



January 20, 2016

Ontario Energy Board
P.O. Box 2319
27th Floor, 2300 Yonge Street
Toronto, Ontario M4P 1E4
Attention: Board Secretary

Dear Ms. Walli:

**RE: TILLSONBURG HYDRO INC.
2016 IRM Electricity Distribution Rate Application – EB-2015-0104
VECC Interrogatory Responses**

Please find attached responses to VECC interrogatories.

Should you have any questions, please do not hesitate to contact me.

Yours truly,

Ian McKenzie
Finance Regulatory Affairs Manager

CORPORATE OFFICE

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EB-2015-0104

**Tillsonburg Hydro Inc. (Tillsonburg)
Application for electricity distribution rates and other charges
effective May 1, 2016.**

Interrogatories of the Vulnerable Energy Consumers Coalition

Mitigation of the Impact of the Shift to Fixed Rates

VECC Interrogatory #1

Ref: Excel Rate Model: Tillsonburg_2016_IRM_RateGen_Model THI_20151105, Sheet 18

Preamble: VECC seeks to understand the total bill impact on May 1, 2016 compared to December 31, 2015.

a) Please revise the bill impact analysis (Sheet 18) to incorporate the following:

- The inclusion of the Debt Retirement Charge of \$0.0077 in 2015 along with elimination in 2016
- The inclusion of the Ontario Clean Energy Benefit (OCEB) for 2015 along with elimination in 2016, at 10% on total bill
- The addition of the Ontario Electricity Support Program (OESP) charge of \$0.0011 per kWh in 2016 (EB-2015-0294)
- The change in the wholesale market service (WMS) rate to \$0.0036 per kWh (EB-2015-0294)
- The 2016 Remote Electricity Rate Protection (RRRP) charge of \$0.0013 per kWh

THI Response

As part of the responses to Board Staff IR's, THI has provided a revised IRM model. This model incorporates:

- An exclusion of DRC from both the "current approved" and "proposed rates"
 - This was changed by OEB staff, THI will not be providing a DRC rate of \$0.077 in 2015 as requested, as this seems contrary to OEB staff guidance on rate impact analysis as discussed in Board Staff IR # 4b and associated responses
- An exclusion of OCEB from both the "current approved" and "proposed rates"
 - This was changed by OEB staff, THI will not be providing an OCEB discount of 10% in 2015 as requested, as this seems contrary to OEB staff guidance on rate impact analysis as discussed in Board Staff IR # 4b and associated responses
- OESP has been included as requested
- Changes to the WMS and RRA rates as requested

- b) Please provide the transition period to fully fixed rates for the 310 kWh consumption residential customer when the total bill impacts provided in part (a) are taken into consideration and a total bill impact of less than 10% is achieved.

THI Response

After the discussed changes to the IRM model (both OEB Staff and VECC), a less than 10% bill impact can be achieved by using a 4 year fully fixed transition period. This is lower than the 5-year period applied for in the original filing. THI is proposing to use a 5-year transition period as originally filed.