

Oakville Hydro Electricity Distribution Inc.**EB-2015-0094****OEB Staff Interrogatories****Interrogatory #1****Ref: IRM Model - Tab 3 – 2015 Continuity Schedule**

- A. According to the instruction provided on Tab 3, the starting point for entries should be year 2011. This will allow for the correct starting point for the 2012 opening balance columns for both principal and interest. Please provide the data entries for year 2011. OEB staff will update the model accordingly.
- B. Please explain the Transaction balance of \$2,281,331 in 2012 in account 1595 (2013) and its associated interest of \$34,446.

| Account Number | 2012 | | | | | | |
|----------------|--|---|--|--|---|---|-----------------------------|
| | Opening Principal Amounts as of Jan-1-12 | Transactions Debit / (Credit) during 2012 excluding interest and adjustments ² | Board-Approved Disposition during 2012 | Adjustments during 2012 - other ¹ | Closing Principal Balance as of Dec-31-12 | Opening Interest Amounts as of Jan-1-12 | Interest Jan-1 to Dec-31-12 |
| 1550 | 0 | 671,663 | | | 671,663 | 0 | 16,395 |
| 1551 | | | | | | | |
| 1580 | 0 | 2,665,112 | | | 2,665,112 | 0 | 462,793 |
| 1584 | 0 | 3,310,623 | | | 3,310,623 | 0 | (155,800) |
| 1586 | 0 | 2,073,927 | | | 2,073,927 | 0 | 114,510 |
| 1588 | 0 | (325,025) | | | (325,025) | 0 | (665,537) |
| 1589 | 0 | 689,970 | | | 689,970 | 0 | 509,847 |
| 1595_(2008) | 0 | | | | 0 | 0 | |
| 1595_(2009) | 0 | | | | 0 | 0 | |
| 1595_(2010) | 0 | 314,929 | | | 314,929 | 0 | 813,271 |
| 1595_(2011) | 0 | | | | 0 | 0 | |
| 1595_(2012) | 0 | 1,557,368 | | | 1,557,368 | 0 | (21,446) |
| 1595_(2013) | 0 | 2,281,331 | | | 2,281,331 | 0 | 34,446 |
| 1595_(2014) | 0 | | | | 0 | 0 | |
| 1589 | 0 | 689,970 | 0 | 0 | 689,970 | 0 | 509,847 |
| | 0 | 12,549,928 | 0 | 0 | 12,549,928 | 0 | 598,633 |
| | 0 | 13,239,898 | 0 | 0 | 13,239,898 | 0 | 1,108,480 |
| 1568 | | | | | 0 | | |
| | 0 | 13,239,898 | 0 | 0 | 13,239,898 | 0 | 1,108,480 |

- C. Referring to the Decision and Order dated April 4, 2013 that the OEB issued on Oakville Hydro's 2013 rate application (EB-2012-0154), the balance of account 1580 under Board-Approved Disposition during 2013 is -\$2,665,112 for principal and -\$462,793 for interest. The negative sign is missing for both figures in the 2016 rate model. Please confirm if Oakville Hydro agrees. If yes, OEB staff will update the model. Otherwise, please provide an explanation for the discrepancy.

| Account Name | Account Number | Principal Balance A | Interest Balance B | Total Claim C = A + B |
|---|----------------|---------------------|--------------------|-----------------------|
| LV Variance Account | 1550 | \$460,427 | \$17,289 | \$477,716 |
| RSVA - Wholesale Market Service Charge | 1580 | -\$2,665,112 | -\$462,793 | -\$3,127,905 |
| RSVA - Retail Transmission Network Charge | 1584 | \$2,988,244 | -\$145,523 | \$2,842,722 |
| RSVA - Retail Transmission Connection Charge | 1586 | \$1,815,352 | \$120,439 | \$1,935,791 |
| RSVA - Power (excluding Global Adjustment) | 1588 | -\$1,061,333 | -\$668,762 | -\$1,730,095 |
| RSVA - Power – Global Adjustment Sub-Account | 1588 | \$1,822,396 | \$530,089 | \$2,352,486 |
| Total Group 1 Excluding Global Adjustment Sub-Account | | | | \$398,228 |
| Total Group 1 | | | | \$2,750,713 |

Decision and Order
April 4, 2013

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| Account Number | 2013 | | | | | | | | Board-Approved Disposition during 2013 | Ad du |
|----------------|--|---|--|--|---|---|-----------------------------|-----------|--|-------|
| | Opening Principal Amounts as of Jan-1-13 | Transactions Debit / (Credit) during 2013 excluding interest and adjustments ² | Board-Approved Disposition during 2013 | Adjustments during 2013 - other ¹ | Closing Principal Balance as of Dec-31-13 | Opening Interest Amounts as of Jan-1-13 | Interest Jan-1 to Dec-31-13 | | | |
| 1550 | 671,663 | 258,029 | 460,427 | | 469,266 | 16,395 | 6,989 | 17,289 | | |
| 1551 | 0 | 129,523 | | | 129,523 | 0 | 563 | | | |
| 1580 | 2,665,112 | (920,326) | 2,665,112 | | (920,326) | 462,793 | (51,571) | 462,793 | | |
| 1584 | 3,310,623 | 342,707 | 2,988,244 | | 665,085 | (155,800) | 22,070 | (145,523) | | |
| 1586 | 2,073,927 | 43,137 | 1,815,352 | | 301,712 | 114,510 | 12,850 | 120,439 | | |
| 1588 | (325,025) | (1,100,076) | (1,061,333) | | (363,768) | (665,537) | (20,592) | (668,762) | | |
| 1589 | 689,970 | 1,308,996 | 1,822,396 | | 176,570 | 509,847 | 887 | 530,089 | | |
| 595_(2008) | 0 | | | | 0 | 0 | | | | |
| 595_(2009) | 0 | | | | 0 | 0 | | | | |
| 595_(2010) | 314,929 | (1,089,078) | | | (774,149) | 813,271 | 15,540 | | | |
| 595_(2011) | 0 | | | | 0 | 0 | | | | |
| 595_(2012) | 1,557,368 | (1,427,504) | | | 129,773 | (21,446) | (1,018) | | | |

- D. Please explain the transaction balance of (\$4,500,640) in 2013 in account 1595 (2013) with associated interest of \$592,038, and the OEB-approved disposition balance of (\$3,359,974) in 2013 with associated interest of \$609,261.

| Account Number | 2013 | | | | | | | | Ad du |
|----------------|--|---|--|--|---|---|-----------------------------|--|-------|
| | Opening Principal Amounts as of Jan-1-13 | Transactions Debit / (Credit) during 2013 excluding interest and adjustments ² | Board-Approved Disposition during 2013 | Adjustments during 2013 - other ¹ | Closing Principal Balance as of Dec-31-13 | Opening Interest Amounts as of Jan-1-13 | Interest Jan-1 to Dec-31-13 | Board-Approved Disposition during 2013 | |
| 1550 | 671,663 | 258,029 | 460,427 | | 469,266 | 16,395 | 6,989 | 17,289 | |
| 1551 | 0 | 129,523 | | | 129,523 | 0 | 563 | | |
| 1580 | 2,665,112 | (920,326) | 2,665,112 | | (920,326) | 462,793 | (51,571) | 462,793 | |
| 1584 | 3,310,623 | 342,707 | 2,988,244 | | 665,085 | (155,800) | 22,070 | (145,523) | |
| 1586 | 2,073,927 | 43,137 | 1,815,352 | | 301,712 | 114,510 | 12,850 | 120,439 | |
| 1588 | (325,025) | (1,100,076) | (1,061,333) | | (363,768) | (665,537) | (20,592) | (668,762) | |
| 1589 | 689,970 | 1,308,996 | 1,822,396 | | 176,570 | 509,847 | 887 | 530,089 | |
| 1595_(2008) | 0 | | | | 0 | 0 | | | |
| 1595_(2009) | 0 | | | | 0 | 0 | | | |
| 1595_(2010) | 314,929 | (1,089,078) | | | (774,149) | 813,271 | 15,540 | | |
| 1595_(2011) | 0 | | | | 0 | 0 | | | |
| 1595_(2012) | 1,557,368 | (1,427,594) | | | 129,773 | (21,446) | (1,018) | | |
| 1595_(2013) | 2,281,331 | (4,500,640) | (3,359,974) | | 1,140,666 | 34,446 | 592,038 | 609,261 | |
| 1595_(2014) | 0 | | | | 0 | 0 | 2,719,669 | | |
| 1589 | 689,970 | 1,308,996 | 1,822,396 | 0 | 176,570 | 509,847 | 887 | 530,089 | |
| | 12,549,928 | (8,264,318) | 3,507,828 | 0 | 777,782 | 598,633 | 3,296,539 | 395,497 | |
| | 13,239,898 | (6,955,322) | 5,330,224 | 0 | 954,352 | 1,108,480 | 3,297,426 | 925,586 | |
| 1568 | 0 | | | | 0 | 0 | | | |
| | 13,239,898 | (6,955,322) | 5,330,224 | 0 | 954,352 | 1,108,480 | 3,297,426 | 925,586 | |

- E. As per the Settlement Proposal in Oakville Hydro's 2014 CoS application (EB-2013-0159), the OEB approved disposition in account 1595 (2011) in amount of (\$1,005,250) and disposition in account 1580 in amount of (\$1,978,906). OEB staff notes that these accounts are missing on Tab 3 – Continuity Schedule of the IRM model.

Please provide balances of account 1595 (2011) in 2014 OEB-approved disposition and its associated interest. Please provide the principal balance in account 1580 in column "Board-Approved Disposition during 2014".

OEB staff will update the model accordingly. Otherwise, please provide explanation for why these accounts have zero balances in the IRM model.

| Account Number | 2014 | | | | | | | | A |
|----------------|--|---|--|--|---|---|-----------------------------|--|--|
| | Opening Principal Amounts as of Jan-1-14 | Transactions Debit / (Credit) during 2014 excluding interest and adjustments ² | Board-Approved Disposition during 2014 | Adjustments during 2014 - other ¹ | Closing Principal Balance as of Dec-31-14 | Opening Interest Amounts as of Jan-1-14 | Interest Jan-1 to Dec-31-14 | Board-Approved Disposition during 2014 | Adjustments during 2014 - other ² |
| 1550 | 469,266 | 66,338 | 211,236 | | 324,367 | 6,095 | 5,766 | 3,246 | |
| 1551 | 129,523 | (28,360) | | | 101,163 | 563 | 1,457 | | |
| 1580 | (920,326) | (171,518) | | | (1,091,844) | (51,571) | (12,555) | (38,294) | |
| 1584 | 665,085 | 319,095 | 322,378 | | 661,802 | 11,793 | 8,965 | (3,958) | |
| 1586 | 301,712 | 181,651 | 258,575 | | 224,788 | 6,922 | 3,173 | (860) | |
| 1588 | (363,768) | (2,058,988) | 736,308 | | (3,159,064) | (17,367) | 184 | 17,657 | |
| 1589 | 176,570 | 2,712,129 | (1,132,426) | | 4,021,125 | (19,354) | 1,280 | (42,437) | |
| 1595_(2008) | 0 | | | | 0 | 0 | | | |
| 1595_(2009) | 0 | | | | 0 | 0 | | | |
| 1595_(2010) | (774,149) | (67) | | | (774,216) | 828,811 | (11,381) | | |
| 1595_(2011) | 0 | | | | 0 | 0 | | | |
| 1595_(2012) | 129,773 | 4 | | | 129,777 | (22,464) | 1,908 | | |
| 1595_(2013) | 1,140,666 | (1,152,530) | | | (11,864) | 17,223 | 17,715 | | |
| 1595_(2014) | 0 | (818,889) | 2,719,669 | | (3,538,558) | 2,719,669 | (25,141) | | |
| 1589 | 176,570 | 2,712,129 | (1,132,426) | 0 | 4,021,125 | (19,354) | 1,280 | (42,437) | 0 |
| | 777,782 | (3,663,264) | 4,248,166 | 0 | (7,133,648) | 3,499,674 | (9,909) | (22,209) | 0 |
| | 954,352 | (951,135) | 3,115,740 | 0 | (3,112,523) | 3,480,320 | (8,629) | (64,646) | 0 |
| 1568 | 0 | | | | 0 | 0 | | | |
| | 954,352 | (951,135) | 3,115,740 | 0 | (3,112,523) | 3,480,320 | (8,629) | (64,646) | 0 |

Settlement Table 34 - Remaining Group 1 and Group 2 Account Balances

| Description | Settlement Agreement | Disposition Period |
|---|----------------------|--------------------|
| Group 1 Accounts | | |
| LV Variance Account | \$ 214,482 | 1 Year |
| RSVA - Wholesale Market Service Charge | (1,978,906) | 1 Year |
| RSVA - Retail Transmission Network Charge | 318,420 | 1 Year |
| RSVA - Retail Transmission Connection Charge | 257,715 | 1 Year |
| RSVA - Power | 753,964 | 1 Year |
| Disposition & Recovery/Refund of Regulatory Balances (2011) | (1,005,250) | 1 Year |
| Subtotal - Group 1 Accounts | (1,439,574) | |
| Group 2 Accounts | | |
| Other Regulatory Assets - Sub-Account - Incremental Capital Charges | 17,623 | 1 Year |
| Retail Cost Variance Account - Retail | (61,922) | 1 Year |
| Smart Grid OM&A Deferral Account | 21,727 | 1 Year |
| Retail Cost Variance Account - STR | (2,755) | 1 Year |
| PILs and Tax Variance for 2006 and Subsequent Years | (184,734) | 1 Year |
| Lost Revenue Adjustment | 104,829 | 1 Year |
| Subtotal - Group 2 Accounts | (105,232) | 1 Year |
| Group 1 and 2 Accounts (Excluding Global Adjustment) | (1,544,806) | |
| RSVA - Global Adjustment | (1,174,863) | 1 Year |
| Group 1 and 2 Accounts (Including Global Adjustment) | (2,719,669) | |

- F. In case any of the above data changes (in part B to E) result in any variance balance (RRR vs. 2014 - column BA on Tab 3), please provide explanation for the variance.
- G. Please indicate whether or not the pre-set disposition threshold of \$0.001 per kWh is exceeded (cell C30 on Tab 4) as a result of the data changes (in part B to E). If yes, please provide the data input on Tab 4 – Billing Det. For Def-Var (WMP, Class A, 1595 Recovery Share Proportions).
- H. OEB staff noted that the Oakville Hydro reported transaction amount of \$2,712,129 in account 1589 – Global Adjustment (GA) variance account in 2014 (per unit value of 0.0035); the transaction amount in account 1589 in 2013 was \$1,308,996 (per unit value of 0.0018)
- i. Explain the substantial increase in transaction amount in account 1589 from 2013 to 2014?
 - ii. If Oakville Hydro were to dispose of its GA balances as of December 31, 2014, please explain how Oakville Hydro would allocate the 2014 GA balances to its current Class A customers, given that these customers contributed to the 2014 GA balances.

Interrogatory #2

Update on the Cost Allocation Study

In Oakville Hydro's letter to the OEB dated October 26, 2015, Oakville Hydro provided key dates and timeline for the cost allocation study required in its 2014 CoS Settlement Proposal.

- A. Please confirm the status of the cost allocation study to date.
- B. Please provide the anticipated completion date of the cost allocation study report.

Updates to IRM Model made by OEB staff

OEB staff has made the following updates to Oakville Hydro's 2016 IRM model. Please review the attached updated IRM model and confirm if Oakville Hydro agrees with the updates.

1. Regulatory Charges

The OEB has determined (Decision and Order, EB-2015-0294) that the Remote Electricity Rate Protection (RRRP) charge for 2016 shall be \$0.0013 per kWh; the wholesale market service (WMP) rate shall be \$0.0036 per kWh; and the Ontario Electricity Support Program (OESP) charge shall be \$0.0011 per kWh. These 2016 regulatory charges have been applied to Oakville Hydro's 2016 IRM model (Tab 16 and Tab 18).

2. Tab 18 - Bill Impacts of Oakville Hydro's 10th consumption percentile (250kWh)

OEB staff has added two additional scenarios in Table 1 on Tab 18 of the IRM model to assess the bill impacts of the 10th consumption percentile (250 kWh). The two scenarios are residential RPP customers with 250 kWh consumption and residential Non-RPP customers with 250 kWh consumption.

Table 1

| RATE CLASSES / CATEGORIES (eg: Residential TOU, Residential Retailer) | Units | RPP? Non-RPP Retailer? Non-RPP | OCEB Applicable? <i>Prior to Jan 1/16</i> | Current Loss Factor (eg: 1.0351) | Proposed Loss Factor | Consumption (kWh) |
|--|-------|---|---|--|-------------------------|-------------------|
| RESIDENTIAL SERVICE CLASSIFICATION | kWh | RPP | Yes | 1.0376 | 1.0376 | 800 |
| GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION | kWh | RPP | Yes | 1.0376 | 1.0376 | 2,000 |
| GENERAL SERVICE 50 TO 1,000 KW SERVICE CLASSIFICATION | kW | Non-RPP (Other) | No | 1.0376 | 1.0376 | 200,000 |
| GENERAL SERVICE GREATER THAN 1,000 KW SERVICE CLASSIFICATION | kW | Non-RPP (Other) | No | 1.0272 | 1.0272 | 1,000,000 |
| UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION | kW | RPP | No | 1.0376 | 1.0376 | 250 |
| SENTINEL LIGHTING SERVICE CLASSIFICATION | kWh | RPP | No | 1.0376 | 1.0376 | 1,000 |
| STREET LIGHTING SERVICE CLASSIFICATION | kWh | RPP | No | 1.0376 | 1.0376 | 700,000 |
| EMBEDDED DISTRIBUTOR SERVICE CLASSIFICATION | kW | Non-RPP (Other) | No | 1.0045 | 1.0045 | 2,810,800 |
| RESIDENTIAL SERVICE CLASSIFICATION | kWh | RPP | Yes | 1.0376 | 1.0376 | 250 |
| RESIDENTIAL SERVICE CLASSIFICATION | kWh | Non-RPP (Retailer) | Yes | 1.0376 | 1.0376 | 250 |

The bill impacts (of the Rate Design) for both scenarios are below 10% without consideration of the changes in regulatory charges and OCEB. For example, as it's shown in the following screenshot, for residential customers at 250 kWh consumption level, the bill impact is calculated as the bill difference at Sub-total C over current period total bill before tax. It is $\$3.34 / \$49.54 = 6.74\%$.

| | | |
|--------------------------------------|------------------------------------|-----|
| Customer Class: | RESIDENTIAL SERVICE CLASSIFICATION | |
| RPP / Non-RPP: | RPP | |
| Consumption | 250 | kWh |
| Demand | - | kW |
| Current Loss Factor | 1.0376 | |
| Proposed/Approved Loss Factor | 1.0376 | |
| Ontario Clean Energy Benefit Applied | Yes | |

| | Current Board-Approved | | | Proposed | | | Impact | |
|---|------------------------|--------|-------------|-----------|--------|-------------|-----------|----------|
| | Rate (\$) | Volume | Charge (\$) | Rate (\$) | Volume | Charge (\$) | \$ Change | % Change |
| Monthly Service Charge | \$ 14.59 | 1 | \$ 14.59 | \$ 18.22 | 1 | \$ 18.22 | \$ 3.63 | 24.88% |
| Distribution Volumetric Rate | \$ 0.0159 | 250 | \$ 3.98 | \$ 0.0121 | 250 | \$ 3.03 | -\$ 0.95 | -23.90% |
| Fixed Rate Riders | \$ 0.26 | 1 | \$ 0.26 | \$ 0.77 | 1 | \$ 0.77 | \$ 0.51 | 196.15% |
| Volumetric Rate Riders | \$ 0.0002 | 250 | \$ 0.05 | \$ - | 250 | \$ - | -\$ 0.05 | -100.00% |
| Sub-Total A (excluding pass through) | | | \$ 18.88 | | | \$ 22.02 | \$ 3.14 | 16.64% |
| Line Losses on Cost of Power | \$ 0.1021 | 9 | \$ 0.96 | \$ 0.1021 | 9 | \$ 0.96 | \$ - | 0.00% |
| Total Deferral/Variance Account Rate Riders | -\$ 0.0008 | 250 | -\$ 0.20 | \$ - | 250 | \$ - | \$ 0.20 | -100.00% |
| Low Voltage Service Charge | \$ 0.0004 | 250 | \$ 0.10 | \$ 0.0004 | 250 | \$ 0.10 | \$ - | 0.00% |
| Smart Meter Entry Charge (if applicable) | \$ 0.7900 | 1 | \$ 0.79 | \$ 0.7900 | 1 | \$ 0.79 | \$ - | 0.00% |
| Sub-Total B - Distribution (includes Sub-Total A) | | | \$ 20.53 | | | \$ 23.87 | \$ 3.34 | 16.27% |
| RTSR - Network | \$ - | 259 | \$ - | \$ - | 259 | \$ - | \$ - | |
| RTSR - Connection and/or Line and Transformation Connection | \$ - | 259 | \$ - | \$ - | 259 | \$ - | \$ - | |
| Sub-Total C - Delivery (including Sub-Total B) | | | \$ 20.53 | | | \$ 23.87 | \$ 3.34 | 16.27% |
| Wholesale Market Service Charge (WMSC) | \$ 0.0044 | 259 | \$ 1.14 | \$ 0.0036 | 259 | \$ 0.93 | -\$ 0.21 | -18.18% |
| Rural and Remote Rate Protection (RRRP) | \$ 0.0013 | 259 | \$ 0.34 | \$ 0.0013 | 259 | \$ 0.34 | \$ - | 0.00% |
| Standard Supply Service Charge | \$ 0.2500 | 1 | \$ 0.25 | \$ 0.25 | 1 | \$ 0.25 | \$ - | 0.00% |
| Debt Retirement Charge (DRC) | \$ 0.0070 | 250 | \$ 1.75 | \$ - | 250 | \$ - | -\$ 1.75 | -100.00% |
| Ontario Electricity Support Program (OESP) | | | | \$ 0.0011 | 259 | \$ 0.29 | \$ 0.29 | |
| TOU - Off Peak | \$ 0.0800 | 160 | \$ 12.80 | \$ 0.0800 | 160 | \$ 12.80 | \$ - | 0.00% |
| TOU - Mid Peak | \$ 0.1220 | 45 | \$ 5.49 | \$ 0.1220 | 45 | \$ 5.49 | \$ - | 0.00% |
| TOU - On Peak | \$ 0.1610 | 45 | \$ 7.25 | \$ 0.1610 | 45 | \$ 7.25 | \$ - | 0.00% |
| Total Bill on TOU (before Taxes) | | | \$ 49.54 | | | \$ 51.21 | \$ 1.67 | 3.37% |
| HST | 13% | | \$ 6.44 | 13% | | \$ 6.66 | \$ 0.22 | 3.37% |
| Total Bill (including HST) | | | \$ 55.98 | | | \$ 57.86 | \$ 1.88 | 3.37% |
| Ontario Clean Energy Benefit ¹ | | | -\$ 5.60 | | | | | |
| Total Bill on TOU | | | \$ 50.38 | | | \$ 57.86 | \$ 7.48 | 14.86% |