

IN THE MATTER OF the Ontario Energy Board Act, 1998;

AND IN THE MATTER OF an application by Oshawa PUC Networks Inc. for an order approving or fixing just and reasonable rates and other charges for the distribution of electricity for the 2017 rate year.

APPLICATION

Pursuant to section 78 of the Ontario Energy Board Act, 1998, Oshawa PUC Networks Inc. (“OPUCN”) seeks an Order of the Board establishing distribution rates and specific service charges effective January 1, 2017.

OPUCN is an electricity distribution company that provides distribution service to customers in the City of Oshawa.

The Ontario Energy Board (“the Board”) issued its Decision and Order on November 12, 2015 which approved a five year custom rate plan for OPUCN, approving 2015, 2016 and 2017 rates on a final basis, and 2018 and 2019 rates on an interim basis. The Board issued the final Rate Order for rates effective January 1, 2016 on December 22, 2015.

Consistent with the Decision and Order, the Tariff of Rates and Charges for 2017 may need to be adjusted to reflect the requirement to dispose of certain generic variance account balances related to pass-through costs. In addition, there may be a need to update the Retail Transmission Service rates for 2017. This submission requests the update to the 2017 approved Tariff of Rates and Charges.

OPUCN followed sections 3.2.4 *Electricity Distribution Retail Transmission Service Rates*, and section 3.2.5 *Review and Disposition of Group 1 Deferral and Variance Account Balances* from the July 14, 2016 *Chapter 3 Filing Requirements For Electricity Distribution Rate Applications - 2016 Edition for 2017 Rate Applications* in order to prepare this update to rates.

The persons affected by this Application are the ratepayers of OPUCN’s Distribution business. It is impractical to set out their names and addresses because they are too numerous.

OPUCN requests that a copy of all documents filed with the Board in this proceeding be served on the Applicant as follows:

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Manager's Summary

Introduction

OPUCN filed a Cost of Service application with the Board which resulted in 2015, 2016 and 2017 rates on a final basis, and 2018 and 2019 rates on an interim basis. In accordance with the Board's Decision and Order issued on November 12, 2015, which approved OPUCN's five year custom rate plan, OPUCN is filing a request to adjust 2017 rates.

In this application OPUCN proposes rate adjustments based on:

- The approved adjustment to Retail Transmission Service and Connection costs.

In preparing this application, OPUCN has relied on direction from the Board contained in:

- Chapter 3 of the Filing Requirements for Electricity Distribution Rate Applications as revised July 14, 2016;
- Board approved Deferral and Variance Account (Continuity Schedule) Work Form (Version 2.7 – updated July 21, 2016);
- Board approved 2017 RTSR Work Form for Electricity Distributors (Version 1.1 – updated July 11, 2016).

Chapter 3 Filing Requirements for Rate Applications for 2017 Rates

OPUCN has followed the Board's instructions in completing the EDDVAR Continuity and RTSR Workforms ("Model") as outlined in sections 3.2.5 and 3.2.4, respectfully, in the Board's 2017 Chapter 3 Filing Requirements for Electricity Distribution Rate Applications. The resulting rate adjustments are detailed below.

Deferral & Variance Account Rate Rider

The Deferral & Variance Account rate rider was calculated using the Deferral & Variance Account Worksheet provided by the Board. The Worksheet is attached to this Application.

The Group 1 amounts are as follows.

Group 1 Account	Account Number	Total Claim
Smart Metering Entity Charge Variance Account	1551	(\$10,071)
RSVA - Wholesale Market Service Charge	1580	(\$1,984,835)
RSVA - Retail Transmission Network Charge	1584	\$1,577,511
RSVA - Retail Transmission Connection Charge	1586	(\$654,161)
RSVA - Power (excluding Global Adjustment)	1588	\$778,593
RSVA - Global Adjustment	1589	(\$213,007)
Total		(\$505,969)

Threshold Test	
Total Claim for Threshold Test (All Group 1 Accounts)*	(\$505,969)
Forecasted Annual kwh	1,107,833,051
Threshold Test (Total claim per kWh)	(\$0.0005)

* *Disposition and Recovery/Refund of Regulatory Balances*, Account 1595, is a Group 1 Account. It is not included in the threshold test as it includes balances previously approved for disposition by the Board. As of December 31, 2014, the Board approved the disposition of all Group 1 accounts plus projected interest to December 31, 2015, for a total of \$4,909,177. This balance was transferred to Account 1595 to track recovery via approved rate riders. The test is applied to remaining Group 1 account balances.

The Report of the Board on Electricity Distributors' Deferral and Variance Account Review Report (the "EDDVAR Report") provides that during the IRM plan term, the distributor's Group 1 audited account balances will be reviewed and disposed if the pre-set disposition threshold of \$0.001 per kWh (debit or credit) is exceeded. The OPUCN Group 1 balances result in a total claim per kWh lower than the pre-set threshold of \$0.001 per kWh and as such no disposition of these balances is requested at this time.

RTSR Adjustment

OPUCN has used the RTSR Adjustment Worksheet to calculate new rates for Network and Connection charges.

The proposed new rates are shown below.

Rate Class	Unit	2017 Proposed RTSR-Network	2017 Proposed RTSR-Connection
Residential	kWh	0.0074	0.0062
General Service Less Than 50 kW	kWh	0.0069	0.0057
General Service 50 to 999 kW	kW	2.4961	2.0069
General Service 50 to 999 kW - Interval Metered	kW	3.1993	2.5494
General Service 1,000 to 4,999 kW - Interval Metered	kW	3.1993	2.5494
Large Use > 5000 kW	kW	3.4089	2.7817
Unmetered Scattered Load	kWh	0.0069	0.0057
Sentinel Lighting	kW	1.7217	2.3559
Street Lighting	kW	1.6925	2.3160

The following table illustrates the change from the Board's approved 2017 Network and Connection rates, as part of the Decision and Order issued November 12, 2015, and the proposed 2017 Network and Connection Rates.

Rate Class	Unit	2017 Approved RTSR-Network	2017 Proposed Change to RTSR-Network	Change
Residential	kWh	0.0078	0.0074	(0.0004)
General Service Less Than 50 kW	kWh	0.0072	0.0069	(0.0003)
General Service 50 to 999 kW	kW	2.6140	2.4961	(0.1179)
General Service 50 to 999 kW - Interval Metered	kW	3.3504	3.1993	(0.1511)
General Service 1,000 to 4,999 kW - Interval Metered	kW	3.3504	3.1993	(0.1511)
Large Use > 5000 kW	kW	3.5699	3.4089	(0.1609)
Unmetered Scattered Load	kWh	0.0072	0.0069	(0.0003)
Sentinel Lighting	kW	1.8030	1.7217	(0.0813)
Street Lighting	kW	1.7724	1.6925	(0.0799)

Rate Class	Unit	2017 Approved RTSR-Connection	2017 Proposed Change to RTSR- Connection	Change
Residential	kWh	0.0062	0.0062	(0.0000)
General Service Less Than 50 kW	kWh	0.0057	0.0057	0.0000
General Service 50 to 999 kW	kW	2.0181	2.0069	(0.0113)
General Service 50 to 999 kW - Interval Metered	kW	2.5637	2.5494	(0.0143)
General Service 1,000 to 4,999 kW - Interval Metered	kW	2.5637	2.5494	(0.0143)
Large Use > 5000 kW	kW	2.7973	2.7817	(0.0156)
Unmetered Scattered Load	kWh	0.0057	0.0057	0.0000
Sentinel Lighting	kW	2.3691	2.3559	(0.0132)
Street Lighting	kW	2.3290	2.3160	(0.0130)

List of Attachments

Rate Sheets

1. Proposed 2017 Rate Sheet (changes to RTSR rates)

Model & Worksheets

1. Deferral & Variance Accounts Workform
2. RTSR Adjustment Workform