

Tillsonburg Hydro Inc.

EB-2015-0104

OEB Staff Interrogatories

Interrogatory #1

Ref: IRM Model - Tab 3 – 2015 Continuity Schedule

- A. As per the Decision and Rate Order in Tillsonburg Hydro's 2014 rate application (EB-2013-0173), OEB has approved disposition amounts in account 1595 (2009) and 1595 (2010). However, these accounts are showing \$0 balances on the continuity schedule. Also, OEB staff notes that the balances (both principal and interest) in account 1595 (2011) cannot be reconciled with the amounts approved in the 2014 Decision.

Please provide explanation for the discrepancies in these three accounts.
Please update the IRM model if any of these balances need to be revised on the continuity schedule.

Account Number	2014									
	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	Closing Interest Amounts as of Dec-31-14
1550	0				0	0				0
1551	4,410	(2,119)			2,290	95	50			145
1580	(384,396)	(20,784)	(247,331)		(157,849)	928	(2,244)	(6,222)		4,906
1584	54,771	10,947	50,328		15,390	2,355	489	2,375		469
1586	(10,882)	20,981	(12,221)		22,320	188	208	369		27
1588	(369,686)	46,207	(88,567)		(234,912)	10,382	(3,682)	(330)		7,030
1589	(16,274)	332,875	(88,468)		405,069	24,989	(888)	(5,351)		29,452
1595_(2008)	0				0	0				0
1595_(2009)	0				0	0				0
1595_(2010)	1				1	(1)				(1)
1595_(2011)	57,490	753	57,490		754	6,951	357	7,303		5
1595_(2012)	36,128	(966)			35,162	(53,973)	524			(53,449)
1595_(2013)	128,118	127,889			256,008	(53,622)	3,698			(49,924)
1595_(2014)	0	247,392	339,859		(92,467)	0	(2,111)	2,967		(5,078)
1589	(16,274)	332,875	(88,468)	0	405,069	24,989	(888)	(5,351)	0	29,452
	(484,046)	430,299	99,558	0	(153,305)	(86,697)	(2,711)	6,462	0	(95,870)
	(500,320)	763,175	11,090	0	251,765	(61,708)	(3,599)	1,111	0	(66,418)
it) 1568	0				0	0				0
	(500,320)	763,175	11,090	0	251,765	(61,708)	(3,599)	1,111	0	(66,418)

Group 1 Deferral and Variance Account Balances

Account Name	Account Number	Principal Balance A	Interest Balance B	Total Claim C = A + B
RSVA - Wholesale Market Service Charge	1580	- \$247,331	- \$6,222	- \$253,553
RSVA - Retail Transmission Network Charge	1584	\$50,328	\$2,375	\$52,703
RSVA - Retail Transmission Connection Charge	1586	- \$12,221	\$369	- \$11,852
RSVA - Power	1588	- \$88,567	- \$330	- \$88,897
RSVA - Global Adjustment	1589	- \$88,468	- \$5,351	- \$93,819
Disposition and Recovery of Regulatory Balances (2009)	1595	- \$10,995	- \$1,002	- \$11,997
Disposition and Recovery of Regulatory Balances (2010)	1595	- \$1	\$350	\$349
Disposition and Recovery of Regulatory Balances (2011)	1595	\$57,398	\$6,807	\$64,205
Total Group 1 Excluding Global Adjustment – Account 1589		- \$251,391	\$2,348	- \$249,043
Total Group 1		- \$339,859	- \$2,967	- \$342,862

Decision and Rate Order
March 13, 2014

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Interrogatory #2

Ref: IRM Model - Tab 4 – Billing Det. for Def-Var

- A. On Tab 4 of the IRM model, the Total Metered kW and kW for Non-RPP Customers in Street Lighting class are showing 7,662. This is the metered consumption data populated from Tillsonburg Hydro's 2014 RRR 2.1.5.4 filing. OEB staff notes that in Tillsonburg Hydro's 2013 CoS – Load Forecast, the CDM adjusted kW in Street Lighting class was only 3,829 kW (half of its 2014 kW consumption).

Please review and confirm the accuracy of 2014 kW consumption data in Street Lighting class.

** Auto Populated by Rate Generator from most recent RRR Filing **							
Rate Class	Unit	Total Metered kWh	Total Metered kW	Billed kWh for Non-RPP Customers	Estimated kW for Non-RPP Customers	Billed kWh for Wholesale Market Participants	Billed kW for Wholesale Market Participants
RESIDENTIAL SERVICE CLASSIFICATION	kWh	49,053,798	0	3,531,498	0	0	0
GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION	kWh	21,676,169	0	16,860,941	0	0	0
GENERAL SERVICE 50 TO 499 KW SERVICE CLASSIFICATION	kW	43,737,801	128,966	43,737,801	128,966	0	0
GENERAL SERVICE 500 TO 1,499 KW SERVICE CLASSIFICATION	kW	42,316,827	103,409	42,316,828	103,409	0	0
GENERAL SERVICE EQUAL TO OR GREATER THAN 1,500 KW SERVICE CLASSIFICATION	kW	36,630,597	67,586	36,630,597	67,586	0	0
UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION	kWh	386,568	0	386,568	0	0	0
SENTINEL LIGHTING SERVICE CLASSIFICATION	kW	97,502	286	97,502	286	0	0
STREET LIGHTING SERVICE CLASSIFICATION	kW	1,404,708	7,662	1,404,709	7,662	0	0
Total		195,303,970	307,909	144,966,444	307,909	0	0

B. Section 3.2.5.2 of Chapter 3 (Filing Requirements for Electricity Transmission and Distribution Applications dated July 16, 2015) states that:

“As a new addition for 2016 applications, a distributor must now provide a description of its settlement process with the IESO or host distributor. It must specify the GA rate it uses when billing its customers (1st estimate, 2nd estimate or actual) for each rate class, itemize its process for providing consumption estimates to the IESO, and describe the true-up process to reconcile estimates of RPP and non-RPP consumption once actuals are known. The description should detail the distributor’s method for estimating RPP and non-RPP consumption, as well as its treatment of embedded generation or any embedded distribution customers. Distributors are reminded that they are expected to use accrual accounting.”

“Any distributor who serves any eligible Class A customers is asked to identify the number of Class A customers it served in 2014 and is serving as of July 1, 2015, if different. If more than two Class A customers are served, the distributor must report the combined peak demand factor of its Class A customers for each period.

A distributor with one of these newly Class A-eligible customers should also propose an appropriate allocation for the recovery of the global adjustment variance balance based on their settlement process with the IESO or host distributor for any residual GA variance balances that might have accrued prior to those customers being classified as Class A customers. This information will be used to inform future disposition of GA variance account balances.”

- i. Please confirm which GA rate Tillsonburg Hydro uses when billing its customers.
- ii. Please also confirm whether or not Tillsonburg Hydro serves any class A customers.

Interrogatory #3

Ref: IRM model – Tab 15 – Rev2Cost_GDPIDI – Stretch Factor Group

- A. On Tab 15 of the IRM model, the Stretch Factor Group that Tillsonburg Hydro entered is “Group III” (with associated stretch factor of 0.30%). However, according to Table 5 of “Empirical Research in Support of Incentive Rate-Setting: 2014 Benchmarking Update”¹, the stretch factor that has been assigned to Tillsonburg Hydro is 0.45% (Group IV).

Please confirm the correct stretch factor group of Tillsonburg Hydro and update the IRM model.

Incentive Regulation Model for 2015 Filers							
If applicable, please enter any adjustments related to the revenue to cost ratio model into columns C and E. The Price Escalator and Stretch Factor have been set at the 2015 values and will be updated by Board staff at a later date.							
Price Escalator		2.10%	Productivity Factor	0.00%	# of Residential Customers	6,042	(last CoS Approved Billing Determina
Choose Stretch Factor Group		III	Price Cap Index	1.80%	Billed kWh	49,906,667	
Associated Stretch Factor Value		0.30%			Rate Design	5	
					Transition Years Left		
Rate Class	Current MFC	MFC Adjustment from R/C Model	Current Volumetric Charge	DVR Adjustment from R/C Model	Price Cap Index to be Applied to MFC and DVR	Proposed MFC	Proposed Volumetric Charge
RESIDENTIAL SERVICE CLASSIFICATION	10.25		0.0242		1.80%	13.82	0.0197
GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION	25.60		0.0179		1.80%	26.06	0.0182
GENERAL SERVICE 50 TO 499 KW SERVICE CLASSIFICATION	133.14		2.0135		1.80%	135.54	2.0497
GENERAL SERVICE 500 TO 1,499 KW SERVICE CLASSIFICATION	1,384.64		1.0438		1.80%	1,409.56	1.0626
GENERAL SERVICE EQUAL TO OR GREATER THAN 1,500 KW SEF	1,949.36		1.8418		1.80%	1,984.45	1.8750
UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION	7.11		0.0124		1.80%	7.24	0.0126
SENTINEL LIGHTING SERVICE CLASSIFICATION	2.43		21.2806		1.80%	2.47	21.6637
STREET LIGHTING SERVICE CLASSIFICATION	1,727.06		8.2401		1.80%	1,758.15	8.3884
microFIT SERVICE CLASSIFICATION	5.40					5.40	

Interrogatory #4

Updates to IRM Model made by OEB staff

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

A. 2016 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;

¹ “Empirical Research in Support of Incentive Rate-Setting: 2014 Benchmarking Update”, issued in July 2015 by Pacific Economics Group Research, LLC

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).

B. Tab 18: Bill Impacts – Ontario Clean Energy Benefit (OCEB) and Debt Retirement Charge (DRC) to Residential Class

Tillsonburg Hydro's 2016 electricity distribution rates are effective on May 1, 2016. Therefore, the "Current Board-Approved" section of the individual bill impact table should include the rates as of April 30, 2016 (the day before the effective date). The OCEB was ended on December 31, 2015, and it should not be applicable to any individual bill impact table. OEB staff has changed the "OCEB Applicable?" option from "Yes" to "No" for all customer classes.

Also, as the DRC was removed from Residential customers' bills after December 31, 2015, the model has been fixed to show \$0 DRC rate under Current Board-Approved section for Residential Classification.