	\$1.30	\$1.25	\$6.54
Residential	1,000 kWh	\$1.51	\$2.20	\$2.33	\$2.38	\$2.81	\$11.23
GS Less Than 50 KW	2000 kWh	\$1.40	\$1.64	\$1.50	\$1.74	\$1.63	\$7.91
GS 50 To 999 KW	480 KW	\$69.12	\$70.58	\$77.64	\$75.79	\$78.33	\$371.45
GS 1,000 To 4,999 KW	919 KW	\$(356.81)	\$190.61	\$46.37	\$161.19	\$73.44	\$114.79
Large Use	7828 KW	\$(708.6)	\$1,463.5	\$349.0	\$1,214.3	\$553.1	\$2,871.3
Street Lighting	0.12/0.08 KW	\$0.19	\$(0.71)	\$0.07	\$0.26	\$0.12	\$(0.07)
Sentinel Lighting	0.4 KW	\$1.97	\$0.39	\$(1.61)	\$0.45	\$0.20	\$1.41
Unmetered Scattered Load	750 kWh	\$1.54	\$1.94	\$1.96	\$2.22	\$2.60	\$10.25
<b>Customer Class</b>							
Customer Class		Year over Year \$ Change					2014-2019
		2015	2016	2017	2018	2019	
<b>Total Bill (including OCEB)</b>							
Residential	800 kWh	\$2.59	\$1.79	\$1.93	\$2.05	\$2.33	\$10.68
Residential	400 kWh	\$2.56	\$0.89	\$1.03	\$1.32	\$1.27	\$7.07
Residential	1,000 kWh	\$2.61	\$2.25	\$2.36	\$2.42	\$2.87	\$12.50
GS Less Than 50 KW	2000 kWh	\$3.55	\$1.67	\$1.53	\$1.77	\$1.66	\$10.17
GS 50 To 999 KW	480 KW	\$223.28	\$71.77	\$78.96	\$77.07	\$79.66	\$530.75
GS 1,000 To 4,999 KW	919 KW	\$13.22	\$193.84	\$47.16	\$163.94	\$74.68	\$492.85
Large Use	7828 KW	\$2,610.8	\$1,488.4	\$354.9	\$1,235.0	\$562.5	\$6,251.6
Street Lighting	0.12/0.08 KW	\$(2.90)	\$(2.54)	\$0.07	\$0.27	\$0.11	\$(4.99)
Sentinel Lighting	0.4 KW	\$2.13	\$0.39	\$(1.63)	\$0.46	\$0.21	\$1.56
Unmetered Scattered Load	750 kWh	\$2.32	\$1.97	\$1.99	\$2.26	\$2.63	\$11.17

Table 19: Distribution Rate & Bill Impacts (inclusive of rate smoothing): %

Customer Class		Year over Year % Change					CAGR
		2015	2016	2017	2018	2019	2014-2019
<b>Sub-Total B - Distribution</b> (includes DVA, Smart Meter rate riders & line loss on Cost of Power)							
Residential	800 kWh	7.4%	7.1%	7.1%	7.1%	7.5%	7.3%
Residential	400 kWh	12.7%	4.7%	5.2%	6.4%	5.7%	6.9%
Residential	1,000 kWh	5.7%	7.9%	7.8%	7.4%	8.1%	7.4%
GS Less Than 50 KW	2000 kWh	2.6%	2.9%	2.6%	2.9%	2.7%	2.7%
GS 50 To 999 KW	480 KW	2.9%	2.9%	3.1%	2.9%	2.9%	2.9%
GS 1,000 To 4,999 KW	919 KW	(6.8)%	3.9%	0.9%	3.1%	1.4%	0.4%
Large Use	7828 KW	(2.4)%	5.2%	1.2%	4.0%	1.8%	1.9%
Street Lighting	0.12/0.08 KW	3.8%	(13.7)%	1.6%	5.8%	2.4%	(0.3)%
Sentinel Lighting	0.4 KW	26.5%	4.2%	(16.4)%	5.5%	2.4%	3.5%
Unmetered Scattered Load	750 kWh	9.2%	10.7%	9.7%	10.0%	10.7%	10.1%
<b>Customer Class</b>							
Customer Class		Year over Year % Change					CAGR
		2015	2016	2017	2018	2019	2014-2019
<b>Total Bill (including OCEB)</b>							
Residential	800 kWh	2.1%	1.5%	1.5%	1.6%	1.8%	1.7%
Residential	400 kWh	3.9%	1.3%	1.5%	1.9%	1.8%	2.1%
Residential	1,000 kWh	1.8%	1.5%	1.5%	1.6%	1.8%	1.6%
GS Less Than 50 KW	2000 kWh	1.2%	0.6%	0.5%	0.6%	0.5%	0.7%
GS 50 To 999 KW	480 KW	1.1%	0.4%	0.4%	0.4%	0.4%	0.5%
GS 1,000 To 4,999 KW	919 KW	0.0%	0.4%	0.1%	0.3%	0.1%	0.2%
Large Use	7828 KW	0.6%	0.3%	0.1%	0.3%	0.1%	0.3%
Street Lighting	0.12/0.08 KW	(21.1)%	(23.4)%	0.8%	3.2%	1.3%	(8.6)%
Sentinel Lighting	0.4 KW	9.2%	1.6%	(6.4)%	1.9%	0.9%	1.3%
Unmetered Scattered Load	750 kWh	2.2%	1.8%	1.8%	2.0%	2.3%	2.0%

**Table 20: Unsmoothed Rate Impacts (updated at July 8, 2015)**

Customer Class		Year over Year % Change					CAGR
		2015	2016	2017	2018	2019	2014-2019
<b>Sub-Total B - Distribution</b> (includes DVA, Smart Meter rate riders & line loss on Cost of Power)							
Residential	800 kWh	18.5%	1.8%	1.3%	4.9%	2.1%	5.5%
Residential	400 kWh	20.5%	1.2%	1.2%	4.8%	1.9%	5.7%
Residential	1,000 kWh	17.9%	1.9%	1.4%	4.9%	2.1%	5.5%
GS Less Than 50 KW	2000 kWh	7.0%	(2.0)%	1.2%	4.7%	2.0%	2.5%
GS 50 To 999 KW	480 KW	2.1%	4.7%	1.3%	4.4%	1.9%	2.9%
GS 1,000 To 4,999 KW	919 KW	(6.8)%	3.9%	0.9%	3.1%	1.4%	0.4%
Large Use	7828 KW	(2.4)%	5.2%	1.2%	4.0%	1.8%	1.9%
Street Lighting	0.12/0.08 KW	3.8%	(13.7)%	1.6%	5.8%	2.4%	(0.3)%
Sentinel Lighting	0.4 KW	26.5%	4.2%	(16.4)%	5.5%	2.4%	3.5%
Unmetered Scattered Load	750 kWh	24.5%	5.0%	1.4%	5.0%	2.1%	7.3%

**Table 21: Smoothed Rate Impacts (updated at July 8, 2015)**

Customer Class		Year over Year % Change					CAGR
		2015	2016	2017	2018	2019	2014-2019
<b>Sub-Total B - Distribution</b> (includes DVA, Smart Meter rate riders & line loss on Cost of Power)							
Residential	800 kWh	7.4%	7.1%	7.1%	7.1%	7.5%	7.3%
Residential	400 kWh	12.7%	4.7%	5.2%	6.4%	5.7%	6.9%
Residential	1,000 kWh	5.7%	7.9%	7.8%	7.4%	8.1%	7.4%
GS Less Than 50 KW	2000 kWh	2.6%	2.9%	2.6%	2.9%	2.7%	2.7%
GS 50 To 999 KW	480 KW	2.9%	2.9%	3.1%	2.9%	2.9%	2.9%
GS 1,000 To 4,999 KW	919 KW	(6.8)%	3.9%	0.9%	3.1%	1.4%	0.4%
Large Use	7828 KW	(2.4)%	5.2%	1.2%	4.0%	1.8%	1.9%
Street Lighting	0.12/0.08 KW	3.8%	(13.7)%	1.6%	5.8%	2.4%	(0.3)%
Sentinel Lighting	0.4 KW	26.5%	4.2%	(16.4)%	5.5%	2.4%	3.5%
Unmetered Scattered Load	750 kWh	9.2%	10.7%	9.7%	10.0%	10.7%	10.1%

**Rate Application UPDATES - Revenue Requirement Impacts**

09-Jul 2015

	2015	2016	2017	2018	2019	Change	Cumulative Change
<b>Revenue Requirement As Filed Jan 29, 2015</b>	<b>21,565</b>	<b>23,548</b>	<b>24,391</b>	<b>25,605</b>	<b>26,194</b>		
<b>Revenue Requirement As Filed May 13, 2015</b>	<b>21,647</b>	<b>23,408</b>	<b>24,384</b>	<b>26,217</b>	<b>27,431</b>		<b>1,783</b>
<b>Revenue Requirement As Filed June 23, 2015 (for Oral Hearing)</b>	<b>21,293</b>	<b>22,926</b>	<b>23,823</b>	<b>25,747</b>	<b>26,969</b>		
Increase / (Decrease)	(354)	(482)	(561)	(470)	(462)	(2,328)	(545)
% Increase / (Decrease)	-1.7%	-2.1%	-2.4%	-1.8%	-1.7%		
Oral Hearing J2.12 : Correct 2015 weighted debt rate - to 4.11% from 4.24%	21,217	22,926	23,823	25,747	26,969		
Increase / (Decrease)	(76)	0	0	0	0	(76)	(621)
% Increase / (Decrease)	-0.4%	0.0%	0.0%	0.0%	0.0%	-0.1%	
Oral Hearing J3.2 : Correct Other Revenue for 2016-2019	21,217	22,912	23,795	25,703	26,909		
Increase / (Decrease)	0	(14)	(29)	(44)	(60)	(147)	(768)
% Increase / (Decrease)	0.0%	-0.1%	-0.1%	-0.2%	-0.2%	-0.1%	
Oral Hearing J1.1 : Adjust cost of power expense lead from 20.89 from 24.64	21,129	22,823	23,704	25,609	26,814		
Increase / (Decrease)	(88)	(88)	(91)	(93)	(95)	(456)	(1,223)
% Increase / (Decrease)	-0.4%	-0.4%	-0.4%	-0.4%	-0.4%	-0.4%	

**Revenue Requirement July 9, 2015**      **21,129**      **22,823**      **23,704**      **25,609**      **26,814**

Oral Hearing J2.11 Alternate Scenario - 1.5% annual customer growth, no annual adjustments	21,109	22,788	23,646	25,535	26,721		
Increase / (Decrease)	(20)	(35)	(58)	(74)	(93)	(281)	(1,504)
% Increase / (Decrease)	-0.1%	-0.2%	-0.2%	-0.3%	-0.3%	-0.2%	

**Oral Hearing J2.11 : July 9, 2015**      **21,109**      **22,788**      **23,646**      **25,535**      **26,721**