

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.



The bill comparisons below must be provided for typical customers and consumption levels. Bill impacts must be provided for residential customers consuming 750 kWh per month and general service customers consuming 2,000 kWh per month and having a monthly demand of less than 50 kW. Include bill comparisons for Non-RPP (retailer) as well. To assess the combined effects of the shift to fixed rates and other bill impacts associated with changes in the cost of distribution service, applicants are to include a total bill impact for a residential customer at the distributor's 10th consumption percentile (in other words, 10% of a distributor's residential customers consume at or less than this level of consumption on a monthly basis). Refer to page 9 of the Filing Requirements For Electricity Distribution Rate Applications issued July 14, 2016.

For certain classes where one or more customers have unique consumption and demand patterns and which may be significantly impacted by the proposed rate changes, the distributor must show a typical comparison, and provide an explanation.

Note:

- For those classes that are not eligible for the RPP price, the weighted average price including Class D GA through end of May 2016 of \$0.113/kWh (IESO's Monthly Market Report for May 2016, page 77) has been used to represent the cost of power. For those classes on a retailer contract, applicants should enter the contract price (plus GA) for a more accurate estimate. Changes to the cost of power can be made directly on the bill impact table for the specific class.
- Due to the change to energy consumption used in the calculation of GA rate riders for the 2017 rate year, the separate "GA Rate Riders" line is only applicable to the "Proposed" section of the bill impact tables.
- Please enter the applicable billing determinant (e.g. number of connections or devices) to be applied to the monthly service charge for unmetered rate classes in column N. If the monthly service charge is applied on a per customer basis, enter the number "1". Distributors should provide the number of connections or devices reflective of a typical customer in each class.

Note that cells with the highlighted color shown to the left indicate quantities that are less adjusted.

Table 1

RATE CLASSES / CATEGORIES (eg: Residential TOU, Residential Retailer)	Units	RPP? Non-RPP Retailer? Non-RPP Other?	Current Loss Factor (eg: 1.0481)	Proposed Loss Factor	Consumption (kWh)	Demand kW (if applicable)	RTSR Demand or Demand Interval?	Billing Determinant Applied to Fixed Charge for Unmetered Classes (e.g. # of devices/connections)
RESIDENTIAL SERVICE CLASSIFICATION	kWh	RPP	1.0481	1.0481	750		N/A	
GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION	kWh	RPP	1.0481	1.0481	2,300		N/A	
GENERAL SERVICE 50 TO 4,999 KW SERVICE CLASSIFICATION	kWh	RPP	1.0481	1.0481	15,240	43	DEMAND	
SENTINEL LIGHTING SERVICE CLASSIFICATION	kW	RPP	1.0481	1.0481	230	1	DEMAND	4
STREET LIGHTING SERVICE CLASSIFICATION	kW	RPP	1.0481	1.0481	2,700	5	DEMAND	90
UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION	kWh	RPP	1.0481	1.0481	995		N/A	3
RESIDENTIAL SERVICE CLASSIFICATION	kWh	RPP	1.0481	1.0481	848		N/A	
RESIDENTIAL SERVICE CLASSIFICATION	kWh	Non-RPP (Retailer)	1.0481	1.0481	750		N/A	
GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION	kWh	Non-RPP (Retailer)	1.0481	1.0481	2,500		N/A	
GENERAL SERVICE 50 TO 4,999 KW SERVICE CLASSIFICATION	kWh	Non-RPP (Other)	1.0481	1.0481	136,555	312	DEMAND	
STREET LIGHTING SERVICE CLASSIFICATION	kW	Non-RPP (Other)	1.0481	1.0481	53,000	167	DEMAND	2,577
Add additional scenarios if required								

Customer Class:	RESIDENTIAL SERVICE CLASSIFICATION
RPP / Non RPP:	RPP
Consumption:	345 kWh
Demand:	kW
Current Loss Factor:	1.0481
Proposed/Approved Loss Factor:	1.0481

	Current OEB-Approved			Proposed			Impact	
	Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	\$ 18.19	1	\$ 18.19	\$ 21.04	1	\$ 21.04	\$ 2.85	15.67%
Distribution Volumetric Rate	\$ 0.0102	345	\$ 3.52	\$ 0.0069	345	\$ 2.38	\$ (1.14)	-32.35%
Fixed Rate Riders	\$ 0.17	1	\$ 0.17	\$ 0.17	1	\$ 0.17	\$ -	0.00%
Volumetric Rate Riders	\$ 0.0014	345	\$ (0.48)	\$ 0.0014	345	\$ (0.48)	\$ -	0.00%
Sub-Total A (excluding pass through)			\$ 21.40			\$ 23.11	\$ 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			\$ -			\$ -	\$ -	
Low Voltage Service Charge	\$ 0.0017	345	\$ 0.59	\$ 0.0017	345	\$ 0.59	\$ -	0.00%
Smart Meter Entry Charge (if applicable)	\$ 0.7900	1	\$ 0.79	\$ 0.7900	1	\$ 0.79	\$ -	0.00%
Sub-Total B - Distribution (includes Sub-Total A)			\$ 24.62			\$ 26.44	\$ 1.82	7.37%
RTSR - Network	\$ 0.0068	362	\$ 2.45	\$ 0.0070	362	\$ 2.53	\$ 0.07	2.94%
RTSR - Connection and/or Line and Transformation Connection	\$ 0.0037	362	\$ 1.34	\$ 0.0038	362	\$ 1.37	\$ 0.04	2.70%
Sub-Total C - Delivery (including Sub-Total B)			\$ 28.42			\$ 30.34	\$ 1.92	6.77%
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	\$ 0.2500	1	\$ 0.25	\$ -	0.00%
Debt Retirement Charge (DRC)			\$ -			\$ -	\$ -	
Ontario Electricity Support Program (OESP)	\$ 0.0011	362	\$ 0.40	\$ 0.0011	362	\$ 0.40	\$ -	0.00%
TOU - Off Peak	\$ 0.0870	224	\$ 19.51	\$ 0.0870	224	\$ 19.51	\$ -	0.00%
TOU - Mid Peak	\$ 0.1320	59	\$ 7.74	\$ 0.1320	59	\$ 7.74	\$ -	0.00%
TOU - On Peak	\$ 0.1880	62	\$ 11.68	\$ 0.1880	62	\$ 11.68	\$ -	0.00%
Total Bill on TOU (before Taxes)			\$ 88.27			\$ 91.19	\$ 2.92	3.32%
HST			\$ 9.00			\$ 9.25	\$ 0.25	2.78%
Total Bill on TOU			\$ 97.27			\$ 100.44	\$ 3.17	3.25%

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.

- a) 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.

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

Ontario Energy Board				
Incentive Regulation Model for 2017 Filing				
<p>Please complete the following continuity schedule for the following Deferral/Variance information into green cells only. Column BU has been prepopulated from the latest 2.1.7 RRR filing.</p> <p>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 of.</p> <p>If you have received approval to dispose of balances from prior years, the starting point for the schedule below will be the balance sheet date as per your general ledger for which approval was received. For example, if in the 2016 EDR process (CoS or IRM) you received approval to dispose of December 31, 2014 balances, the starting point for your entries below should be the 2014 opening balance columns for both interest and principal.</p> <p>Please refer to the footnotes for further instructions.</p>				
on Dec-31-15 Balances		2.1.7 RRR		
Account Descriptions	Total Interest	Total Claim	As of Dec 31-15	Variance RRR vs. 2015 Balance (Principal + Interest)
Group 1 Accounts				
LV Variance Account	6,809	304,101	500,730	1
Smart Metering Entity Charge Variance Account	66	(3,944)	(7,431)	0
RSVA - Wholesale Market Service Charge	(9,248)	(452,631)	(458,098)	0
Variance WMS – Sub-account CBR Class A				0
Variance WMS – Sub-account CBR Class B				0

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.

		on Dec-31-15 Balances		2.1.7 RRR	
Account Descriptions	Total Interest	Total Claim	As of Dec 31-15	Variance RRR vs. 2015 Balance (Principal + Interest)	
Group 1 Accounts					
LV Variance Account	6,809	304,101	500,730	1	
Smart Metering Entity Charge Variance Account	66	(3,944)	(7,431)	0	
RSVA - Wholesale Market Service Charge	(10,393)	(527,409)	(458,098)	63,846	
Variance WMS - Sub-account CBR Class A	<input type="checkbox"/> Check to Dispose of Account (Disabled)	0	0	0	
Variance WMS - Sub-account CBR Class B	1,144 <input checked="" type="checkbox"/> Check to Dispose of Account	64,778	0	(63,844)	
RSVA - Retail Transmission Network Charge	1,098	36,453	19,795	(0)	
RSVA - Retail Transmission Connection Charge	1,121	55,605	64,053	(0)	
RSVA - Power	2,696	137,037	(30,854)	(1)	
RSVA - Global Adjustment	(1,371)	69,641	426,283	1	
Disposition and Recovery/Refund of Regulatory Balances (2009) [†]	<input type="checkbox"/> Check to Dispose of Account	0	0	0	
Disposition and Recovery/Refund of Regulatory Balances (2010) [†]	<input type="checkbox"/> Check to Dispose of Account	0	0	0	
Disposition and Recovery/Refund of Regulatory Balances (2011) [†]	<input type="checkbox"/> Check to Dispose of Account	0	0	0	
Disposition and Recovery/Refund of Regulatory Balances (2012) [†]	<input type="checkbox"/> Check to Dispose of Account	0	0	(1)	
Disposition and Recovery/Refund of Regulatory Balances (2013) [†]	<input type="checkbox"/> Check to Dispose of Account	0	0	0	
Disposition and Recovery/Refund of Regulatory Balances (2014) [†]	<input type="checkbox"/> Check to Dispose of Account	0	0	0	
Disposition and Recovery/Refund of Regulatory Balances (2015) [†]	(34) <input checked="" type="checkbox"/> Check to Dispose of Account	8,423	8,294	0	
<i>Not to be disposed of unless rate rider has expired and balance has been audited</i>	1,364 <input type="checkbox"/> Check to Dispose of Account	0	123,753	0	
RSVA - Global Adjustment	(1,371)	69,641	426,283	1	
Total Group 1 Balance excluding Account 1589 - Global Adjustment	3,555	75,043	220,242	(0)	
Total Group 1 Balance	2,184	144,684	646,525	0	
LRAM Variance Account (only input amounts if applying for disposition of this account)	0	0	0	0	
Total including Account 1568	2,184	144,684	646,525	0	

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.