

Response to VECC Interrogatories 2016 Electricity Distribution Rates Niagara-on-the-Lake Hydro Inc. EB-2015-0091

VECC Interrogatories

Disposition of a Supplemental Balance in Deferral Account 1576

VECC #1

Ref: Manager's Summary Page 17

Preamble: Niagara-on-the-Lake Hydro proposes disposition of a supplemental balance in Deferral Account 1576 of \$202,237 as a refund to customers over a three year term.

- a) Please determine the 1576 Rate Adders over a one year term.
- b) Please determine the 1576 Rate Adders over a one year term, and provide the rate rider calculations on a fixed basis for the Residential rate class.
- c) Please discuss if NOTL is proposing to keep Account 1576 open.
- d) Please confirm if NOTL has used its current Board approved WACC.

Response to VECC-1

- a) For reference purposes, the supplemental 1576 rate riders over a three year term as per the Application are as follows:

C = Difference in 1576 Balance and Supplementary Rate Riders

Please indicate the Rate Rider
 Recovery Period (in years)

3

(2016, 2017, 2018)

Rate Class (Enter Rate Classes in cells below)	Units	kW / kWh / # of Customers	Balance of Accounts 1575 and 1576	Rate Rider for Accounts 1575 and 1576
Residential	kWh	66,912,797	(\$73,964.02)	(\$0.0004)
General Service Less Than 50 kW	kWh	35,318,239	(\$39,040.05)	(\$0.0004)
General Service 50 to 4,999 kW	kW	203,974	(\$87,704.70)	(\$0.1433)
Unmetered Scattered Load	kWh	219,430	(\$242.55)	(\$0.0004)
Street Lighting	kW	3,238	(\$1,286.07)	(\$0.1324)
Total			(\$202,237.38)	

The supplemental 1576 rate riders over a one year term are as follows:

C = Difference in 1576 Balance and Supplementary Rate Riders

Please indicate the Rate Rider
 Recovery Period (in years)

1

(2016, 2017, 2018)

Rate Class (Enter Rate Classes in cells below)	Units	kW / kWh / # of Customers	Balance of Accounts 1575 and 1576	Rate Rider for Accounts 1575 and 1576
Residential	kWh	66,912,797	(\$73,964.02)	(\$0.0011)
General Service Less Than 50 kW	kWh	35,318,239	(\$39,040.05)	(\$0.0011)
General Service 50 to 4,999 kW	kW	203,974	(\$87,704.70)	(\$0.4300)
Unmetered Scattered Load	kWh	219,430	(\$242.55)	(\$0.0011)
Street Lighting	kW	3,238	(\$1,286.07)	(\$0.3972)
Total			(\$202,237.38)	

b) The supplemental 1576 rate riders over a one year term with calculations on a fixed basis for residential customers are as follows:

C = Difference in 1576 Balance and Supplementary Rate Riders

Please indicate the Rate Rider
 Recovery Period (in years)

1

(2016, 2017, 2018)

Rate Class (Enter Rate Classes in cells below)	Units	kW / kWh / # of Customers	Balance of Accounts 1575 and 1576	Rate Rider for Accounts 1575 and 1576
Residential	#	7,230	(\$73,964.02)	(\$0.8525)
General Service Less Than 50 kW	kWh	35,318,239	(\$39,040.05)	(\$0.0011)
General Service 50 to 4,999 kW	kW	203,974	(\$87,704.70)	(\$0.4300)
Unmetered Scattered Load	kWh	219,430	(\$242.55)	(\$0.0011)
Street Lighting	kW	3,238	(\$1,286.07)	(\$0.3972)
Total			(\$202,237.38)	

- c) NOTL proposes to keep 1576 open until the latest of 1) the end of the term of this supplemental rate rider and 2) the end of the term of the existing 1576 rate rider approved in the 2014 cost-of-service decision (which is April 30, 2019). Thus, regardless of whether the supplemental rate rider has a one-year term or a three-year term, account 1576 would be kept open until April 30, 2019. Any residual balance in account 1576 at that time would become part of the December 31, 2019 audited balances, to be disposed of according to OEB direction in the appropriate subsequent rates process.
- d) NOTL confirms that it has used the current Board approved WACC of 6.61%. This WACC can be found on Page 75 of 80 in the Settlement Proposal attached as Appendix A to the Board's Decision and Order issued on April 3, 2014 in case EB-2013-0155.

VECC #2

Ref: Manager's Summary Page 40 Bill Impacts

- a) Please provide a chart that sets out the bill impacts (including the lowest 10th percentile residential customer) and including and excluding the 1576 Rate Adder and including and excluding the removal of the Debt Retirement Charge, Ontario Clean Energy Benefit (10% credit of customers' total bill) and the addition of the Ontario Energy Support Program (OESP) starting January 1, 2016 that will be funded by all electricity ratepayers. Please utilize a proxy OESP charge of \$0.00475/kWh in the calculation.

By e-mail, VECC has concurred in our using the approved OESP rate of \$0.0011/kWh and has clarified that the following information is requested:

"Attached please find a Table [see below] that captures what VECC is looking for which is essentially the net effect on the Total Bill of Including vs. Excluding the 1576 Rate Adder.

Please use Residential Fixed. Also was wondering if you could please provide the attached table under a one year term vs a three year term for the 1576 Rate Adder."

<i>Bill Impacts Including 1576 Rate Adder</i>	<i>Change in Total Bill Including removal of DRC, OCEB & addition of OESP</i>
<i>Residential</i>	
<i>Residential – 10th percentile</i>	
<i>etc</i>	

<i>Bill Impacts Excluding 1576 Rate Adder</i>	<i>Change in Total Bill Including removal of DRC, OCEB & addition of OESP</i>
<i>Residential</i>	
<i>Residential – 10th percentile</i>	

<i>etc</i>	
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<i>Difference – Net Impact of 1576 Rate Adder</i>	<i>Change in Total Bill Including removal of DRC, OCEB & addition of OESP</i>
<i>Residential</i>	
<i>Residential – 10th percentile</i>	
<i>etc</i>	

Response to VECC-2

a) The requested charts are provided below.

VECC #2 - 3 Year Term for 1576 Supplemental Rate Rider

Linked

X: Bill Impacts Including 1576 Rate Adder	Volumes		1576 Rider	A - Current Total Bill	B - Proposed Total Bill	Change in Total Bill Including removal of DRC, OCEB & addition of OESP	
	kWh	kW	3 year			\$ = B - A	% = (B - A) / A
			Res Fixed	\$	\$	\$ = B - A	% = (B - A) / A
Residential	800		\$ (0.2842)	\$ 134.23	\$ 139.84	\$ 5.60	4.2%
GS < 50	2,000		\$ (0.0004)	\$ 322.68	\$ 350.75	\$ 28.07	8.7%
GS > 50	56,000	150	\$ (0.1433)	\$ 7,867.04	\$ 8,844.99	\$ 977.95	12.4%
USL	900		\$ (0.0004)	\$ 143.78	\$ 155.28	\$ 11.51	8.0%
Streetlighting	50	0.14	\$ (0.1324)	\$ 18.45	\$ 20.51	\$ 2.06	11.2%
Residential – RPP 10 th percentile	288		\$ (0.2842)	\$ 60.82	\$ 66.14	\$ 5.32	8.7%
Residential – non-RPP Retailer 10 th percentile	365		\$ (0.2842)	\$ 66.85	\$ 79.54	\$ 12.68	19.0%

Y: Bill Impacts Excluding 1576 Rate Adder	Volumes		1576 Rider	A - Current Total Bill	B - Proposed Total Bill	Change in Total Bill Including removal of DRC, OCEB & addition of OESP	
	kWh	kW	3 year			\$ = B - A	% = (B - A) / A
			Res Fixed	\$	\$	\$ = B - A	% = (B - A) / A
Residential	800		\$ (0.2842)	\$ 134.23	\$ 140.16	\$ 5.93	4.4%
GS < 50	2,000		\$ (0.0004)	\$ 322.68	\$ 351.65	\$ 28.97	9.0%
GS > 50	56,000	150	\$ (0.1433)	\$ 7,867.04	\$ 8,869.28	\$ 1,002.24	12.7%
USL	900		\$ (0.0004)	\$ 143.78	\$ 155.69	\$ 11.91	8.3%
Streetlighting	50	0.14	\$ (0.1324)	\$ 18.45	\$ 20.53	\$ 2.08	11.3%
Residential – RPP 10 th percentile	288		\$ (0.2842)	\$ 60.82	\$ 66.46	\$ 5.64	9.3%
Residential – non-RPP Retailer 10 th percentile	365		\$ (0.2842)	\$ 66.85	\$ 79.86	\$ 13.00	19.4%

Y - X : Difference – Net Impact of 1576 Rate Adder	Volumes		1576 Rider	A - Current Total Bill	B - Proposed Total Bill	Change in Total Bill Including removal of DRC, OCEB & addition of OESP	
	kWh	kW	3 year			\$ = Y - X	% = Y - X
			Res Fixed	\$	\$	\$ = Y - X	% = Y - X
Residential	800		\$ (0.2842)	\$ -	\$ 0.32	\$ 0.32	0.2%
GS < 50	2,000		\$ (0.0004)	\$ -	\$ 0.90	\$ 0.90	0.3%
GS > 50	56,000	150	\$ (0.1433)	\$ -	\$ 24.29	\$ 24.29	0.3%
USL	900		\$ (0.0004)	\$ -	\$ 0.41	\$ 0.41	0.3%
Streetlighting	50	0.14	\$ (0.1324)	\$ -	\$ 0.02	\$ 0.02	0.1%
Residential – RPP 10 th percentile	288		\$ (0.2842)	\$ -	\$ 0.32	\$ 0.32	0.5%
Residential – non-RPP Retailer 10 th percentile	365		\$ (0.2842)	\$ -	\$ 0.32	\$ 0.32	0.5%

VECC #2 - 1 Year Term for 1576 Supplemental Rate Rider

Linked

X: Bill Impacts Including 1576 Rate Adder	Volumes		1576 Rider	A - Current Total Bill	B - Proposed Total Bill	Change in Total Bill Including removal of DRC, OCEB & addition of OESP	
	kWh	kW	1 Year			\$ = B - A	% = (B - A) / A
			Res Fixed	\$	\$	\$ = B - A	% = (B - A) / A
Residential	800		\$ (0.8525)	\$ 134.23	\$ 139.19	\$ 4.96	3.7%
GS < 50	2,000		\$ (0.0011)	\$ 322.68	\$ 349.15	\$ 26.47	8.2%
GS > 50	56,000	150	\$ (0.4300)	\$ 7,867.04	\$ 8,796.40	\$ 929.36	11.8%
USL	900		\$ (0.0011)	\$ 143.78	\$ 154.56	\$ 10.79	7.5%
Streetlighting	50	0.14	\$ (0.3972)	\$ 18.45	\$ 20.47	\$ 2.02	10.9%
Residential – RPP 10 th percentile	288		\$ (0.8525)	\$ 60.82	\$ 65.50	\$ 4.67	7.7%
Residential – non-RPP Retailer 10 th percentile	365		\$ (0.8525)	\$ 66.85	\$ 78.89	\$ 12.04	18.0%

Y: Bill Impacts Excluding 1576 Rate Adder	Volumes		1576 Rider	A - Current Total Bill	B - Proposed Total Bill	Change in Total Bill Including removal of DRC, OCEB & addition of OESP	
	kWh	kW	1 Year			\$ = B - A	% = (B - A) / A
			Res Fixed	\$	\$	\$ = B - A	% = (B - A) / A
Residential	800		\$ (0.8525)	\$ 134.23	\$ 140.16	\$ 5.93	4.4%
GS < 50	2,000		\$ (0.0011)	\$ 322.68	\$ 351.65	\$ 28.97	9.0%
GS > 50	56,000	150	\$ (0.4300)	\$ 7,867.04	\$ 8,869.28	\$ 1,002.24	12.7%
USL	900		\$ (0.0011)	\$ 143.78	\$ 155.69	\$ 11.91	8.3%
Streetlighting	50	0.14	\$ (0.3972)	\$ 18.45	\$ 20.53	\$ 2.08	11.3%
Residential – RPP 10 th percentile	288		\$ (0.8525)	\$ 60.82	\$ 66.46	\$ 5.64	9.3%
Residential – non-RPP Retailer 10 th percentile	365		\$ (0.8525)	\$ 66.85	\$ 79.86	\$ 13.00	19.4%

Y - X : Difference – Net Impact of 1576 Rate Adder	Volumes		1576 Rider	A - Current Total Bill	B - Proposed Total Bill	Change in Total Bill Including removal of DRC, OCEB & addition of OESP	
	kWh	kW	1 Year			\$ = Y - X	% = Y - X
			Res Fixed	\$	\$	\$ = Y - X	% = Y - X
Residential	800		\$ (0.8525)	\$ -	\$ 0.96	\$ 0.96	0.7%
GS < 50	2,000		\$ (0.0011)	\$ -	\$ 2.50	\$ 2.50	0.8%
GS > 50	56,000	150	\$ (0.4300)	\$ -	\$ 72.88	\$ 72.88	0.9%
USL	900		\$ (0.0011)	\$ -	\$ 1.12	\$ 1.12	0.8%
Streetlighting	50	0.14	\$ (0.3972)	\$ -	\$ 0.06	\$ 0.06	0.3%
Residential – RPP 10 th percentile	288		\$ (0.8525)	\$ -	\$ 0.96	\$ 0.96	1.6%
Residential – non-RPP Retailer 10 th percentile	365		\$ (0.8525)	\$ -	\$ 0.96	\$ 0.96	1.4%

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