Orangeville Hydro Limited (Orangeville Hydro)

EB-2016-0098

Application Analysis

Interrogatory #1

Ref: IRM Model - Tab 20: Residential 10th percentile consumption level

As per the IRM filing requirements, distributors are required to calculate the combined impact of the fixed rate increase and any other changes in the cost of distribution service for residential customers at the 10th percentile of overall consumption (to a minimum of 50 kWh per month). In the application, Orangeville Hydro does not indicate the kWh value of the 10th percentile residential consumption level. (OEB staff notes that Orangeville Hydro has populated the bill impact tables for Residential – 167 kWh and 312 kWh.)

 a) Please provide the kWh value of the 10th percentile consumption level for Orangeville Hydro's residential RPP customers.

The kWh value of the 10th percentile consumption level for Orangeville Hydro's residential RPP customers is 345 kWh's. Due to a glitch in the Excel model the additional rate classes added in the rate classes category would not save. Please refer to the PDF version for the proper rate classes and their consumptions.

Please see below for the correct rates classes and the bill impact for the 10th percentile with 345 kWh's.



Customer Class: RESIDENTIAL RPP / Non-RPP: RPP	SERVICE CLASSIFICATION							l			
Consumption 345	kWh		4								
Demand -	kW										
Current Loss Factor 1.048											
Proposed/Approved Loss Factor 1.048	П										
	Current QEB-Approved				Proposed				Impact		
	Rate (\$)	Volume	(Charge (\$)		Rate (\$)	Volume	Charge (\$)		\$ Change	% Change
Monthly Service Charge	\$ 18,19	1	S	18.19	5	21.04	1	\$ 21.04	S	2.85	15.67%
Distribution Volumetric Rate	\$ 0.0102	345	s	3.52	Š	0.0069	345		İŝ	(1.14)	-32.35%
Fixed Rate Riders	\$ 0,17	1	s		Š	0.17	1	\$ 0.17	İŝ	()	0.00%
Volumetric Rate Riders	-\$ 0.0014	345		(0.48)	.5	0.0014	345		ŝ	-	0.00%
Sub-Total A (excluding pass through)			\$	21.40	r			\$ 23.11	5	1.71	8,00%
Line Losses on Cost of Power	\$ 0.1114	17	\$	1.85	\$	0.1114	17	\$ 1.85	\$		0.00%
Total Deferral/Variance Account Rate Riders	\$.	345	\$		\$	0.0003	345	\$ 0.10	\$	0.10	
GA Rate Riders					k		345	s -	s		
Low Voltage Service Charge	\$ 0.0017	345	9	0.59	ŝ	0.0017	345		š		0.00%
Smart Meter Entity Charge (if applicable)	\$ 0.7900		ş	0.79		0.7900		\$ 0.79			0.00%
Sub-Total B - Distribution (includes Sub-	0.1200				ř	011000			-		
Total A)			\$	24.62				\$ 26.44	\$	1.82	7.37%
RTSR - Network	\$ 0.0068	362	\$	2.46	5	0.0070	362	\$ 2.53	\$	0.07	2.94%
RTSR - Connection and/or Line and	s 0.0037	362	1		I.	0.0038	362		s	0.04	2.70%
Transformation Connection	\$ 0.0037	302	\$	1.34	\$	0.0038	302	\$ 1.37	9	0.04	2.70%
Sub-Total C - Delivery (including Sub-			2	28.42				\$ 30.34	8	1.92	6.77%
Total B)			*	20.42	_			9 30134	-	110%	0.1170
Wholesale Market Service Charge (WMSC)	\$ 0.0036	362	\$	1.30	\$	0.0036	362	\$ 1.30	\$		0.00%
Rural and Remote Rate Protection (RRRP)	\$ 0.0013	362	\$	0.47	\$	0.0013	362	\$ 0.47	\$		0.00%
Standard Supply Service Charge	\$ 0.2500	1	\$	0.25	5	0.2500	- 1	\$ 0.25	s	.	0.00%
Debt Refirement Charge (DRC)	0.2500			0.23	ľ	0.2.000		V 0.23	ř		0.00%
Ontario Electricity Support Program											
(OESP)	\$ 0.0011	362	S	0.40	5	0.0011	362	\$ 0.40	\$		0.00%
TOU - Off Peak	s 0.0870	224	s	19.51	s	0.0870	224	\$ 19.51	s		0.00%
TOU - Mid Peak	\$ 0.1320	59	s	7.74	Š	0.1320	59	\$ 7.74	ls		0.00%
TOU - On Peak	\$ 0.1800	62		11.18		0.1800	62				0.00%
Total Bill on TOU (before Taxes)			5	69.27				\$ 71.19	5	1.92	2.78%
HST	13%		\$	9.00		13%		\$ 9.25	\$	0.25	2.78%
Total Bill on TOU	1010		\$	78.27				\$ 80.45	\$	2.17	2.78%

Interrogatory #2

Ref: Manager's Summary, page 11 of 18

The OEB's policy¹ is to review and dispose of the distributor's Group 1 account balances if they exceed (as a debit or credit) the pre-set disposition threshold of \$0.001 per kWh during the IR plan term. The distributor must justify why any account balance in excess of the threshold should not be disposed. The distributor may dispose of balances below this threshold if its proposal to do so is justified.

Orangeville Hydro's 2015 actual year-end total balance for Group 1 accounts including interest projected to December 31, 2016 is a debit of \$144,684. This amount results in a total debit claim of \$0.0006 per kWh, which does not exceed the preset disposition threshold. Orangeville Hydro proposes to dispose of this debit amount over a one-year period.

 Please provide an explanation why Orangeville Hydro is proposing to dispose of its Group 1 account balances.

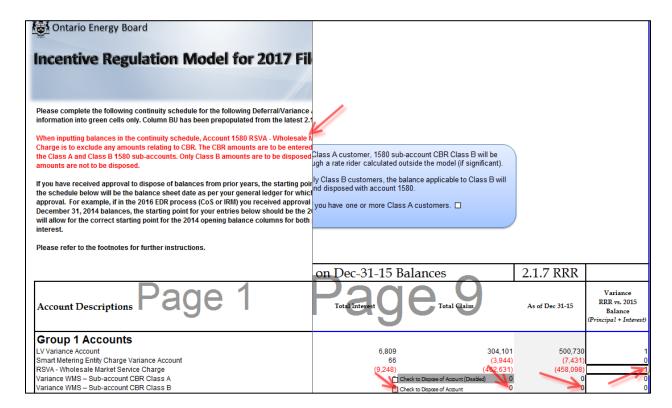
It is the preference of Orangeville Hydro to clear all Group 1 balances on an annual basis so the customer base to whom the claim is being made is essentially the same customers from when the variance account was created.

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¹ Report of the Board on Electricity Distributors' Deferral and Variance Account Review Initiative (July 31, 2009)

Interrogatory #3

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



On tab 3 of the 2017 IRM model, it states "When inputting balances in the continuity schedule, Account 1580 RSVA - Wholesale Market Service Charge is to exclude any amounts relating to CBR. The CBR amounts are to be entered separately in the Class A and Class B 1580 sub-accounts. Only Class B amounts are to be disposed. Class A amounts are not to be disposed".

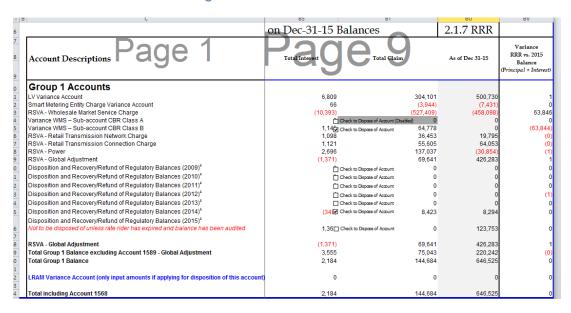
OEB staff notes that Orangeville Hydro reported \$0 balance (Cell BU25) under the Variance WMS – Sub-account CBR Class B in RRR 2.1.7 filing. The control account 1580 in the continuity schedule excludes balances in CBR Class A and CBR Class B; the control account in RRR includes the two sub-accounts' balances. Therefore, in the variance column, it is expected to see a variance in cell BV23 only (equals the sum of CBR Class A and CBR Class B).

a) Please confirm that Orangeville Hydro did not report Sub-Account Class B in its RRR filing Account 1580 in Reporting and Record-keeping Requirements ("RRR") report 2.1.7 Trial Balance, or if not, please explain.

Orangeville Hydro confirms that no amount was reported in Sub-Account Class B in its RRR filing Account 1580 in Reporting and Record-keeping Requirements ("RRR") report 2.1.7 Trial Balance. This was an oversight and there should have been a year-end balance reported in this sub-account.

b) If the answer to a) is yes, please file a RRR data revision request online with the OEB's e-Filing Services to reflect the adjustment discussed in part a).

Orangeville Hydro confirms that a data revision request will be made to report the Account 1580 balances in Sub-Account Class B. This change did not affect the final claim amount. Please see the revised table below showing the revisions.



c) Please explain why Cell BV23 shows a variance of \$1. Please follow the instructions below:

The OEB established two new sub-accounts of Account 1580- WMS to record CBR amounts

- Sub-account CBR Class A
- Sub-account CBR Class B

CBR amounts are to be recorded separately in CBR Sub-accounts Class A and Class B

- Account 1580 RSVA Wholesale Market Service Charge is to exclude any amounts relating to CBR.
- The CBR amounts are to be entered separately in the Class A and Class B 1580 sub-accounts (Tab 3, rows 24 & 25).
- Column BU, showing RRR data for Account 1580 Wholesale Market Service Charge, includes sub-account CBR amounts for Class A and Class B (if any). The IRM model will show a variance in cell BV23 that should equal the sum of CBR sub-accounts for Class A and Class B

Disposition - Sub-account CBR Class B only

- IRM model supports disposition of CBR Class B amounts; manner will depend on distributor circumstances.
- Sub-account CBR Class A will not be disposed off during the 2017 IRM process
- The checkbox with cell BT24 (total claim of 1580 sub-account Class A) has been disabled and the
 value in this cell is always "0" in the model, as sub-account CRB Class A is not disposed

Orangeville Hydro advises that the variances of \$1 or \$(1) in column BV are all due to rounding and should be disregarded due to immateriality.