OAKVILLE HYDRO

November 10, 2016

Kirsten Walli
Board Secretary
Ontario Energy Board,
2300 Yonge St.
Suite 2700, P.O. Box 2319
Toronto, ON M4P 1E4

Dear Ms. Walli:

Re: Oakville Hydro
2017 Distribution Rate Adjustment Application, OEB File No. EB-20156-0097
Interrogatory Responses

Please find accompanying this letter, two copies of Oakville Hydro's responses to OEB staff interrogatories received in the above noted proceeding.

Should there be any questions, please do not hesitate to contact me.

Respectfully submitted,

Original Signed By

Maryanne Wilson
Director, Regulatory and Compliance
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Oakville Hydro Electricity Distribution Inc.

2017 Price Cap IR Application (EB-2016-0097)

Response to OEB Staff Interrogatories

Question #1

Ref: IRM Model – Tab 3: Account 1580 Variance WMS – Sub-account CBR Class B

On tab 3 of the 2017 IRM model, it's noted that the balance in account 1580 sub-account CBR Class B is not included in total group 1 disposition. (The checkbox in cell BT25 is unchecked). Oakville Hydro has Class A customers. Its 1580 sub-account CBR Class balance, as indicated in the model, will be disposed through a rate rider calculated outside the model if significant.

a) Please confirm whether or not Oakville Hydro proposes to dispose the credit balance of $11,196 in account 1580 sub-account CBR Class B in the 2017 IRM process.

Response:

Oakville Hydro confirms that if is not proposing to dispose the credit balance of $11,196 in account 1580 sub-account CBR Class B in the 2017 IRM process.

b) If your answer to a) is yes, please provide the associated rate rider (to be entered on tab 18 "Additional Rates" of the model) and its calculation.

Response:

Oakville Hydro is not proposing to dispose of the balance in 1580 sub-account CBR Class B.

c) If your answer to a) is no (including the scenario where the balance is not significant to be disposed), the checkbox in cell BT25 on tab 3 should be left unchecked to exclude the balance in 1580 sub-account CBR Class B from total group 1 disposition. And the balance in this sub-account should be moved to account 1595 for future disposition.

Response:

Oakville Hydro confirms that the balance in account 1580 sub-account CBR Class B is not significant and notes that the rate riders calculated are zero at four decimal places. The checkbox in cell BT25 on tab 3 has been left unchecked to exclude the balance in 1580 sub-account CBR Class B from total group 1 disposition. Oakville Hydro will transfer the balance in sub-account CBR Class B into account 1595(2017) to be disposed in the future proceeding.

Question #2

Ref: Manager's Summary – page 10 Wholesale Market Participant (WMP)

In this section of the Manager's Summary, Oakville Hydro notes that there's one customer enrolled as a wholesale market participant on April 5, 2012. In Oakville Hydro's view, this WMP customer only contributed to a small portion of the remaining balance in account 1595 (2014) in amount of $29. Oakville Hydro is not proposing that account 1595 (2014) be allocated between non-WMP and WMP customers.

a) Please confirm that Oakville Hydro's above proposal is to allocate the balance in account 1595 (2014) only to non-WMP customers.

Response:

Oakville Hydro confirms that it is proposing to allocate the balance in account 1595 (2014) to non-WMP customers .

b) As shown on tab 5 of the IRM model, the account 1595 (2014) balance allocated to 50 – 999 kW class (where Oakville Hydro has this WMP customer) is $10,179. OEB staff calculated the share of this amount that will be recovered from the WMP customer in 2017 based on the demand:

8,839 kW / 1,655,668 kW = 0.0053 x $10,179 = $54.34

Therefore, without any change to account allocation, the total amount that will be recovered from this WMP customer will be around $54 which is only $25 more than what Oakville Hydro stated in the manager's summary. OEB staff notes this variance is immaterial and no change to the model or the allocation method is needed.

Please review and confirm if Oakville Hydro agrees that no change to account 1595 (2014) allocation is required.

Response:

Oakville Hydro confirms that no change to account 1595 (2014) allocation is required.

Question #3

Ref: IRM Model – Tab 6a: input of total Class B consumption in 2015

As per tab 6 of Oakville Hydro's IRM model, the total non-RPP (excluding WMP) consumption in 2015 was 761,659,427 kWh (column C). The total Class A (including both full-year and half-year Class A customers) consumption in 2015 was 26,512,998 kWh (column D). The difference between these two numbers, **765,146,429** kWh represents the total Class B consumption in 2015. However, the total Class B consumption amount for 2015 that Oakville entered on tab 6a was **765,336,238** kWh. It cannot be reconciled with the data on tab 6.

a) Please check the consumption data source and confirm what the correct total Class B consumption in 2015 is.

Response:

Oakville Hydro confirms that the correct total Class B consumption in 2015 is 765,146,429 kWh as shown in the table below.

Year of Group 1 Account Balance Last Disposed	2012	(e.g. If in the 2015 EDR process, you received approval to dispose the GA variance account balance as of December 31, 2013, please enter 2013 in cell B16.)

Allocation of total Non-RPP consumption (kWh) between Class B and New Class A (Former Class B) customers

		Total	2015	2014	2013
Total Class B Consumption for Years Since Last Disposition (Non-RPP consumption LESS WMP and Class A)	A	2,262,524,989	765,146,429	763,749,071	733,629,489
New Class A Customer(s)' Former Class B Consumption	B	130,437,771	26,323,189	53,368,831	50,745,751
Portion of Consumption of Former Class B Customers	C=B/A	**5.77%**			

b) Please also review and confirm the total Class B consumption numbers for 2014 and 2013.

Tab 6a:

Year of Group 1 Account Balance Last Disposed	2012	(e.g. If in the 2015 EDR process, you received approval to dispose the GA variance account balance as of Decembe

Allocation of total Non-RPP consumption (kWh) between Class B and New Class A (Former Class B) customers

		Total	2015	2014	2013
Total Class B Consumption for Years Since Last Disposition (Non-RPP consumption LESS WMP and Class A)	A	2,158,600,216	765,336,238	710,380,239	682,883,739
New Class A Customer(s)' Former Class B Consumption	B	130,437,771	26,323,189	53,368,831	50,745,751
Portion of Consumption of Former Class B Customers	C=B/A	**6.04%**			

Tab 6:

The purpose of this tab is to calculate the GA rate riders for all current Class B customers of the distributor.
Effective January 2017, the billing determinant and all rate riders for the disposition of GA balances will be calculated on an energy ba
Chapter 3, Filing Requirements, section 3.2.5.2)

		Total Metered Non-RPP consumption minus WMP	Total Metered Class A Consumption in 2015 (partial and/or full year Class A customers)*	To for M the Cl
		kWh	kWh	
RESIDENTIAL SERVICE CLASSIFICATION	kWh	17,040,398		
CLASSIFICATION	kWh	27,796,557		
GENERAL SERVICE 50 to 999 kW SERVICE CLASSIFICATION	kWh	519,339,464		
CLASSIFICATION	kWh	172,283,044	26,512,998	
UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION	kWh	0		
SENTINEL LIGHTING SERVICE CLASSIFICATION	kWh	0		
STREET LIGHTING SERVICE CLASSIFICATION	kWh	12,360,408		
EMBEDDED DISTRIBUTOR SERVICE CLASSIFICATION	kWh	42,839,555		
Total		791,659,427	26,512,998	

Response:

Oakville Hydro confirms that the correct total Class B consumption in 2014 and 2013 is 763,749,071 and 733,629,489 as shown in the table provided in response to part a.

Question #4

Ref: IRM Model – Tab 12: Uniform Line Connection rate and Hydro One Sub-transmission rates

The IRM model calculates the historical wholesale RTSR rates using the "Unit Billed" and "Amount" data entered on tab 12. These calculated rates should match the approved UTR and Hydro One Sub-transmission rates on tab 11. Please provide explanation to the following discrepancies.

a) Cell I20 to I30 (February to December 2015). The approved uniform line connection rate for 2015 is 0.86. The model displays 0.87 for February to December.

Response:

Oakville Hydro requests that OEB staff correct the "Unit Billed" for Line Connection from February to December as shown in the table below.

IESO	Network			Line Connection			Transformation Connection			Total Line
Month	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Amount
January	209,150	$3.78	$ 790,587	211,965	$0.86	$ 182,290	180,920	$2.00	$ 361,840	$ 544,130
February	231,978	$3.78	$ 876,877	247,050	$0.86	$ 212,463	212,229	$2.00	$ 424,458	$ 636,921
March	209,333	$3.78	$ 791,279	223,420	$0.86	$ 192,141	193,128	$2.00	$ 386,256	$ 578,397
April	176,667	$3.78	$ 667,801	196,612	$0.86	$ 169,086	161,525	$2.00	$ 323,050	$ 492,136
May	228,274	$3.78	$ 862,876	233,002	$0.86	$ 200,382	196,629	$2.00	$ 393,258	$ 593,640
June	215,313	$3.78	$ 813,883	223,621	$0.86	$ 192,314	189,769	$2.00	$ 379,538	$ 571,852
July	263,926	$3.78	$ 997,640	268,454	$0.86	$ 230,870	224,808	$2.00	$ 449,616	$ 680,486
August	253,052	$3.78	$ 956,537	263,468	$0.86	$ 226,582	220,840	$2.00	$ 441,680	$ 668,262
September	265,277	$3.78	$ 1,002,747	279,979	$0.86	$ 240,782	236,990	$2.00	$ 473,980	$ 714,762
October	175,527	$3.78	$ 663,492	200,346	$0.86	$ 172,298	170,762	$2.00	$ 341,524	$ 513,822
November	193,701	$3.78	$ 732,190	211,803	$0.86	$ 182,151	165,841	$2.00	$ 331,682	$ 513,833
December	211,774	$3.78	$ 800,506	233,407	$0.86	$ 200,730	191,069	$2.00	$ 382,138	$ 582,868
Total	2,633,972	$ 3.78	$ 9,956,414	2,793,127	$ 0.86	$ 2,402,089	2,344,510	$ 2.00	$ 4,689,020	$ 7,091,109

b) Cell E42 and M42. Oakville Hydro notes in the Manager's Summary that the discrepancies are due to the proration of Hydro One's rates in May 2015. Please provide more explicit explanation.

ensure that both the Line Connection and Transformation Connection columns are completed.
If any of the Hydro One Sub-transmission rates (column E, I and M) are highlighted in orange, please double check the billing data entered in "Units Billed" and "Amount" columns. The highlighted rates do not match the Hydro One Sub-transmission rates approved for that time period. If data has been entered correctly, please provide explanation for the discrepancy in rates.

IESO	Network			Line Connection			Transformation Connection			Total Line
Month	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Amount
January	209,150	$3.78	$ 790,587	211,965	$0.86	$ 182,290	180,920	$2.00	$ 361,840	$ 544,130
February	231,978	$3.78	$ 876,877	244,210	$0.87	$ 212,463	212,229	$2.00	$ 424,458	$ 636,921
March	209,333	$3.78	$ 791,279	220,852	$0.87	$ 192,141	193,128	$2.00	$ 386,256	$ 578,397
April	176,667	$3.78	$ 667,801	194,352	$0.87	$ 169,086	161,525	$2.00	$ 323,050	$ 492,136
May	228,274	$3.78	$ 862,876	230,324	$0.87	$ 200,382	196,629	$2.00	$ 393,258	$ 593,640
June	215,313	$3.78	$ 813,883	221,051	$0.87	$ 192,314	189,769	$2.00	$ 379,538	$ 571,852
July	263,926	$3.78	$ 997,640	[illegible]	$0.87	$ 230,870	224,808	$2.00	$ 449,616	$ 680,486
August	253,052	$3.78	$ 956,537	[illegible]	$0.87	$ 226,582	220,840	$2.00	$ 441,680	$ 668,262
September	265,277	$3.78	$ 1,002,747	276,761	$0.87	$ 240,782	236,990	$2.00	$ 473,980	$ 714,762
October	175,527	$3.78	$ 663,492	198,043	$0.87	$ 172,298	170,762	$2.00	$ 341,524	$ 513,822
November	193,701	$3.78	$ 732,190	209,368	$0.87	$ 182,151	165,841	$2.00	$ 331,682	$ 513,833
December	211,774	$3.78	$ 800,506	230,724	$0.87	$ 200,730	191,069	$2.00	$ 382,138	$ 582,868
Total	2,633,972	$ 3.78	$ 9,956,414	2,763,458	$ 0.87	$ 2,402,089	2,344,510	$ 2.00	$ 4,689,020	$ 7,091,109

Hydro One	Network			Line Connection			Transformation Connection			Total Line
Month	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Amount
January	53,838	$3.23	$ 173,898		$0.00		53,838	$1.62	$ 87,218	$ 87,218
February	54,855	$3.23	$ 177,181		$0.00		54,855	$1.62	$ 88,865	$ 88,865
March	54,012	$3.23	$ 174,457		$0.00		54,400	$1.62	$ 88,128	$ 88,128
April	45,850	$3.23	$ 148,095		$0.00		45,850	$1.62	$ 74,277	$ 74,277
May	57,697	$3.28	$ 189,364		$0.00		57,697	$1.67	$ 96,466	$ 96,466
June	63,228	$3.41	$ 215,742		$0.00		63,228	$1.80	$ 113,925	$ 113,925
July	79,535	$3.41	$ 271,380		$0.00		79,535	$1.80	$ 143,306	$ 143,306
August	78,095	$3.41	$ 266,467		$0.00		78,095	$1.80	$ 140,711	$ 140,711
September	77,895	$3.41	$ 265,785		$0.00		77,895	$1.80	$ 140,351	$ 140,351
October	59,328	$3.41	$ 202,434		$0.00		59,328	$1.80	$ 106,898	$ 106,898
November	42,957	$3.41	$ 146,574		$0.00		42,957	$1.80	$ 77,400	$ 77,400
December	46,377	$3.41	$ 158,242		$0.00		74,979	$1.80	$ 134,972	$ 134,972
Total	713,667	$ 3.35	$ 2,389,619	-	$ -	$ -	742,588	$ 1.74	$ 1,292,516	$ 1,292,516

Response:

Hydro One's billing period does not coincide with the calendar month. In May 2015, Hydro One's rates changed. Therefore, the invoice for May 2015 is prorated based on rates effective May 1, 2014 rates for the latter part of April and rates effective May 1, 2015 beginning on May 1, 2015.

Question #5

Ref: Manager's Summary – page 12 Request to Establish a Deferral Account; Appendix 4 Draft Rate Order

In the 2017 IRM application, Oakville Hydro requests to establish a deferral account to allow it to record the net incremental costs associated with the implementation of monthly billing.

a) On page 13 of the manager's summary, it states that Oakville Hydro estimated that the incremental costs associated with the transition to monthly billing will be $580,000. It includes

the costs associated with incremental internal and external resources, ongoing mailing costs and the cost of preparing a lead lag study.

i) Has Oakville Hydro incurred any of the costs related to the transition to monthly billing yet? If not, when does Oakville Hydro plan to incur these costs?

Response:

Oakville Hydro had anticipated hiring one additional employee to process the increase in the number of bills issued. However, Oakville Hydro has had to add two employees to its Customer Services and Billing Department to accommodate the increase in the number of calls to Oakville Hydro's Customer Service department. Oakville Hydro began the transition to monthly billing in mid-August and has been incurring incremental postage and mailing costs since then.

ii) Please provide a breakdown of the $580,000 by the type of costs.

Response:

In preparing for monthly billing, Oakville Hydro estimated that it would incur incremental one-time costs of $110,000 and incremental ongoing costs of $470,000 as shown in the table below.

Incremental Costs Associated with Monthly Billing	Amount
One Time Costs:	
Incremental staffing costs	$ 42,500
Customer Communication	2,500
System upgrades and review	25,000
Implementation of third party billing	15,000
Lead Lag Study	25,000
Sub-total	110,000
Ongoing Costs:	
Postage and mailing costs until scheduled rebasing	470,000
Total Costs	$ 580,000

One-time Costs

In order to accommodate the increase in the number of bills, Oakville Hydro planned to hire one additional employee on a temporary basis. It was also expected that there would be an increase in overtime during the initial rollout period. In addition, Oakville Hydro engaged its Customer Information System ("CIS") provider to review its processes and recommend changes in order to optimize the efficiency of existing staff and implement changes to its billing system to enable it to perform mass updates of billing parameters.

In its application, Oakville Hydro acknowledged that the transition to monthly billing is expected to improve cash flows and reduce working capital costs. For the purpose of establishing materiality, Oakville Hydro prepared a very high-level estimate of its working capital allowance. Oakville Hydro will consider conducting a lead lag study to determine the impact of monthly billing on its working capital allowance.

Incremental Costs Associated with Monthly Billing	Amount
One Time Costs:	
Incremental staffing costs	$ 42,500
Customer Communication	2,500
System upgrades and review	25,000
Implementation of third party billing	15,000
Lead Lag Study	25,000
Sub-total	110,000
Ongoing Costs:	
Postage and mailing costs until scheduled rebasing	470,000
Total Costs	$ 580,000

Ongoing Costs:

Oakville Hydro will incur ongoing incremental costs associated with postage and mailing until its next cost of service rebasing.

iii) Please explain what the costs for "incremental internal and external resources" are.

Response:

As discussed in response to part ii of this question, Oakville Hydro has incurred incremental costs associated with the hiring of two temporary employees and overtime payments for existing staff during the initial roll-out period. Oakville Hydro has also incurred incremental costs for external resources related to the outsourcing of its bill print and mailing function, system upgrades and a process review.

iv) Per the Notice of Amendment to the DCS dated April 15, 2015, any deferral account related to the costs associated with the transition to monthly billing would be for incremental administration costs. Please explain how the cost of a lead-lag study would qualify as incremental administration cost and explain why Oakville proposes to include this cost into the deferral account.

Response:

As discussed in part ii of this question, Oakville Hydro has acknowledged that the transition to monthly billing is expected to improve cash flows and reduce working capital costs. However, Oakville Hydro has prepared a very high-level estimate of its working capital allowance and therefore it may be necessary to conduct a lead lag study to determine the impact of monthly billing on the working capital allowance.

v) In the draft Accounting Order, Oakville Hydro indicates that the account will also record "other miscellaneous costs associated with the transmission to monthly billing". Please explain what the other miscellaneous costs would include.

Response:

Oakville Hydro has not included any miscellaneous costs associated with monthly billing in its estimate of $580,000. The proposal to record other miscellaneous costs associated with monthly billing was intended to include any unanticipated costs that arise.

b) Oakville Hydro has estimated that it could possibly experience a reduction of 22% (same as what Hydro Ottawa reported that it experienced) or $40,000 in bad debts after the implementation of monthly billing. Please explain why Oakville Hydro believes that the reduction of 22% that Hydro Ottawa experienced could be a reasonable indicator for Oakville Hydro.

Response:

As discussed in the application, Oakville Hydro estimated that that it could possibly experience a reduction of 22% or $40,000 in bad debts based on Hydro Ottawa's experience for the purpose of assessing materiality. Oakville Hydro will assess the amount to be included in the variance account based upon its own experience.

c) Oakville Hydro has estimated the offsetting reduction in working capital allowance will be $155,000. Please provide the derivation of this reduction amount of $155,000 (the derivation should demonstrate the reduction is a result of the implementation of monthly billing but not other factors).

Response:

As discussed in the application, Oakville Hydro based its high-level estimate of 11.7% for its working capital allowance on the OEB's default working capital allowance of 7.5%, adjusted for Oakville Hydro's unique arrangement with the IESO to make weekly payments for the cost of power.

The savings are derived from the difference between Oakville Hydro's approved working capital allowance of 13% and Oakville Hydro's high-level estimate of 11.7%. Oakville Hydro will consider conducting a lead lag study in order to determine its own specific working capital allowance once it has sufficient data based on monthly billing.

Working Capital Allowance	13% WCA	11.7% WCA
Controllable Expenses	18,149,202	18,149,202
Cost of Power	170,915,015	170,915,015
Working Capital Base	189,064,217	189,064,217
Working Capital Rate	13%	11.7%
Working Capital Allowance	24,578,348	22,182,631
Return on Working Capital Allowance	1,585,303	1,430,780
Savings		154,524

d) Please provide two versions of Table 6 on page 14 of the manager's summary which are expected to show the total dollar values of the working capital allowance before and after the implementation of monthly billing.

Response:

Oakville Hydro has provided two versions of table 6 below. Oakville Hydro has changed the Service Lag to 30.5 to reflect bi-monthly billing. The results suggest that Oakville Hydro's current working capital allowance rate is 15.91%. However, Oakville Hydro's rates are based on a working capital allowance rate of 13%. Therefore, Oakville Hydro submits that it is appropriate to include the difference between the working capital allowance factored into rates and the working capital allowance after the implementation of monthly billing into the deferral account.

High Level Working Capital Allowance - Bi Monthly Billing

Elements of Working Capital	Service	Billing	Collection	Processing	Total	Lead Days	Net Days	Weighting Factor	Weighted Lead/Lag Days	Working Capital Factor
1. Cost of Power	30.5	17.5	22.0	1.4	71.4	(14.1)	57.2	82.8%	47.40	
2. Payroll	30.5	17.5	22.0	1.4	71.4	(9.4)	62.0	5.2%	3.22	
3. Other OM&A	30.5	17.5	22.0	1.4	71.4	(7.8)	63.6	2.8%	1.78	
4. PILs	30.5	17.5	22.0	1.4	71.4	(29.1)	42.3	9.2%	3.89	
5. Sub Total								100.0%	56.29	15.41%
6. HST									0.5%	0.50%
7. Total										15.91%

High Level Working Capital Allowance - Monthly Billing										
Elements of Working Capital	Service	Billing	Collection	Processing	Total	Lead Days	Net Days	Weighting Factor	Weighted Lead/Lag Days	Working Capital Factor
1. Cost of Power	15.2	17.5	22.0	1.4	56.1	(14.1)	42.0	82.8%	34.76	
2. Payroll	15.2	17.5	22.0	1.4	56.1	(9.4)	46.7	5.2%	2.43	
3. Other OM&A	15.2	17.5	22.0	1.4	56.1	(7.8)	48.3	2.8%	1.35	
4. PILs	15.2	17.5	22.0	1.4	56.1	(29.1)	27.0	9.2%	2.48	
5. Sub Total								100.0%	41.03	11.23%
6. HST									0.5%	0.50%
7. Total										11.73%

e) Oakville Hydro proposes to record offsetting benefits in the reduction in bad debts and improved cash flows into the account. How will Oakville Hydro identify and isolate the reduction in bad debts and improved cash flows that is due to the transition to monthly billing and not due to any other reasons?

Response:

It will not be possible to identify and isolate the reduction in bad debts that is due to the transition to monthly billing and not some other reason. However, attributing any actual reductions in bad debt to monthly billing will benefit the customer.

The change in service lag is attributable to the transition to monthly billing. It will be difficult to determine whether the transition to monthly billing has impacted other factors.

f) Does Oakville Hydro provide billing services for other services (e.g. water)? If yes, please explain how this will impact costs proposed to be recorded in the account.

Response:

Oakville Hydro provides billing services for water and wastewater. Water and wastewater services continue to be billed on a bi-monthly basis. There will be no impact on the costs proposed to be recorded in the account.

g) In the draft Accounting Order (also in the "Prudence" and "Conclusion" sections on p15 of manager's summary), please explain why Oakville Hydro is proposing to establish a variance account not a deferral account.

Response:

Oakville Hydro agrees that it would be appropriate to establish a deferral account rather than a variance account.

h) Please explain why the offsetting journal entry to Account 1508 is Account 4310 Regulatory Credits and not an OM&A account.

Response:

Oakville Hydro has proposed that the entry be recorded to the Regulatory Credits account but will look to Board staff for direction.

i) Please describe Oakville Hydro's efforts to promote e-Billing to its customers.

Response:

Oakville Hydro has launched two campaigns to promote e-bill this year and plans to launch a third campaign before the end of the year. In addition, Oakville Hydro has introduced an incentive program to reward staff for promoting e-Billing.
Staff have been incented all year long as top three every two months receive Ovation points – please note that we have not reviewed this over the past couple of months due to the increased call volumes. As a result, the number of customers registered for e-Billing has increased by 12% since the beginning of the year.

j) Please describe other initiatives that Oakville Hydro has undertaken, or intends to undertake, to manage the costs of monthly billing for all customers.

Response:

As discussed previously, Oakville Hydro engaged its CIS provider to review its processes and recommend changes in order to optimize the efficiency of existing staff. The CIS provider will also implement changes to the billing system to enable Oakville Hydro to perform mass updates of billing parameters.

Oakville Hydro continues to promote e-Billing and automatic payment plans to reduce the costs of providing billing services to its customers. Oakville Hydro will consider requesting the approval of a credit for customers who sign up for e-Billing in its next cost of service application.

Updates to IRM Model made by OEB staff

1. Tab 20: Bill Impacts – RTSR Demand or Demand Interval

OEB staff notes that the Retail Transmission Rates in Oakville Hydro's Embedded Distributor class are demand based and are for non-interval metered customers. In order for the bill impacts tables to populate the current and proposed RTSR rates for this class, "Demand" (instead of "Demand - Interval") needs to be selected in column M in table 1.

OEB staff has updated tab 20 to reflect this change in Oakville Hydro's IRM model.

Table 1

RATE CLASSES / CATEGORIES *(eg: Residential TOU, Residential Retailer)*	Units	RPP? Non-RPP Retailer? Non-RPP Other?	Current Loss Factor (eg: 1.0351)	Proposed Loss Factor	Consumption (kWh)	Demand kW (if applicable)	RTSR Demand or Demand-Interval?	Bi Ur de
RESIDENTIAL SERVICE CLASSIFICATION	kWh	RPP	1.0376	1.0376	750		N/A	
GENERAL SERVICE LESS THAN 50 kW SERVICE CLASSIFICATION	kWh	RPP	1.0376	1.0376	2,000		N/A	
GENERAL SERVICE 50 to 999 kW SERVICE CLASSIFICATION	kW	Non-RPP (Other)	1.0376	1.0376	200,000	500	DEMAND - INTERVAL	
GENERAL SERVICE 1,000 KW AND GREATER SERVICE CLASSIFICATION	kW	Non-RPP (Other)	1.0376	1.0376	1,000,000	2,200	DEMAND - INTERVAL	
UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION	kWh	RPP	1.0376	1.0376	250		N/A	
SENTINEL LIGHTING SERVICE CLASSIFICATION	kW	RPP	1.0376	1.0376	1,000	25	DEMAND	
STREET LIGHTING SERVICE CLASSIFICATION	kW	RPP	1.0376	1.0376	700,000	2,000	DEMAND	
EMBEDDED DISTRIBUTOR SERVICE CLASSIFICATION	kW	Non-RPP (Other)	1.0376	1.0376	2,810,800	6,000	DEMAND	
RESIDENTIAL SERVICE CLASSIFICATION	kWh	RPP	1.0376	1.0376	250		N/A	
Add additional scenarios if required								
Add additional scenarios if required								
Add additional scenarios if required								

Customer Class:	EMBEDDED DISTRIBUTOR SERVICE CLASSIFICATION	
RPP / Non-RPP:	Non-RPP (Other)	
Consumption	2,810,800	kWh
Demand	6,000	kW
Current Loss Factor	1.0376	
Proposed/Approved Loss Factor	1.0376	

	Current OEB-Approved			Proposed			Impact	
	Rate ($)	Volume	Charge ($)	Rate ($)	Volume	Charge ($)	$ Change	% Change
Monthly Service Charge	$ 5,215.10	1	$ 5,215.10	$ 5,308.97	1	$ 5,308.97	$ 93.87	1.80%
Distribution Volumetric Rate	$ 2.8484	6000	$ 17,090.40	$ 2.8997	6000	$ 17,398.20	$ 307.80	1.80%
Fixed Rate Riders	$ -	1	$ -	$ -	1	$ -	$ -	
Volumetric Rate Riders	$ -	6000	$ -	$ -	6000	$ -	$ -	
Sub-Total A (excluding pass through)			$ 22,305.50			$ 22,707.17	$ 401.67	1.80%
Line Losses on Cost of Power	$ -	-	$ -	$ -	-	$ -	$ -	
Total Deferral/Variance Account Rate Riders	$ -	6,000	$ -	-$ 0.2682	6,000	$ (1,609.20)	$ (1,609.20)	
GA Rate Riders				$ 0.0020	2,810,800	$ 5,621.60	$ 5,621.60	
Low Voltage Service Charge	$ 0.1313	6,000	$ 787.80	$ 0.1313	6,000	$ 787.80	$ -	0.00%
Smart Meter Entity Charge (if applicable)	$ -	1	$ -	$ -	1	$ -	$ -	
Sub-Total B - Distribution (includes Sub-Total A)			$ 23,093.30			$ 27,507.37	$ 4,414.07	19.11%
RTSR - Network	$ 2.9117	6,000	$ 17,470.20	$ 2.8252	6,000	$ 16,951.20	$ (519.00)	-2.97%
RTSR - Connection and/or Line and Transformation Connection	$ 1.9602	6,000	$ 11,761.20	$ 1.9822	6,000	$ 11,893.20	$ 132.00	1.12%
Sub-Total C - Delivery (including Sub-Total B)			$ 52,324.70			$ 56,351.77	$ 4,027.07	7.70%
Wholesale Market Service Charge (WMSC)	$ 0.0036	2,916,486	$ 10,499.35	$ 0.0036	2,916,486	$ 10,499.35	$ -	0.00%
Rural and Remote Rate Protection (RRRP)	$ 0.0013	2,916,486	$ 3,791.43	$ 0.0013	2,916,486	$ 3,791.43	$ -	0.00%
Standard Supply Service Charge								
Debt Retirement Charge (DRC)	$ 0.0070	2,810,800	$ 19,675.60	$ 0.0070	2,810,800	$ 19,675.60	$ -	0.00%
Ontario Electricity Support Program (OESP)	$ 0.0011	2,916,486	$ 3,208.13	$ 0.0011	2,916,486	$ 3,208.13	$ -	0.00%
Average IESO Wholesale Market Price	$ 0.1130	2,916,486	$ 329,562.93	$ 0.1130	2,916,486	$ 329,562.93	$ -	0.00%
Total Bill on Average IESO Wholesale Market Price			$ 419,062.14			$ 423,089.21	$ 4,027.07	0.96%
HST	13%		$ 54,478.08	13%		$ 55,001.60	$ 523.52	0.96%
Total Bill on Average IESO Wholesale Market			$ 473,540.22			$ 478,090.81	$ 4,550.59	0.96%