

NIAGARA-ON-THE-LAKE HYDRO INC. - EB-2017-0064

APPLICATION FOR DISTRIBUTION RATES EFFECTIVE MAY 1, 2018

MANAGER'S SUMMARY

Table of Contents

1. INTRODUCTION.....	2
2. RETAIL TRANSMISSION SERVICE RATES.....	6
3. GROUP 1 DEFERRAL AND VARIANCE ACCOUNTS.....	10
4. DISTRIBUTION RATES.....	36
5. PROPOSED RATES TARIFF.....	38
6. BILL IMPACTS.....	39
7. GLOBAL ADJUSTMENT.....	48
8. ELECTRONIC BILLING.....	56

Additional Files Submitted via RESS

- **Tariffs**
 - NOTL_2018_IRM_Current_Tariff_Sheet_2017_20171016.pdf
 - NOTL_2018_IRM_Proposed_Tariff_2018_20171016.xlsx
 - NOTL_2018_IRM_Proposed_Tariff_2018_20171016.pdf
- **Rate Generator**
 - NOTL_2018_IRM_RateGen_Model_Version_1.0_20171016.xlsm
 - NOTL_2018_IRM_RateGen_Model_Version 1.0_20171016.pdf
 - NOTL_2018_Vintage_1595_Continuity_Schedule_20171016.pdf
- **GA Analysis Workform**
 - NOTL_2018_GA_Analysis_Workform_20171016.xlsx

1 **1. INTRODUCTION**

2 **Publication**

3 Niagara-on-the-Lake Hydro Inc. ("NOTL Hydro") recommends that the notice of
4 application appear in the local weekly newspaper, "The Niagara Advance", which
5 is not a paid publication and has a circulation of approximately 8,000 per week.
6 This publication is appropriate because it is delivered to all those affected.

7 **Those Affected**

8 Those who are affected by this application are all residences, businesses, and
9 other electricity users within the municipal boundaries of the Town of Niagara-on-
10 the-Lake.

11 **Application Contact**

12 The contact for this application is:

13 Jeff Klassen

14 Vice President, Finance

15 Phone: 905.468.4235 x380

16 E-mail: jklassen@notlhydro.com

17 **Confirmation of Internet Address**

18 The internet address for purposes of viewing the application and related
19 documents is:

20 <http://www.notlhydro.com>

21 **Certification**

22 Further to Page 2 of Chapter 1 of the Filing Requirements, I, Jeff Klassen, certify
23 that the evidence filed is accurate, consistent, and complete to the best of my
24 knowledge.

25

Revenue-Cost Ratio Adjustments

There were no revenue-cost ratio adjustments in NOTL Hydro's 2014 re-basing. Therefore, there are no such adjustments required in this 2018 rates application.

Pre-Populated Data

Further to Section 3.1.3 of the Chapter 3 Filing Requirements, NOTL Hydro confirms that the billing determinants for the pre-populated models are accurate.

Model Version

NOTL Hydro acknowledges that the OEB expects applicants to use version 1.1 of the 2018 IRM Rate Generator Model. However, OEB staff have advised NOTL Hydro to submit version 1.0. OEB staff updated NOTL Hydro's version 1.0 model on August 30, 2017 for changes specific to our application as well as the changes that were applied to version 1.1.

Summary of What Rates are Changing

Current Items with No Proposed Change

In this application, the following items are requested to be continued without change:

- Rate classes
- Loss factors
- Allowances and specific service charges
- Retail service charges
- microFIT service charge
- Rate Riders for Smart Metering Entity Charges - effective until October 31, 2018
- Rate Riders for Disposition of Account 1576, effective until April 30, 2019
- Rate Riders for Supplemental Disposition of Account 1576, effective until April 30, 2019

- Rate Riders for Recovery of Incremental Capital - effective until the next Cost of Service based rate order
- Wholesale Market Service Rate
- Ontario Electricity Support Program Charge
- Rural or Remote Electricity Rate Protection Charge
- Standard Supply Service Administrative Charge

Sunset Items

The following rate riders are effective until April 30, 2018 and are requested to be discontinued at that time:

- Rate Riders for Deferral/Variance Accounts disposition (2017)
- Rate Riders for Global Adjustment Account disposition (2017)
- Rate Riders for Global Adjustment Account disposition (2016)
- Rate Rider for Disposition of Lost Revenue Mechanism Variance Account (LRAMVA) (2017)
- Rate Rider for Application of Tax Change (2017)

New Items

The following items are requested to be effective May 1, 2018:

- Rate Riders for Deferral/Variance Accounts disposition (2018) - effective until April 30, 2019
- Rate Riders for Global Adjustment Account disposition (2018) - effective until April 30, 2019
- Rate Riders for Application of Tax Change (2018) - effective until April 30, 2019

Adjusted Items

The following items are requested to be adjusted:

- Distribution service charges (excluding microFIT)
- Distribution volumetric rates

- 1 • Retail transmission rates – Network
- 2 • Retail transmission rates – Line and Transformation Connection

2. RETAIL TRANSMISSION SERVICE RATES (“RTSRs”)

NOTL Hydro’s application to adjust RTSRs is based on the proposed rates calculated utilizing the 2018 IRM Rate Generator Model (“IRM model”) provided by the Ontario Energy Board (“OEB”).

Historical Network and Connection Costs

NOTL Hydro’s historical costs (2016) consist of Independent Electricity System Operator (“IESO”) invoiced costs for network and line connection. NOTL Hydro owns its own transformer stations and consequently has no IESO invoiced transformation costs. In addition, NOTL Hydro does not have Hydro One invoiced transmission costs.

NOTL Hydro Network and Connection charges were higher than normal in March 2016 due to the NOTL Transmission Station being off-line for longer than expected while Hydro One completed work on their transmission lines. Hydro One has agreed to reimburse NOTL Hydro for the difference once NOTL Hydro’s unrelated Notice of Disagreement with the IESO for the same month is resolved. Table 2.1 shows the difference between the actual Network and Connection charges and those on the IESO invoice.

Table 2.1 – March 2016 Actual vs. Invoice Network and Connection Costs

Charge Type	Station	Invoiced Amount			Correct Amount			Variance		
		Peak Demand	Rate	Total	Peak Demand	Rate	Total	Peak Demand	Rate	Total
Network Charges	NOTL MTS #2	23,661	3.66	\$ 86,599.26	23,661	3.66	\$ 86,599.26	-	3.66	\$ -
Network Charges	YORK MTS #1	28,044	3.66	\$ 102,641.04	-	3.66	\$ -	(28,044)	3.66	\$ (102,641.04)
Network Charges				\$ 189,240.30			\$ 86,599.26			\$ (102,641.04)
Connection Charges	NOTL MTS #2	27,896	0.87	\$ 24,269.52	27,896	0.87	\$ 24,269.52	-	0.87	\$ -
Connection Charges	YORK MTS #1	28,168	0.87	\$ 24,506.16	17,672	0.87	\$ 15,375.00	(10,496)	0.87	\$ (9,131.16)
Connection Charges				\$ 48,775.68			\$ 39,644.52			\$ (9,131.16)

Table 2.2, from sheet 12 of the IRM model, contains the historical network and line connection costs for 2016 adjusted for the March 2016 amount discussed above.

Table 2.2 – Historical Network and Connection Costs (2016)

IESO Month	Network			Line Connection		
	Units Billed	Rate	Amount	Units Billed	Rate	Amount
January	29,224	\$ 3.66	\$ 106,960	30,435	\$ 0.87	\$ 26,478
February	29,710	\$ 3.66	\$ 108,739	32,305	\$ 0.87	\$ 28,105
March	23,661	\$ 3.66	\$ 86,599	45,568	\$ 0.87	\$ 39,645
April	24,309	\$ 3.66	\$ 88,971	24,914	\$ 0.87	\$ 21,675
May	32,624	\$ 3.66	\$ 119,404	36,622	\$ 0.87	\$ 31,861
June	38,684	\$ 3.66	\$ 141,583	39,798	\$ 0.87	\$ 34,624
July	41,677	\$ 3.66	\$ 152,538	43,747	\$ 0.87	\$ 38,060
August	44,243	\$ 3.66	\$ 161,929	45,718	\$ 0.87	\$ 39,775
September	43,335	\$ 3.66	\$ 158,606	43,626	\$ 0.87	\$ 37,955
October	23,196	\$ 3.66	\$ 84,897	25,874	\$ 0.87	\$ 22,510
November	25,427	\$ 3.66	\$ 93,063	27,486	\$ 0.87	\$ 23,913
December	29,392	\$ 3.66	\$ 107,575	29,392	\$ 0.87	\$ 25,571
Total	385,482	\$ 3.66	\$ 1,410,864	425,485	\$ 0.87	\$ 370,172

Forecast Costs with new Uniform Transmission Rates (“UTRs”)

Forecast network and connection rates from sheet 14 of the IRM model are contained in Table 2.3. These are calculated by applying the 2018 UTRs from sheet 11 of the IRM model against the 2016 units billed.

Table 2.3 – Forecast Network and Connection Costs

IESO Month	Network			Line Connection		
	Units Billed	Rate	Amount	Units Billed	Rate	Amount
January	29,224	\$ 3.6600	\$ 106,960	30,435	\$ 0.8700	\$ 26,478
February	29,710	\$ 3.6600	\$ 108,739	32,305	\$ 0.8700	\$ 28,105
March	23,661	\$ 3.6600	\$ 86,599	45,568	\$ 0.8700	\$ 39,645
April	24,309	\$ 3.6600	\$ 88,971	24,914	\$ 0.8700	\$ 21,675
May	32,624	\$ 3.6600	\$ 119,404	36,622	\$ 0.8700	\$ 31,861
June	38,684	\$ 3.6600	\$ 141,583	39,798	\$ 0.8700	\$ 34,624
July	41,677	\$ 3.6600	\$ 152,538	43,747	\$ 0.8700	\$ 38,060
August	44,243	\$ 3.6600	\$ 161,929	45,718	\$ 0.8700	\$ 39,775
September	43,335	\$ 3.6600	\$ 158,606	43,626	\$ 0.8700	\$ 37,955
October	23,196	\$ 3.6600	\$ 84,897	25,874	\$ 0.8700	\$ 22,510
November	25,427	\$ 3.6600	\$ 93,063	27,486	\$ 0.8700	\$ 23,913
December	29,392	\$ 3.6600	\$ 107,575	29,392	\$ 0.8700	\$ 25,571
Total	385,482	\$ 3.66	\$ 1,410,864	425,485	\$ 0.87	\$ 370,172

It is noted that in the OEB model available at the time of NOTL Hydro's application, the wholesale billing forecast rates (effective Jan 1, 2018) in sheet 11 are shown as being the same as the current rates effective Jan 1, 2017.

Billing Determinants for RTSRs

The billing determinants used to calculate the required revenue are based on 2016 actual data as reported in RRR 2.1.5 in April 2017 as shown in Table 2.4 from sheet 10 of the IRM model:

Table 2.4 – Billing Determinants

Rate Class	Rate Description	Unit	Rate	Non-Loss Adjusted Metered kWh	Non-Loss Adjusted Metered kW	Applicable Loss Factor	Loss Adjusted Billed kWh
Residential Service Classification	Retail Transmission Rate - Network Service Rate	\$/kWh	0.0072	72,859,329	0	1.0379	75,620,697
Residential Service Classification	Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0015	72,859,329	0	1.0379	75,620,697
General Service Less Than 50 kW Service Classification	Retail Transmission Rate - Network Service Rate	\$/kWh	0.0066	42,806,409	0	1.0379	44,428,772
General Service Less Than 50 kW Service Classification	Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0015	42,806,409	0	1.0379	44,428,772
General Service 50 To 4,999 kW Service Classification	Retail Transmission Rate - Network Service Rate	\$/kW	2.6843	40,155,529	106,885		
General Service 50 To 4,999 kW Service Classification	Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	0.5108	40,155,529	106,885		
General Service 50 To 4,999 kW Service Classification	Retail Transmission Rate - Network Service Rate - Interval Metered	\$/kW	2.3011	43,388,848	97,797		
General Service 50 To 4,999 kW Service Classification	Retail Transmission Rate - Line and Transformation Connection Service Rate - Interval Meter	\$/kW	1.2286	43,388,848	105,925		
Unmetered Scattered Load Service Classification	Retail Transmission Rate - Network Service Rate	\$/kWh	0.0066	178,578	0	1.0379	185,346
Unmetered Scattered Load Service Classification	Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0015	178,578	0	1.0379	185,346
Street Lighting Service Classification	Retail Transmission Rate - Network Service Rate	\$/kW	2.0240	850,570	2,398		
Street Lighting Service Classification	Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	0.3949	850,570	2,398		

Note that NOTL Hydro's GS>50kW rate class includes both interval and non-interval customers. RRR submission form 2.1.5 does not allow for the data specific to interval customers to be input separately. Therefore, the GS>50 kWh and kW data pre-populated in the model has been modified to distinguish between interval and non-interval customers. The determinants used for interval customers network demand and connection demand are different. This is because the demand applicable to network charges is "7-7" demand¹ and the regular demand definition is applicable to connection charges.

Proposed RTSR Rates

Table 2.5 contains the proposed rates to recover forecast network and connection costs based on the billing determinants from Table 2.4 and is taken from sheet 15 of the IRM model:

¹ Demand based on peak kW from 07:00 to 19:00 hours on non-Holiday weekdays

Table 2.5 – Proposed RTSR Rates

Rate Description	Unit	Proposed RTSR- Network
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0072
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0066
Retail Transmission Rate - Network Service Rate	\$/kW	2.6776
Retail Transmission Rate - Network Service Rate - Interval Metered	\$/kW	2.8938
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0066
Retail Transmission Rate - Network Service Rate	\$/kW	2.0189
Rate Description	Unit	Proposed RTSR- Connection
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0015
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0015
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	0.5166
Retail Transmission Rate - Line and Transformation Connection Service Rate - Interval Metered	\$/kW	1.2425
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0015
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	0.3994

NOTL Hydro understands that the OEB will adjust each applicant's model to reflect any UTR changes on Jan 1, 2018 when they are determined. The IRM Model incorporating the RTSR calculations is being submitted separately in Excel and PDF formats.

Billing for Customers with Load Displacement Generators

NOTL Hydro is applying to have the Retail Transmission Rate – Line and Transformation Connection Service Rates for Load Displacement Generators ("LDG"), with a generator unit rating of 2 MW or higher for renewable generation and 1 MW or higher for non-renewable generation applied on a gross load billing basis consistent with the method charged for Line and Transformation Connection Services by the IESO. Without gross billing of Retail Transmission Rate - Line and Transformation Connection, NOTL Hydro's other customers will be subsidizing the gross load billing transmission costs for any future LDG customers.

3. GROUP 1 DEFERRAL AND VARIANCE ACCOUNTS

2017 IRM APPROVAL – GROUP 1 ACCOUNTS

On March 30, 2017, the OEB's Decision and Rate Order (EB-2016-0095) approved a one-year disposition for NOTL Hydro's December 31, 2015 Group 1 deferral and variance account balances.

Table 3.1 below from page 10 of the OEB Decision and Rate Order identifies the principal and interest amounts approved for disposition for each Account:

Table 3.1 – Approved Dispositions

Ontario Energy Board		EB-2016-0095 Niagara-on-the-Lake Hydro Inc.		
Group 1 Deferral and Variance Account Balances				
Account Name	Account Number	Principal Balance (\$) A	Interest Balance (\$) B	Total Claim (\$) C=A+B
Smart Meter Entity Variance Charge	1551	(2,588)	(3)	(2,590)
RSVA - Wholesale Market Service Charge	1580	(451,989)	(8,869)	(460,858)
Variance WMS - Sub-account CBR Class B	1580	56,692	1,018	57,710
RSVA - Retail Transmission Network Charge	1584	(4,307)	240	(4,068)
RSVA - Retail Transmission Connection Charge	1586	4,645	74	4,719
RSVA - Power	1588	24,408	4,596	29,004
RSVA - Global Adjustment	1589	12,943	(6,414)	6,529
Disposition and Recovery of Regulatory Balances (2009)	1595	15	16	30
Disposition and Recovery of Regulatory Balances (2010)	1595	(158)	(5)	(163)
Disposition and Recovery of Regulatory Balances (2011)	1595	414	(880)	(465)
Disposition and Recovery of Regulatory Balances (2012)	1595	(138)	191	53
Disposition and Recovery of Regulatory Balances (2013)	1595	18	59	77
Disposition and Recovery of Regulatory Balances (2014)	1595	44,668	1	44,670
Total Group 1 Accounts Excluding Global Adjustment - Account 1589		(328,320)	(3,562)	(331,882)
Total Group 1 Accounts		(315,377)	(9,976)	(325,352)
Decision and Rate Order March 30, 2017				

In 2017, these approved balances were transferred to a sub-account of 1595 in accordance with the Decision and Order. The corresponding rate riders for the refund/recovery of the approved balances are effective until April 30, 2018.

The disposed amounts are entered in Columns BM and BN of sheet 3 of the IRM model.

Table 3.2 – IRM Model Sheet 3 Approved Dispositions

		BM	BN
Account Descriptions		Principal Disposition during 2017 - instructed by OEB	Interest Disposition during 2017 - instructed by OEB
Group 1 Accounts			
LV Variance Account	1550	0	0
Smart Metering Entity Charge Variance Account	1551	(2,588)	(3)
RSVA - Wholesale Market Service Charge ⁵	1580	(451,989)	(8,869)
Variance WMS – Sub-account CBR Class A ⁵	1580	0	0
Variance WMS – Sub-account CBR Class B ⁵	1580	56,692	1,018
RSVA - Retail Transmission Network Charge	1584	(4,307)	240
RSVA - Retail Transmission Connection Charge	1586	4,645	74
RSVA - Power ⁴	1588	24,408	4,596
RSVA - Global Adjustment ⁴	1589	12,943	(6,414)
Disposition and Recovery/Refund of Regulatory Balances (2009) ³	1595	15	16
Disposition and Recovery/Refund of Regulatory Balances (2010) ³	1595	(158)	(5)
Disposition and Recovery/Refund of Regulatory Balances (2011) ³	1595	414	(880)
Disposition and Recovery/Refund of Regulatory Balances (2012) ³	1595	(138)	191
Disposition and Recovery/Refund of Regulatory Balances (2013) ³	1595	18	59
Disposition and Recovery/Refund of Regulatory Balances (2014) ³	1595	93	44,576
Disposition and Recovery/Refund of Regulatory Balances (2015) ³	1595	0	0
Disposition and Recovery/Refund of Regulatory Balances (2016) ³			
<i>Not to be disposed of until a year after rate rider has expired and that balance has been audited</i>	1595	0	0
RSVA - Global Adjustment	1589	12,943	(6,414)
Total Group 1 Balance excluding Account 1589 - Global Adjustment		(372,895)	41,013
Total Group 1 Balance		(359,952)	34,599
LRAM Variance Account (only input amounts if applying for disposition of this account)	1568		
Total including Account 1568		(359,952)	34,599

It was noted on page 8 of the OEB's Decision and Rate Order (EB-2016-0095) that NOTL Hydro had misapplied recoveries of the associated rate rider to interest rather than principal for account 1595 sub-account, Disposition and Recovery of Regulatory Balances (2014). However, since the impact of this was

1 immaterial, the OEB approved the disposition of this sub-account as filed. In
2 Table 3.1, the total disposition for account 1595 (2014) is \$44,670, consisting of
3 \$44,668 in principal and \$1 in interest. In Table 3.2, the total amount disposed
4 for account 1595 (2014) is also \$44,670, although the breakdown is \$93 in
5 principal and \$44,576 in interest. Since the misallocation was not corrected in
6 the General Ledger, the dispositions were applied to bring the balance in the
7 interest sub-account to \$0.

8 **2018 IRM CLAIM – GROUP 1 ACCOUNTS²**

9 This section sets out the 2018 IRM Claims for the Group 1 Accounts.

10 Please note that in the continuity schedule in sheet 3 of the IRM model, the
11 starting point for all non-1595 account entries are the balance sheet date for
12 which approval was received in 2017 IRM, i.e. December 31, 2014. The
13 continuity schedule for all 1595 accounts from 2011 and later has been
14 completed starting with the vintage year. For 1595 accounts from 2009 and
15 2010, the continuity schedule starts with the opening balances as of January 1,
16 2011. A separate schedule for the 1595 (2009) and 1595 (2010) accounts for
17 balances prior to 2011 is attached as,
18 'NOTL_2018_Vintage_1595_Continuity_Schedule_20171016'.

19 **Interest Rates**

20 The interest rates that have been used to calculate actual and forecasted
21 carrying charges are shown in Table 3.3 and are in accordance with the
22 methodology approved by the OEB in EB-2006-0117 on November 28, 2006.

23

² In this Section, some amounts appear to differ by +/- \$1 due to rounding effects.

1 Table 3.3: Interest Rates Applied to Deferral and Variance Accounts (%)

Quarter by Year	Prescribed interest Rate	Quarter by Year	Prescribed interest Rate
Q4 2018*	1.50%	Q4 2013	1.47%
Q3 2018*	1.50%	Q3 2013	1.47%
Q2 2018*	1.50%	Q2 2013	1.47%
Q1 2018*	1.50%	Q1 2013	1.47%
Q4 2017	1.50%	Q4 2012	1.47%
Q3 2017	1.10%	Q3 2012	1.47%
Q2 2017	1.10%	Q2 2012	1.47%
Q1 2017	1.10%	Q1 2012	1.47%
Q4 2016	1.10%	Q4 2011	1.47%
Q3 2016	1.10%	Q3 2011	1.47%
Q2 2016	1.10%	Q2 2011	1.47%
Q1 2016	1.10%	Q1 2011	1.47%
Q4 2015	1.10%	Q4 2010	1.20%
Q3 2015	1.10%	Q3 2010	0.89%
Q2 2015	1.10%	Q2 2010	0.55%
Q1 2015	1.47%	Q1 2010	0.55%
Q4 2014	1.47%	Q4 2009	0.55%
Q3 2014	1.47%	Q3 2009	0.55%
Q2 2014	1.47%	Q2 2009	1.00%
Q1 2014	1.47%	Q1 2009	2.45%
(* Assumes same rate as Q4 2017)			

2

3 **Claimed Amounts³**

4 The total Group 1 Accounts claim is a debit amount of \$27,602 as per cell BT41
5 of sheet 3 of the 2018 IRM model and summarized in Table 3.4 below.

6 With regard to Section 3.2.5 of the Chapter 3 Filing Requirements, Page 11,
7 NOTL Hydro:

- 8 • Confirms that no adjustments are being made to any DVA balances
9 previously approved by the OEB on a final basis
- 10 • Indicates that certain account balances in the continuity schedule differ
11 from the 2016 year-end trial balance reported through RRR and the

³ In the explanations below, some amounts mentioned may vary by +/- \$1 from sums of the rounded amounts in the continuity schedule due to rounding effects.

audited financial statements. The details are provided in the relevant account sections below. The differences are entered in columns AV, BA, BF, and BK of sheet 3 for the following Accounts:

- Accounts 1580 and 1588 related to a dispute with the IESO regarding their invoices for November 2015 and March 2016.
- Account 1589 related to a dispute with the IESO regarding their invoices for November 2015 and March 2016 and other adjustments as described below under account section 1589.
- Accounts 1584 and 1586 related to being overcharged for Network and Connection charges in March 2016 as described in Section 2.

Table 3.4 Summary of Claims

Account Descriptions	Account Number	Total Claim
Group 1 Accounts		
LV Variance Account	1550	0
Smart Metering Entity Charge Variance Account	1551	(3,887)
RSVA - Wholesale Market Service Charge ⁵	1580	(238,746)
Variance WMS – Sub-account CBR Class A ⁵	1580	0
Variance WMS – Sub-account CBR Class B ⁵	1580	(2,134)
RSVA - Retail Transmission Network Charge	1584	(18,740)
RSVA - Retail Transmission Connection Charge	1586	7,572
RSVA - Power ⁴	1588	405,049
RSVA - Global Adjustment ⁴	1589	(179,826)
Disposition and Recovery/Refund of Regulatory Balances (2009) ³	1595	<input type="checkbox"/> Check to Dispose of Account 0
Disposition and Recovery/Refund of Regulatory Balances (2010) ³	1595	<input type="checkbox"/> Check to Dispose of Account 0
Disposition and Recovery/Refund of Regulatory Balances (2011) ³	1595	<input type="checkbox"/> Check to Dispose of Account 0
Disposition and Recovery/Refund of Regulatory Balances (2012) ³	1595	<input type="checkbox"/> Check to Dispose of Account 0
Disposition and Recovery/Refund of Regulatory Balances (2013) ³	1595	<input type="checkbox"/> Check to Dispose of Account 0
Disposition and Recovery/Refund of Regulatory Balances (2014) ³	1595	<input type="checkbox"/> Check to Dispose of Account 0
Disposition and Recovery/Refund of Regulatory Balances (2015) ³	1595	<input type="checkbox"/> Check to Dispose of Account 0
Disposition and Recovery/Refund of Regulatory Balances (2016) ³	1595	<input checked="" type="checkbox"/> Check to Dispose of Account 58,314
<i>Not to be disposed of until a year after rate rider has expired and that balance has been audited</i>	1595	<input type="checkbox"/> Check to Dispose of Account 0
RSVA - Global Adjustment	1589	(179,826)
Total Group 1 Balance excluding Account 1589 - Global Adjustment		207,428
Total Group 1 Balance		27,602
LRAM Variance Account (only input amounts if applying for disposition of this account)	1568	0
Total including Account 1568		27,602

1550 Retail Settlement Variance Account – Low Voltage Variance Account

NOTL Hydro has not had any transactions and a zero balance in this account since disposition of the account in NOTL Hydro's 2009 Cost of Service application, EB-2008-0237. NOTL Hydro is not an embedded Distributor.

1551 Smart Metering Entity Charge Variance Account

For 2018, NOTL Hydro is requesting disposition of:

- a closing principal balance at December 31, 2017 of (\$3,810) adjusted for dispositions during 2017, plus
- a closing interest balance at December 31, 2017 of (\$17) adjusted for dispositions during 2017, plus
- the forecasted interest of (\$46) for 2017, plus
- the forecasted interest of (\$14) for January 1, 2018 through April 30, 2018.

The total claim for this account is a credit balance of (\$3,887).

1580 Retail Settlement Variance Account - Wholesale Market Service Charges (exc. CBR – Class B)

This account records the net of the amount charged by the IESO based on the settlement invoices for the operation of the IESO administered markets and the operation of the IESO controlled grid, and the amount billed to customers using the OEB approved Wholesale Market Service Rate. NOTL Hydro uses the accrual method.

1 For 2018, NOTL Hydro is requesting disposition of:

- 2 • a closing principal balance at December 31, 2017 of (\$235,184) adjusted
3 for dispositions during 2017, plus
- 4 • a closing interest balance of \$142 adjusted for dispositions during 2017,
5 plus
- 6 • the forecasted interest of (\$2,822) for 2017, plus
- 7 • the forecasted interest of (\$882) for January 1, 2018 through April 30,
8 2018

9 The total claim for this account is a credit balance of (\$238,746).

10 This claim includes the following adjustments:

- 11 • a principal adjustment during 2015 of \$10,824
- 12 • an interest adjustment during 2015 of \$10
- 13 • a principal adjustment during 2016 of (\$7,106)
- 14 • an interest adjustment during 2016 of \$60

15
16 The principal adjustments for 2015 and 2016 assumes IESO acceptance of
17 NOTL Hydro's position that the November 2015 and March 2016 metering data
18 on which the IESO invoice was based was incorrect and resulted in a total
19 invoice (excluding HST) which is estimated to be \$460,377 higher than it should
20 have been for November 2015 and \$139,807 higher than it should have been for
21 March 2016. Details were provided in the Notice of Dispute ("NOD") document
22 that was filed as part of NOTL Hydro's 2017 IRM (EB-2016-0095)^{4,5}.

⁴ NOTL Hydro - Notice of Dispute - August 2016.pdf.

⁵ If the final resolution of the NOD process differs from NOTL's submitted estimate and occurs before the 2018 rates process is complete, NOTL is prepared to make the necessary changes to the 2018 rate riders. Otherwise, appropriate adjustments would be made in the 2019 rate application.

Tables 3.5 and 3.6 are based on the NOD document. Table 3.5 shows the impact on the DVA accounts 1580, 1588, and 1589 of the changes to the RSVA calculations for 2015 which were required to reflect what NOTL Hydro believes to be the correct amount of the November invoice:

- debit to 1580 of \$10,824
- credit to 1588 of (\$35,791)
- credit to 1589 of (\$435,411)

Table 3.5 – IESO NOD Impact Summary – November 2015

A	B	C	L	M	N	O	P
Charge Type Number	Equation	Charge Type Name	Invoiced Amount	Adjusted Amounts	Adjustment	UsOA	DVA Account
			A	B	B - A		
101	HOURLY	NET ENERGY MARKET SETTLEMENT FOR NON-DISPATCHABLE LOAD	\$ 178,879.32	\$ 143,088.67	\$ (35,790.65)	4705	1588
102		TR CLEARING ACCOUNT CREDIT	\$ (130,668.75)	\$ (104,524.20)	\$ 26,144.55	4708	1580
142		REGULATED PRICE PLAN SETTLEMENT AMOUNT	\$ (292,554.75)	\$ (292,554.75)	\$ -		
148	Pro Rata	CLASS B GLOBAL ADJUSTMENT SETTLEMENT AMOUNT	\$ 2,170,154.29	\$ 1,735,944.03	\$ (434,210.26)	4707	1589
150	HOURLY	NET ENERGY MARKET SETTLEMENT UPLIFT	\$ 4,557.14	\$ 3,645.34	\$ (911.80)	4708	1580
155	HOURLY	CONGESTION MANAGEMENT SETTLEMENT UPLIFT	\$ 7,270.07	\$ 5,815.45	\$ (1,454.62)	4708	1580
169	Pro Rata	STATION SERVICE REIMBURSEMENT DEBIT	\$ 212.32	\$ 169.84	\$ (42.48)	4708	1580
183	Pro Rata	GENERATION COST GUARANTEE RECOVERY DEBIT	\$ 2,625.81	\$ 2,100.43	\$ (525.38)	4708	1580
186	Pro Rata	INTERTIE FAILURE CHARGE REBATE	\$ (83.58)	\$ (66.86)	\$ 16.72	4708	1580
250	HOURLY	10-MINUTE SPINNING MARKET RESERVE HOURLY UPLIFT	\$ 1,153.93	\$ 923.05	\$ (230.88)	4708	1580
252	HOURLY	10-MINUTE NON-SPINNING MARKET RESERVE HOURLY UPLIFT	\$ 1,003.25	\$ 802.52	\$ (200.73)	4708	1580
254	HOURLY	30-MINUTE OPERATING RESERVE MARKET HOURLY UPLIFT	\$ 311.49	\$ 249.17	\$ (62.32)	4708	1580
450	Pro Rata	BLACK START CAPABILITY SETTLEMENT DEBIT	\$ 166.54	\$ 133.22	\$ (33.32)	4708	1580
451	HOURLY	HOURLY REACTIVE SUPPORT AND VOLTAGE CONTROL SETTLEMENT DEBIT	\$ 1,663.41	\$ 1,330.59	\$ (332.82)	4708	1580
452	Pro Rata	MONTHLY REACTIVE SUPPORT AND VOLTAGE CONTROL SETTLEMENT DEBIT	\$ 351.86	\$ 281.46	\$ (70.40)	4708	1580
454	Pro Rata	REGULATION SERVICE SETTLEMENT DEBIT	\$ 3,833.95	\$ 3,066.84	\$ (767.11)	4708	1580
650		NETWORK SERVICE CHARGE (Hydro One Delivery Point)	\$ 128,535.12	\$ 128,535.12	\$ -		
651		LINE CONNECTION SERVICE CHARGE (Hydro One Delivery Point)	\$ 31,721.96	\$ 31,721.96	\$ -		
753	Rate	RURAL RATE SETTLEMENT CHARGE	\$ 22,871.60	\$ 17,208.30	\$ (5,663.30)	4708	1580
754	Rate	OPA ADMINISTRATION CHARGE	\$ 7,723.56	\$ 5,811.11	\$ (1,912.45)	4708	1580
1351		CAPACITY BASED RECOVERY AMOUNT FOR CLASS B LOADS	\$ 5,999.26	\$ 4,798.91	\$ (1,200.35)	4707	1589
1410		RENEWABLE ENERGY STANDARD OFFER PROGRAM SETTLEMENT AMOUNT	\$ 132,028.92	\$ 132,028.92	\$ -		
1412		FEED-IN TARIFF PROGRAM SETTLEMENT AMOUNT	\$ (138,474.28)	\$ (138,474.28)	\$ -		
1463		RENEWABLE GENERATION CONNECTION - MONTHLY COMPENSATION AMOUNT SETTLEMENT D	\$ 102.21	\$ 81.76	\$ (20.45)	4708	1580
1550	DAILY	DAY-AHEAD PRODUCTION COST GUARANTEE RECOVERY DEBIT	\$ 59.48	\$ 47.58	\$ (11.90)	4708	1580
1650		FORECASTING SERVICEBALANCING AMOUNT	\$ 81.35	\$ 65.07	\$ (16.28)	4708	1580
9980		SMART METERING CHARGE	\$ 6,700.36	\$ 6,700.36	\$ -	4708	1580
9990	Rate	IESO ADMINISTRATION CHARGE	\$ 15,398.34	\$ 12,317.40	\$ (3,080.94)	4708	1580
9992		ONTARIO CLEAN ENERGY BENEFIT (-10%) PROGRAM SETTLEMENT AMOUNT	\$ (145,106.94)	\$ (145,106.94)	\$ -		
			\$ 2,016,517.24	\$ 1,556,140.07	\$ (460,377.17)		
900		GST/HST CREDIT	\$ (85,806.28)	\$ (69,630.61)		Totals by UsOA	
950		GST/HST DEBIT	\$ 366,817.35	\$ 290,792.72	\$ (35,790.65)	4705	1588
			\$ 2,297,528.31	\$ 1,777,302.18	\$ (435,410.61)	4707	1589
					\$ 10,824.09	4708	1580
					\$ (460,377.17)		
AMOUNTS THAT WILL NOT CHANGE WITH AQEW							
GST CALCULATION - Add all charges, excluding 900, 950, and 9992, and multiply by 0.13							

Table 3.6 shows the impact on the DVA accounts 1580, 1588, and 1589 of the changes to the RSVA calculations for 2016 which were required to reflect what NOTL Hydro believes to be the correct amount of the March invoice:

- credit to 1580 of (\$7,830)
- credit to 1588 of (\$6,947)
- credit to 1589 of (\$125,030)

Table 3.6 – IESO NOD Impact Summary – March 2016

Charge Type	Equation	Charge Type Name	Invoiced Amount	Adjusted Amounts	Adjustment	UsOA	DVA Account
			A	B	B-A		
101 HOURLY		NET ENERGY MARKET SETTLEMENT FOR NON-DISPATCHABLE LOAD	\$ 97,541.28	\$ 90,593.99	\$ (6,947.29)	4705	1588
142		REGULATED PRICE PLAN SETTLEMENT AMOUNT	\$ (11,936.83)	\$ (11,936.83)	\$ -		
148 Pro Rata		CLASS B GLOBAL ADJUSTMENT SETTLEMENT AMOUNT	\$ 1,755,444.07	\$ 1,630,414.13	\$ (125,029.94)	4707	1589
150 HOURLY		NET ENERGY MARKET SETTLEMENT UPLIFT	\$ 2,043.13	\$ 1,726.03	\$ (317.10)	4708	1580
155 HOURLY		CONGESTION MANAGEMENT SETTLEMENT UPLIFT	\$ 6,609.87	\$ 5,583.99	\$ (1,025.88)	4708	1580
169 Pro Rata		STATION SERVICE REIMBURSEMENT DEBIT	\$ 143.08	\$ 132.89	\$ (10.19)	4708	1580
183 Pro Rata		GENERATION COST GUARANTEE RECOVERY DEBIT	\$ 3,313.74	\$ 3,077.72	\$ (236.02)	4708	1580
186 Pro Rata		INTERTIE FAILURE CHARGE REBATE	\$ (32.03)	\$ (29.75)	\$ 2.28	4708	1580
250 HOURLY		10-MINUTE SPINNING MARKET RESERVE HOURLY UPLIFT	\$ 1,767.49	\$ 1,493.17	\$ (274.32)	4708	1580
252 HOURLY		10-MINUTE NON-SPINNING MARKET RESERVE HOURLY UPLIFT	\$ 1,757.67	\$ 1,484.87	\$ (272.80)	4708	1580
254 HOURLY		30-MINUTE OPERATING RESERVE MARKET HOURLY UPLIFT	\$ 362.00	\$ 305.82	\$ (56.18)	4708	1580
450 Pro Rata		BLACK START CAPABILITY SETTLEMENT DEBIT	\$ 178.05	\$ 165.37	\$ (12.68)	4708	1580
451 HOURLY		HOURLY REACTIVE SUPPORT AND VOLTAGE CONTROL SETTLEMENT DEBIT	\$ 973.10	\$ 822.07	\$ (151.03)	4708	1580
452 Pro Rata		MONTHLY REACTIVE SUPPORT AND VOLTAGE CONTROL SETTLEMENT DEBIT	\$ 282.72	\$ 262.58	\$ (20.14)	4708	1580
454 Pro Rata		REGULATION SERVICE SETTLEMENT DEBIT	\$ 5,188.65	\$ 4,819.09	\$ (369.56)	4708	1580
650		NETWORK SERVICE CHARGE (Hydro One Delivery Point)	\$ 189,240.30	\$ 189,240.30	\$ -		
651		LINE CONNECTION SERVICE CHARGE (Hydro One Delivery Point)	\$ 48,775.68	\$ 48,775.68	\$ -		
753 Rate		RURAL RATE SETTLEMENT CHARGE	\$ 21,216.37	\$ 19,705.26	\$ (1,511.11)	4708	1580
754 Rate		OPA ADMINISTRATION CHARGE	\$ 7,164.61	\$ 6,654.31	\$ (510.30)	4708	1580
1351		CAPACITY BASED RECOVERY AMOUNT FOR CLASS B LOADS	\$ 4,665.77	\$ 3,941.63	\$ (724.14)	4708	1580
1410		RENEWABLE ENERGY STANDARD OFFER PROGRAM SETTLEMENT AMOUNT	\$ (0.04)	\$ (0.04)	\$ -		
1412		FEED-IN TARIFF PROGRAM SETTLEMENT AMOUNT	\$ (51,512.24)	\$ (51,512.24)	\$ -		
1420		ONTARIO ELECTRICITY SUPPORT PROGRAM SETTLEMENT AMOUNT	\$ (1,587.03)	\$ (1,587.03)	\$ -		
1470		ONTARIO ELECTRICITY SUPPORT PROGRAM BALANCING AMOUNT	\$ 18,200.92	\$ 16,904.58	\$ (1,296.34)	4708	1580
1463		RENEWABLE GENERATION CONNECTION - MONTHLY COMPENSATION AMOUNT SETTLEMENT DEBIT	\$ 63.90	\$ 53.98	\$ (9.92)	4708	1580
1550 DAILY		DAY-AHEAD PRODUCTION COST GUARANTEE RECOVERY DEBIT	\$ 498.33	\$ 420.99	\$ (77.34)	4708	1580
1650		FORECASTING SERVICE BALANCING AMOUNT	\$ 68.38	\$ 57.77	\$ (10.61)	4708	1580
9920		ADJUSTMENT ACCOUNT CREDIT	\$ (0.81)	\$ (0.81)	\$ -		
9980		SMART METERING CHARGE	\$ 6,728.73	\$ 6,728.73	\$ -		
9990 Rate		IESO ADMINISTRATION CHARGE	\$ 13,286.67	\$ 12,340.34	\$ (946.33)	4708	1580
9992		ONTARIO CLEAN ENERGY BENEFIT (-10%) PROGRAM SETTLEMENT AMOUNT	\$ (350.99)	\$ (350.99)	\$ -		
			\$ 2,120,094.54	\$ 1,980,287.60	\$ (139,806.94)		
900		GST/HST CREDIT	\$ (24,910.06)			Totals by UsOA	
950		GST/HST DEBIT	\$ 300,773.76	\$ 257,483.02	\$ (43,290.74)	4705	1588
			\$ 2,395,958.24	\$ 2,237,770.62	\$ (158,187.62)	4707	1589
					\$ (7,829.71)	4708	1580
					\$ (139,806.94)		
AMOUNTS THAT WILL NOT CHANGE WITH AQEW							
GST CALCULATION - Add all charges, excluding 900, 950, and 9992, and multiply by 0.13							

The interest adjustments for 2015 are calculated at 1.10% / 12 x 1 (for one month in 2015, December, due to the change in principal balance at the end of November). The interest adjustments for 2016 are calculated at 1.10% x 2015

principal adjustment plus 1.10% / 12 x 9 x 2016 principal adjustments (for nine months in 2016 due to the change in principal balance at the end of March). The NOD is still outstanding at the time of this application, however NOTL Hydro has received verbal confirmation from legal counsel that IESO has accepted NOTL Hydro's position.

Tables 3.5 and 3.6 are also referenced in regards to Accounts 1580 (sub account CBR), 1588 and 1589 detailed below.

1580 Retail Settlement Variance Account - Wholesale Market Service Charges (sub-account CBR – Class B)

For 2018, NOTL Hydro is requesting disposition of:

- a closing principal balance at December 31, 2017 of (\$1,837) adjusted for dispositions during 2017, plus
- a closing interest balance at December 31, 2017 of (\$268) adjusted for dispositions during 2017, plus
- the forecasted interest of (\$22) for 2017
- the forecasted interest of (\$7) for January 1, 2018 through April 30, 2018.

The total claim for this account is a credit balance of (\$2,134).

This claim includes the following adjustments:

- a principal adjustment during 2016 of (\$724)
- an Interest adjustment during 2016 of (\$6)

Please refer to the Section for Account 1580 and Table 3.6 above for further details on the basis of these adjustments.

**1584 Retail Settlement Variance Account - Retail Transmission Network
Charges**

This account is used to record the net of the amount charged by the IESO, based on the settlement invoice for transmission network services, and the amount billed to customers using the OEB approved Retail Transmission Network Charge. NOTL Hydro uses the accrual method.

For 2018, NOTL Hydro is requesting disposition of:

- a closing principal balance at December 31, 2017 of (\$18,609) adjusted for dispositions during 2017, plus
- a closing interest balance of \$163 adjusted for dispositions during 2017, plus
- the forecasted interest of (\$223) for 2017, plus
- the forecasted interest of (\$70) for January 1, 2018 through April 30, 2018.

The total claim for this account is a credit balance of (\$18,740).

This claim includes the following adjustments:

- a principal adjustment during 2016 of (\$102,641)
- an interest adjustment during 2016 of (\$847)

Please refer to Section 2 and Table 2.1 above for further details on the basis of the principal adjustment. The interest adjustment is calculated at 1.10% / 12 x 9 (for nine months in 2016 due to the change in principal balance at the end of March).

**1586 Retail Settlement Variance Account - Retail Transmission Connection
Charges**

This account is used to record the net of the amount charged by the IESO, based on the settlement invoice for transmission connection services, and the amount

1 billed to customers using the OEB approved Transmission Connection Charge.

2 NOTL Hydro uses the accrual method.

3 For 2018, NOTL Hydro is requesting disposition of:

- 4 • a closing principal balance at December 31, 2017 of \$7,272 adjusted for
5 dispositions during 2017, plus
- 6 • a closing interest balance of \$185 adjusted for dispositions during 2017,
7 plus
- 8 • the forecasted interest of \$87 for 2017 plus
- 9 • the forecasted interest of \$27 for January 1, 2018 through April 30, 2018.

10 The total claim for this account is a balance of \$7,572.

11 This claim includes the following adjustments:

- 12 • a principal adjustment during 2016 of (\$9,131)
- 13 • an interest adjustment during 2016 of (\$75)

14 Please refer to Section 2 and Table 2.1 above for further details on the basis of
15 the principal adjustment. The interest adjustment is calculated at $1.10\% / 12 \times 9$
16 (for nine months in 2016 due to the change in principal balance at the end of
17 March).

18 **1588 Retail Settlement Variance Account – Power**

19 This account is used to recover the net difference between the energy amount
20 billed to customers and the energy charge to NOTL Hydro using the settlement
21 invoices from the IESO. NOTL Hydro uses the accrual method.

22 For 2018, NOTL Hydro is requesting disposition of:

- 23 • a closing principal balance at December 31, 2017 of \$403,984 adjusted for
24 dispositions during 2017, plus

- 1 • a closing interest balance of (\$5,298) adjusted for dispositions during
- 2 2017, plus
- 3 • the forecasted interest of \$4,848 for 2017, plus
- 4 • the forecasted interest of \$1,515 for January 1, 2018 through April 30,
- 5 2018.

6 The total claim for this account is a debit balance of \$405,049.

7 This claim includes the following adjustments:

- 8 • a principal adjustment during 2015 of (\$35,791)
- 9 • an interest adjustment during 2015 of (\$33)
- 10 • a principal adjustment during 2016 of (\$6,947)
- 11 • An Interest Adjustment during 2016 of (\$451)

12 Please refer to the Section for Account 1580 and Tables 3.5 and 3.6 above for

13 further details on the basis of these adjustments.

14

1589 Retail Settlement Variance Account - Global Adjustment ("GA")

This account is used to recover the net difference between the amount billed to customers and the Global Adjustment charge to NOTL Hydro using the settlement invoices from the IESO. NOTL Hydro uses the accrual method.

NOTL Hydro began billing customers based on the actual GA rate starting with consumption for January 2016. NOTL Hydro acknowledges as per Section 3.2.5.2 of the Chapter 3 Filing requirements that non-RPP customers billed on actuals should not be charged/refunded the GA rate rider. However, due to the transition from billing on first estimate in 2015 to billing on actual in 2016 NOTL Hydro will require a rate rider in 2018 to true-up entries related to the 2015 unbilled revenue accruals. The total principal amount requested for disposition is \$181,855. \$193,823 related to estimated unbilled revenue entries from December 2015 that were included in the balance that was approved for disposition and were subsequently collected from customers and (\$11,967) related to differences between the IESO posted rate and the amount charged on the invoice.

For 2018, NOTL Hydro is requesting disposition of:

- a closing principal balance at December 31, 2017 of (\$181,855) adjusted for dispositions during 2017, plus
- a closing interest balance of \$4,894 adjusted for dispositions during 2017, plus
- the forecasted interest of (\$2,182) for 2017, plus
- the forecasted interest of (\$682) for January 1, 2018 through April 30, 2018.

The total claim for this account is a credit balance of (\$179,826).

This claim includes the following adjustments:

- 1 • Adjustments related to the NOD - Please refer to the Section for Account
2 1580 and Table 3.5 and 3.6 above for further details on the basis of these
3 adjustments.
 - 4 ○ a principal adjustment during 2015 of (\$435,411)
 - 5 ○ an interest adjustment during 2015 of (\$399)
 - 6 ○ a principal adjustment during 2016 of (\$125,030)
 - 7 ○ an interest adjustment during 2016 of (\$5,821)
- 8 • Adjustments related to 2016 entries that are not chargeable/refundable to
9 customers
 - 10 ○ a Principal Adjustment during 2016 of \$235,928
 - 11 ▪ December 2016 unbilled revenue \$231,901
 - 12 ▪ Legal Fees (\$5,042)
 - 13 ▪ Generation Estimates (\$35,661)
 - 14 ▪ July consumption billed at June GA rate \$72,100
 - 15 ▪ Difference between IESO load data and actual GA billed
 - 16 amount \$157,558
 - 17 ▪ Other \$29,472
 - 18 ○ an Interest Adjustment during 2016 of \$330
 - 19 ▪ Interest on July billing error \$330
 - 20 Interest was calculated on the error for 5 months at an
 - 21 annual rate of 1.1%, therefore interest is also adjusted at
 - 22 \$72,100 x 1.1% / 12 x 5 = \$330.

23 Detailed explanations of the adjusted items are provided in Section 7 – Global
24 Adjustment.

1595 Disposition and Recovery of Regulatory Balances

This account includes the regulatory asset or liability balances authorized by the OEB for recovery in rates or payments/credits made to customers. Separate sub-accounts are maintained for approved principal/recoveries, approved interest and interest on net principal for each OEB approved recovery.

2009 EB-2008-0237

On March 30, 2017, the OEB issued a Decision and Order in NOTL Hydro's 2017 IRM, EB-2016-0095, which approved the disposition of a claim of \$15 principal and \$16 interest in account 1595, sub-account 2009, for a total of \$31.

This disposition was expected to be final. However, due to back billing for the period when the 1595-2009 rate rider was in effect, billing transactions including carrying charges totaling \$57 were posted to this account in 2016.

NOTL Hydro is not requesting disposition of this account and the amount will be written off in accordance with guidance received from OEB staff.

2010 EB-2009-0237

On March 30, 2017, the OEB issued a Decision and Order in NOTL Hydro's 2017 IRM, EB-2016-0095, which approved the disposition of a claim of (\$158) principal and (\$5) interest in account 1595, sub-account 2010, for a total of (\$163).

This disposition was expected to be final. However, due to back billing for the period when the 1595-2010 rate rider was in effect, billing transactions including carrying charges totaling (\$16) were posted to this account in 2016.

NOTL Hydro is not requesting disposition of this account and the amount will be written off in accordance with guidance received from OEB staff.

1 **2011 EB-2010-0101**

2 On March 30, 2017, the OEB issued a Decision and Order in NOTL
3 Hydro's 2016 IRM, EB-2016-0095, which approved the disposition of a
4 claim of \$414 principal and (\$880) interest in account 1595, sub-account
5 2011, for a total of (\$465).

6 This disposition was expected to be final. However, due to back billing for
7 the period when the 1595-2011 rate rider was in effect, billing transactions
8 including carrying charges totaling (\$957) were posted to this account in
9 2016.

10 NOTL Hydro is not requesting disposition of this account and the amount
11 will be written off in accordance with guidance received from OEB staff.

12 **2012 EB-2011-0186**

13 On March 30, 2017, the OEB issued a Decision and Order in NOTL
14 Hydro's 2016 IRM, EB-2016-0095, which approved the disposition of a
15 claim of (\$138) principal and \$191 interest in account 1595, sub-account
16 2012, for a total of \$53.

17 This disposition was expected to be final. However, due to back billing for
18 the period when the 1595-2012 rate rider⁶ was in effect, billing
19 transactions including carrying charges totaling (\$207) were posted to this
20 account in 2016.

21 NOTL Hydro is not requesting disposition of this account and the amount
22 will be written off in accordance with guidance received from OEB staff.

23 **2013 EB-2015-0091**

24 On March 30, 2017, the OEB issued a Decision and Order in NOTL
25 Hydro's 2016 IRM, EB-2016-0095, which approved the disposition of a

⁶ This rider relates to disposition of accounts 1521, 1562, and 1572. See pages 27-30 of the Manager's summary in EB-2015-0091

1 claim of \$18 principal and \$59 interest in account 1595, sub-account 2013,
2 for a total of \$77.

3 This disposition was expected to be final. However, due to back billing for
4 the period when the 1595-2013 rate rider was in effect, billing transactions
5 including carrying charges totaling (\$4) were posted to this account in
6 2016.

7 NOTL Hydro is not requesting disposition of this account and the amount
8 will be written off in accordance with guidance received from OEB staff.

9 **2014 EB-2013-0155:**

10 On March 30, 2017, the OEB issued a Decision and Order in NOTL
11 Hydro's 2016 IRM, EB-2016-0095, which approved the disposition of a
12 claim of \$44,668 principal and \$1 interest in account 1595 sub account
13 2014.

14 This disposition was expected to be final. However, due to back billing for
15 the period when the 1595-2014 rate rider⁷ was in effect, billing
16 transactions including carrying charges totaling (\$682) were posted to this
17 account in 2016.

18 NOTL Hydro is not requesting disposition of this amount and it will be
19 written off in accordance with guidance received from the OEB.

20 **2015 EB-2014-0097:**

21 On April 19, 2015, the OEB issued a Decision and Order in NOTL Hydro's
22 2015 IRM, EB-2014-0097, which accepted the Settlement Proposal in its
23 entirety. The Settlement Proposal included disposition of the December
24 31, 2014 Group 1 deferral and variance account balances as submitted in

⁷ This rider relates to disposition of accounts 1521, 1562, and 1572. See pages 27-30 of the Manager's summary in EB-2015-0091

1 the application over a period of one year. The rate riders expired on April
2 30, 2016.

3 In 2016, \$227,961 was recovered in billings. The total amount was posted
4 to principal which resulted in a year-end principal balance of \$47,612 and
5 an interest balance of \$9,952.

6 For 2018, NOTL Hydro is requesting the disposition of:

- 7 • the closing audited principal balance as of December 31, 2016 of
8 \$47,612, plus
- 9 • a closing audited interest balance as of December 31, 2016 of \$9,952,
10 plus
- 11 • the forecasted interest of \$571 for 2017, plus
- 12 • the forecasted interest of \$179 for January 1, 2018 through April 30,
13 2018.
- 14 • the total claim is \$58,314.

15 **2016 EB-2015-0091:**

16 On March 17, 2016, the OEB issued a Decision and Order for NOTL's
17 2016 IRM, EB-2015-0091, which approved a total Group 1 balance of
18 \$364,316. The Group 1 balance of (\$677,864) excluding the Global
19 Adjustment – Account 1589 was approved for recovery over a one-year
20 period ending April 30, 2017 while the Global Adjustment – Account 1598
21 balance of \$1,042,035 was approved for recovery over a two-year period
22 ending April 30, 2018. This amount was moved to account 1595, sub-
23 account 2016 for recovery purposes.

24 This rate recovery period has not expired and the balance of 1595-2016
25 has not been audited on a final basis. As a result, the balance in 1595-
26 2016 will not be requested to be disposed of in this application.

Summary of Total Group 1 Claim

Table 3.7 summarizes the total Group 1 claim of \$27,602 based on the details above and as reflected in sheet 3, Column BT of the 2018 IRM model.

Table 3.7 Summary of Group 1 Claim

	A	B	C	D	E	F		A+B-C-D+E+F
Account	Principal at Dec 31-16	Interest at Dec 31-16	Principal Disposition in 2017	Interest Disposition in 2017	Projected Interest in 2017	Projected Interest Jan 1-18 to Apr 30-18	Claimed for Disposition (Y/N)	Total Claim
1551	(6,398)	(20)	(2,588)	(3)	(46)	(14)	Y	(3,887)
1580 exc CBDR	(687,173)	(8,727)	(451,989)	(8,869)	(2,822)	(882)	Y	(238,746)
1580 CBDR Class B	54,855	750	56,692	1,018	(22)	(7)	Y	(2,134)
1584	(22,917)	402	(4,307)	240	(223)	(70)	Y	(18,740)
1586	11,918	259	4,645	74	87	27	Y	7,572
1588	428,392	(702)	24,408	4,596	4,848	1,515	Y	405,049
1589	(168,912)	(1,520)	12,943	(6,414)	(2,182)	(682)	Y	(179,826)
1595-2009	71	16	15	16	1	0	N	-
1595-2010	(175)	(4)	(158)	(5)	(0)	(0)	N	-
1595-2011	(522)	(889)	414	(880)	(11)	(4)	N	-
1595-2012	(304)	153	(138)	191	(2)	(1)	N	-
1595-2013	(99)	174	18	59	(1)	(0)	N	-
1595-2014	(573)	44,571	93	44,576	(8)	(2)	N	-
1595-2015	47,612	9,952	-	-	571	179	Y	58,314
Total Group 1	(344,226)	44,414	(359,952)	34,599	189	59	-	27,602
1568	56,789	1,827	56,789	2,035	208	-	N	-
Total Claim	(287,438)	46,242	(303,163)	36,635	397	59		27,602

Determinants

The determinants in sheet 4 of the IRM model for calculating rate riders were auto-populated by the OEB staff from the most recent RRR. NOTL Hydro confirms the accuracy of the auto-populated data.

With regard to columns G and H of sheet 4, NOTL Hydro has no Wholesale Market Participants.

The 1595 recovery share proportions for 2015 in column Q are equal to the share proportions for that year as approved in the 2015 IRM model.

The number of residential and GS<50kW customers for use in allocating account 1551 were auto-populated by OEB staff from the RRR.2.1.2 of February 2017 for customers as of December 31, 2016. NOTL Hydro confirms the accuracy of the auto-populated data.

1 **Threshold Test**

2 The Threshold Test referred to in Section 3.2.5, Page 10 of the Filing Guidelines,
3 is not met based on the following calculations:

- 4 1. Total Claim for Threshold Test = \$27,602
- 5 2. Total metered kWh = 200,239,261
- 6 3. Threshold test (total claim per kWh) = $\$27,602 / 200,239,261 =$
7 \$0.00014, which does not exceed the threshold of a minimum of
8 \$0.001 per kWh in magnitude.

9 NOTL Hydro is requesting disposition of these accounts due to the impact to
10 RPP and non-RPP customers. When considered separately, the rate riders
11 associated with Group 1 accounts excluding 1589 – Global Adjustment and 1589
12 – Global Adjustment both exceed the minimum threshold of \$0.001 / kWh. The
13 amount requested for disposition for 1589 – Global Adjustment is (\$179,826).
14 This rate rider will only apply to non-RPP customers and results in a negative
15 rate rider for those customers of (\$0.0021) / kWh, which is material. The amount
16 requested for disposition for Total Group 1 Balance excluding Account 1598 –
17 Global Adjustment is \$207,428.

18 **Proposed Group 1 Rate Riders**

19 The proposed rate riders for disposition of the Group 1 account claims are as
20 shown below in Table 3.8, reflecting sheets 6 and 7 of the IRM model, with a
21 proposed recovery period of one year:

22

Table 3.8: Proposed Group 1 Rate Riders

Rate Class	Unit	Deferral/Variance Account Rate Rider	Global Adjustment Rate Rider
RESIDENTIAL	kWh	0.0011	(0.0021)
GENERAL SERVICE LESS THAN 50 KW	kWh	0.0010	(0.0021)
GENERAL SERVICE 50 TO 4,999 KW	kW	0.3963	
GENERAL SERVICE 50 TO 4,999 KW	kWh		(0.0021)
UNMETERED SCATTERED LOAD	kWh	0.0032	
STREET LIGHTING	kW	0.4038	
STREET LIGHTING	kWh		(0.0021)

Other Matters

Reconciliation RRR vs. Financial Statements

This Section provides the reconciliation between the balances of Group 1 Accounts in sheet 3 of the IRM model, the 2.1.7 / 2.1.13 RRR Filings and the Financial Statements.

Reconciliation - 2.1.7 / 2.1.13 RRR Filings vs Financial Statements

“Note 10 – Regulatory balances” on Page 18 of the 2016 audited financial statements reported a regulatory deferral account debit balance totaling \$1,958,094 as of December 31, 2016, on an IFRS basis:

Table 3.9 – Note 10 Regulatory Balances

NIAGARA-ON-THE-LAKE HYDRO INC.					
Notes to Separate Financial Statements					
Year ended December 31, 2016					
10. Regulatory balances					
Reconciliation of the carrying amount for each class of regulatory balances					
Regulatory deferral account debit balances	January 1, 2016	Additions	Recovery/ reversal	December 31, 2016	Remaining recovery/ reversal years
Group 1 deferred accounts	\$ 1,685,361	\$ 477,020	\$ (1,130,613)	\$ 1,031,768	1
Other regulatory accounts	250,398	304,996	370,932	926,326	1-3
Income tax	-	-	-	-	-
	\$ 1,935,759	\$ 782,016	\$ (759,681)	\$ 1,958,094	

NOTL Hydro's RRR 2.1.13 Reconciliation filing showed the trial balance submitted under RRR 2.1.7 mapped and reconciled to the audited financial statements. Specifically, the variance account balances contained within the regulatory deferral account debit balance of \$1,958,094⁸:

Table 3.10 – NOTL RRR 2016 Data – 2.1.13 – Balance Sheet

Niagara-on-the-Lake Hydro Inc. RRR 2.1.13 Reconciliation - Balance Sheet Fiscal 2016							
Account	Financial Statement - Balance Sheet		Account Description	Account Amount	Trial Balance	Restatement Amount	Audited F/S
	Section	Line Grouping					
	Assets					(See "Net Movement in Reg" tab)	
1508	Regulatory balances	Regulatory balances	Other Regulatory Assets	\$ 2,497,927			
1518	Regulatory balances	Regulatory balances	RCVARetail	\$ 8,399			
1532	Regulatory balances	Regulatory balances	Renewable Connection OM&A Deferral Account	\$ 64			
1533	Regulatory balances	Regulatory balances	Renewable Generation Connection Funding Adder Deferral Account	\$ 128			
1548	Regulatory balances	Regulatory balances	RCVASTR	\$ 58,627			
1551	Regulatory balances	Regulatory balances	Smart Metering Entity Charge Variance Account	\$ (6,418)			
1555	Regulatory balances	Regulatory balances	Smart Meter Capital and Recovery Offset Variance Account	\$ (1,761)			
1568	Regulatory balances	Regulatory balances	LRAM Variance Account	\$ 58,616			
1576	Regulatory balances	Regulatory balances	CGAAP Accounting changes	\$ (471,793)			
1580	Regulatory balances	Regulatory balances	RSVA - Wholesale Market Service Charge	\$ (643,354)			
1582	Regulatory balances	Regulatory balances	RSVAONE-TIME	\$ 62			
1584	Regulatory balances	Regulatory balances	RSVA - Retail Transmission Network Charge	\$ 80,974			
1586	Regulatory balances	Regulatory balances	RSVA - Retail Transmission Connection Charge	\$ 21,383			
1588	Regulatory balances	Regulatory balances	RSVA - Power (excluding Global Adjustment)	\$ 470,912			
1589	Regulatory balances	Regulatory balances	RSVA - Global Adjustment	\$ (90,090)			
1592	Regulatory balances	Regulatory balances	2006 PILs & Taxes Variance	\$ (2,501)			
1595	Regulatory balances	Regulatory balances	Disposition and Recovery/Refund of Regulatory Balances Control Account	\$ 573,066			
2320	Regulatory balances	Regulatory balances	Other Miscellaneous Non-Current Liabilities	\$ (595,573)	\$ 1,958,670	\$ (576)	\$ 1,958,093
	Regulatory balances				\$ 1,958,670	\$ (576)	\$ 1,958,093

The details of the IFRS restatement amount of (\$578) were provided in the 'Net Movement in Reg' tab in the Excel file submitted with the RRR 2.1.13⁹:

⁸ See "Balance Sheet" tab of NOTL RRR 2016 Data – 2.1.13 (7-12-17) Excel file

⁹ See "IFRS Restatement" sheet of NOTL RRR 2016 Data – 2.1.13 (7-12-17) Excel file

1 **Table 3.11 – NOTL RRR 2016 Data – 2.1.13 – Net Movement in Reg**

Niagara on the Lake Hydro Inc.							
RRR 2.1.13 Reconciliation - Net Movement in Regulatory Balances							
Fiscal 2016							
December 31, 2016	Trial Balance Amount	1. Move capital assets included in regulatory to PPE	2. Split regulated settlement variances between debits and credits and move credits to liabilities	3. Gross up customer billings and costs included in deferral and variance accounts to the Statement of Operations	4. Move adjustments to RSVAs included in service revenue or cost of power to net movement in regulatory balances	Audited Financial Statements	Total Restatements
STATEMENT OF FINANCIAL POSITION							
Assets							
Current assets							
Accounts receivable	2,854,604	-	-	-	-	2,854,604	-
Unbilled revenue	3,126,655	-	-	-	-	3,126,655	-
Income taxes receivable	137,479	-	-	-	-	137,479	-
Due from related parties	9,754	-	-	-	-	9,754	-
Material and supplies	361,700	-	-	-	-	361,700	-
Prepaid expenses	83,811	-	-	-	-	83,811	-
Total current assets	6,574,001	-	-	-	-	6,574,001	-
Non-current assets							
Property, plant and equipment	26,000,041	2,504,744	-	-	-	28,504,786	2,504,744
Deferred tax assets	-	-	-	-	-	-	-
Investment	100	-	-	-	-	100	-
Total non-current assets	26,000,141	2,504,744	-	-	-	28,504,886	2,504,744
Total assets	32,574,143	2,504,744	-	-	-	35,078,887	2,504,744
Regulatory balances	1,958,670	(2,504,744)	2,504,168	-	-	1,958,093	(576)
Total assets and regulatory balances	34,532,813	-	2,504,168	-	-	37,036,981	2,504,168

2

3 **Reconciliation - Group 1 Accounts in sheet 3 IRM model vs 2.1.7 / 2.1.13**

4 **RRR Filings**

5 Table 3.12 provides a reconciliation between the amounts in sheet 3 of the IRM
6 model and the 2.1.7 and 2.1.13 RRR Filings:

7

Table 3.12: Reconciliation IRM vs RRR

Reconciliation IRM vs RRR									
Account	IRM Model Sheet 3 Row #	Principal @ Dec 31, 16 excluding adjustments during 2015	Interest @ Dec 31, 16 excluding adjustments during 2015 & 2016	Total @ Dec 31, 16 excluding adjustments during 2016	Total per RRR 2.1.7 @ Dec 31, 16	Principal Adjustment during 2015 IESO NOD	Principal Adjustment during 2016	Interest Adjustment during 2015 & 2016 IESO NOD & Billing Error	Total per IRM @ Dec 31, 16
		Sheet 3 BG - AV	Sheet 3 BL - BK - BA		Sheet 3 BU	Sheet 3 AV	Sheet 3 BF	Sheet 3 BA + BK	Sheet 3 BG + BL
		X	Y	Z = X + Y	W	P		Q	Z + P + Q
1550	21	-	-	-	-	-	-	-	-
1551	22	(6,398)	(20)	(6,418)	(6,418)	-	-	-	(6,418)
1580 exc CBDR ¹	23	(690,891)	(8,798)	(699,689)	(699,689)	10,824	(7,106)	70	(695,900)
1580 CBDR Class A	24	-	-	-	-	-	-	-	-
1580 CBDR Class B	25	55,579	756	56,335	56,335	-	(724)	(6)	55,605
1584	26	79,724	1,249	80,974	80,974	-	(102,641)	(847)	(22,514)
1586	27	21,049	334	21,383	21,383	-	(9,131)	(75)	12,176
1588	28	471,130	(218)	470,912	470,912	(35,791)	(6,947)	(484)	427,690
1589	29	(94,459)	4,370	(90,090)	(90,090)	(435,411)	360,958	(5,890)	(170,432)
1595 (2009)	30	71	16	87	87	-	-	-	87
1595 (2010)	31	(175)	(4)	(179)	(179)	-	-	-	(179)
1595 (2011)	32	(522)	(889)	(1,411)	(1,411)	-	-	-	(1,411)
1595 (2012)	33	(304)	153	(151)	(151)	-	-	-	(151)
1595 (2013)	34	(99)	174	75	75	-	-	-	75
1595 (2014)	35	(573)	44,571	43,998	43,998	-	-	-	43,998
1595 (2015)	36	47,612	9,952	57,564	57,564	-	-	-	57,564
1595 (2016)	37	478,579	(5,495)	473,085	473,085	-	-	-	473,085
1589	39	(94,459)	4,370	(90,090)	(90,090)	(435,411)	360,958	(5,890)	(170,432)
Group 1 exc. 1589	40	454,781	41,782	496,563	496,563	(24,967)	(126,549)	(1,342)	343,705
Total Group 1	41	360,322	46,151	406,473	406,473	(460,377)	234,409	(7,231)	173,273

1. Pre-populated RRR amount recorded for account 1580 in cell BU23 on Sheet 3 includes the CBDR portion of \$56,335 that is also recorded in cell B25. That amount is removed from RRR amount recorded above. (\$643,354) - \$56,335 = (\$699,689)

The adjustments included in Table 3.12 above relate to the effects of the NOD with the IESO discussed under Accounts 1580, 1588, and 1589, the impact of the other adjustments to 1589 discussed earlier in this section, as well as adjustments to Account 1584 and 1586 as discussed in Section 2.

Account Specific Filing Requirements

• RSVA Accounts 1580, 1584, 1586, 1588, 1589

Pursuant to the account specific filing requirements in the EDDVAR report, NOTL Hydro states that it has used the accrual approach for the RSVA Accounts and that this approach has been used consistently over time and among RSVA Accounts for the applicable period.

- 1 **Accounts 1588 and 1589 (RSVA Power and RSVA Global Adjustment)**
- 2 NOTL Hydro confirms that the variance between OEB approved and actual
- 3 line losses is reflected in Accounts 1588 and 1589 in NOTL Hydro's general
- 4 ledger for the applicable period.

4. DISTRIBUTION RATES

Calculation of Rates

The requested Service Charges and Distribution Volumetric Rates are calculated by completing the OEB 2018 IRM rate generator model.

Rate Design Transition – Adjustment for Residential Customers

On April 2, 2015, the OEB released its policy on a new electricity distribution rate design. For residential electricity customers only, distribution delivery costs will be recovered through a monthly, fixed service charge. The policy set out that the transition to a fully fixed rate would occur over four years. This 2018 rate application is the 3rd year of the transition.

Currently, NOTL Hydro's fixed/variable distribution revenue split for residential customers is 82.2%/17.8%. With a 4-year transition period, the fixed portion increases by 8.9% each year. The resulting rate split for 2018 is 91.1%/8.9%. The incremental fixed charge for 2018 is \$2.60 and residential rates will be \$26.62 fixed and \$0.0033 variable.

Further to Section 3.2.3 of the Chapter 3 Filing Requirements, the incremental fixed charge of \$2.60 is less than \$4.00 and therefore, an extension of the transition period is not required.

IRM Model Parameters

The driver parameters determining the requested 2018 distribution rates are determined in the IRM model in sheet 16:

Price Escalator	1.90%
Productivity Factor	0.00%
Stretch Factor for NOTL (Stretch Factor Group III)	<u>0.30%</u>
Price Cap Index = 1.90% - 0.00% - 0.30%	<u>1.60%</u>

This Price Cap Index is multiplied by the current rate for residential customers adjusted for the transition to a fully fixed rate (as described above) and by the current rates for all other classes to determine the 2018 requested rates.

As stated in Section 1 - Introduction, NOTL Hydro does not have any required revenue to cost ratio adjustments.

Proposed Rates

The following Table 4.1 presents the proposed fixed and variable rates as calculated in sheet 16 of the IRM model:

Table 4.1: Proposed Rates

Rate Class	Current MFC	Adjusted MFC	Current Volumetric Charge	Adjusted Volumetric Charge	Price Cap Index to be Applied to MFC and DVR	Proposed MFC	Proposed Volumetric Charge
RESIDENTIAL SERVICE CLASSIFICATION	\$ 24.02	\$ 26.62	\$ 0.00660	\$ 0.00330	1.60%	\$ 27.05	\$ 0.00335
GENERAL SERVICE LESS THAN 50 kW SERVICE CLASSIFICATION	\$ 39.06		\$ 0.01170		1.60%	\$ 39.68	\$ 0.01189
GENERAL SERVICE 50 TO 4,999 KW SERVICE CLASSIFICATION	\$ 279.14		\$ 2.20280		1.60%	\$ 283.61	\$ 2.23804
UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION	\$ 21.01		\$ 0.00630		1.60%	\$ 21.35	\$ 0.00640
STREET LIGHTING SERVICE CLASSIFICATION	\$ 7.78		\$ 30.41960		1.60%	\$ 7.90	\$ 30.90631
microFIT SERVICE CLASSIFICATION	\$ 5.40		\$ -		0.00%	\$ 5.40	\$ -

The IRM model is also being submitted separately in Excel and PDF formats.

1 **5. PROPOSED RATES TARIFF**

- 2 The proposed Tariff is being submitted separately in Excel and PDF formats.

6. BILL IMPACTS

Residential 10th Consumption Percentile

Further to Section 3.2.3, Page 8, of the Filing Guidelines, NOTL Hydro has determined that 10% of its residential customers on time of use billing ("TOU") were billed less than 318 kWh per month on average during 2016. The method used to derive this 10th consumption percentile was as follows:

1. Downloaded a data base extract from NOTL Hydro's Northstar billing system that included all bills issued to Residential RPP accounts between January 1, 2016 and December 31, 2016.
2. Data for each account was summarized by total kWh and number of bills issued.
3. The average billed kWh per month was calculated for each customer¹⁰.
4. The data was sorted by average billed kWh per month from lowest to highest.
5. Customers with an average of 50 kWh per month or less were removed, leaving 7,487 Residential RPP customers with a total 72,061,047 kWh billed
6. 10% of these customers (10th percentile) were billed less than 318 kWh per month.
7. The average billed amount was 838 kWh per month.
8. The median (50th percentile) billed amount was 698 kWh per month.

Representative Usages for Bill Impacts

Details of the bill impacts for each class for 6 typical representative usages are provided on the following pages as generated by the 2018 IRM model.

For residential customers, the 2 representative usages are:

- The 10th percentile of 318 kWh per month as described above;

¹⁰ [Total kWh billed / total number of bills]

- An average of 750 kWh per month per residential customer at RPP rates, as specified by the Board in the 2018 IRM model.

For GS<50kW customers, the representative usage is 2,000 kWh per month as specified by the OEB in the 2018 IRM model.

Representative usages for the other rate classes are:

- 56,000 kWh and 150 kW per month per GS>50 kW customer;
- 10,000 kWh and 40 kW per month for a Street Lighting customer with 300 connections; and
- 900 kWh per month per Unmetered Scattered Load customer.

Note regarding Rate Riders

In the bill impacts spreadsheets in sheet 20 for each representative usage, the following protocol has been used for the fixed and variable rate rider rates shown:

- “Fixed Rate Riders” (Residential only) =
 - Rate Rider for Supplemental Disposition of Account 1576
 - Rate Rider for Application of Tax Change
- “Volumetric Rate Riders” =
 - Rate Rider for Recovery of Incremental Capital
 - Rate Rider for Disposition of Account 1576
 - Rate Rider for Supplemental Disposition of Account 1576¹¹
 - Rate Rider for Application of Tax Change¹²

¹¹ Except for the residential class where this rider is a fixed rate.

¹² Except for the residential class where this rider is a fixed rate.

The proposed fixed and variable rate riders displayed in the bill impacts tables are as shown in Table 6.1:

Table 6.1: Fixed and Volumetric Rate Riders

Rate Class	Unit	Fixed Rate Riders 2018			Volumetric Rate Riders 2018				
		Supplemental 1576	Tax Change	Total	ICM	Tax Change	1576	Supplemental 1576	Total
RPP									
RESIDENTIAL	kWh	(\$0.28)	\$0.17	(\$0.11)	\$0.0007		(\$0.0010)		(\$0.0003)
GENERAL SERVICE < 50 KW	kWh				\$0.0012	\$0.0002	(\$0.0010)	(\$0.0004)	\$0.0000
UNMETERED SCATTERED LOAD	kWh				\$0.0005	\$0.0002	(\$0.0010)	(\$0.0004)	(\$0.0007)
STREET LIGHTING	kW					\$0.7690	(\$0.3511)	(\$0.1324)	\$0.2855
Non-RPP									
RESIDENTIAL	kWh	(\$0.28)	\$0.17	(\$0.11)	\$0.0007		(\$0.0010)		(\$0.0003)
GENERAL SERVICE < 50 KW	kWh				\$0.0012	\$0.0002	(\$0.0010)	(\$0.0004)	\$0.0000
GENERAL SERVICE 50 TO 4,999 KW	kW				\$0.3483	\$0.0256	(\$0.3801)	(\$0.1433)	(\$0.1495)

Note: NOTL Hydro has noted that in the IRM model impact table for RPP Street Lighting Customers, the Ontario Rebate for Electricity Consumers ("OREC") is not calculated as part of the bill impact but should be included, as these are customers with consumption less than 250,000 kWh and demand less than 50 kW. NOTL Hydro was not able to add the impact for OREC to sheet 20. Bill Impact in the IRM model due to editing restrictions. The impact of OREC in this scenario is shown in Table 6.2.

Table 6.2: Bill Impact – Street Lighting Service Classification RPP

Street Lighting Service Classification - RPP	Current OEB-Approved		Proposed		Impact	
					\$ Change	% Change
Total Bill on TOU (before Taxes) (Sheet 20 Line 331)	\$	4,548.66	\$	4,694.02	\$ 145.36	3.20%
HST (Sheet 20 Line 332)	\$	591.33	\$	610.22	\$ 18.90	3.20%
OREC (8% of Total Bill on TOU (before Taxes))	\$	(363.89)	\$	(375.52)	\$ (11.63)	3.20%
Total Bill on TOU (Calculated)	\$	4,776.10	\$	4,928.72	\$ 152.63	3.20%

Summary

Using Table 2 in sheet 20 of the IRM model, the bill impacts for NOTL Hydro customer classes are summarized in Table 6.3 below.

1

Table 6.3 – Summary of Bill Impacts

RATE CLASSES / CATEGORIES (eg: Residential TOU, Residential Retailer)	Units	Sub-Total						Total	
		A		B		C		A + B + C	
		\$	%	\$	%	\$	%	\$	%
RESIDENTIAL SERVICE CLASSIFICATION - RPP	kWh	\$ 0.67	2.3%	\$ 2.85	9.4%	\$ 2.85	7.7%	\$ 2.99	2.8%
GENERAL SERVICE LESS THAN 50 kW SERVICE CLASSIFICATION - RPP	kWh	\$ (1.18)	(1.8%)	\$ 4.42	6.5%	\$ 4.42	5.2%	\$ 4.64	1.6%
GENERAL SERVICE 50 TO 4,999 KW SERVICE CLASSIFICATION - Non-RPP (Other)	kW	\$ 4.22	0.7%	\$ (342.44)	(38.9%)	\$ (342.58)	(25.2%)	\$ (387.11)	(4.1%)
UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION - RPP	kWh	\$ 0.70	2.7%	\$ 5.20	19.3%	\$ 5.20	15.1%	\$ 5.88	4.4%
STREET LIGHTING SERVICE CLASSIFICATION - RPP*	kW	\$ 108.88	3.1%	\$ 145.38	4.1%	\$ 145.36	4.0%	\$ 152.63	3.2%
RESIDENTIAL SERVICE CLASSIFICATION - RPP (10th Percentile)	kWh	\$ 2.05	7.9%	\$ 2.97	11.0%	\$ 2.97	9.9%	\$ 3.12	5.2%
RESIDENTIAL SERVICE CLASSIFICATION - Non-RPP (Retailer)	kWh	\$ 0.67	2.3%	\$ (3.53)	(9.8%)	\$ (3.53)	(8.3%)	\$ (3.99)	(2.8%)
GENERAL SERVICE LESS THAN 50 kW SERVICE CLASSIFICATION - Non-RPP (Retailer)	kWh	\$ (1.18)	(1.8%)	\$ (12.58)	(15.2%)	\$ (12.58)	(12.6%)	\$ (14.22)	(3.7%)
GENERAL SERVICE 50 TO 4,999 KW SERVICE CLASSIFICATION - Non-RPP (Retailer)	kW	\$ 4.22	0.7%	\$ (342.44)	(38.9%)	\$ (342.58)	(25.2%)	\$ (387.11)	(4.1%)
STREET LIGHTING SERVICE CLASSIFICATION - Non-RPP (Other)	kW	\$ 108.88	3.1%	\$ 32.89	0.9%	\$ 32.86	0.9%	\$ 37.14	0.7%

* total includes OREC - not reflected in Bill Impact Calculator - see table 6.2

2

3 The detailed bill impacts by customer type are as follows:

4

Table 6.4 – Residential – RPP

Customer Class: RESIDENTIAL SERVICE CLASSIFICATION									
RPP / Non-RPP: RPP									
Consumption: 750 kWh									
Demand: - kW									
Current Loss Factor: 1.0379									
Proposed/Approved Loss Factor: 1.0379									
	Current OEB-Approved			Proposed			Impact		
	Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change	
Monthly Service Charge	\$ 24.02	1	\$ 24.02	\$ 27.05	1	\$ 27.05	\$ 3.03	12.61%	
Distribution Volumetric Rate	\$ 0.0066	750	\$ 4.95	\$ 0.0034	750	\$ 2.55	\$ (2.40)	-48.48%	
Fixed Rate Riders	\$ (0.15)	1	\$ (0.15)	\$ (0.11)	1	\$ (0.11)	\$ 0.04	-26.67%	
Volumetric Rate Riders	\$ 0.0003	750	\$ (0.23)	\$ 0.0003	750	\$ (0.23)	\$ -	0.00%	
Sub-Total A (excluding pass through)			\$ 28.60			\$ 29.27	\$ 0.67	2.34%	
Line Losses on Cost of Power	\$ 0.0822	28	\$ 2.34	\$ 0.0822	28	\$ 2.34	\$ -	0.00%	
Total Deferral/Variance Account Rate Riders	\$ 0.0018	750	\$ (1.35)	\$ 0.0011	750	\$ 0.83	\$ 2.18	-161.11%	
CBR Class B Rate Riders	\$ -	750	\$ -	\$ -	750	\$ -	\$ -		
GA Rate Riders	\$ -	750	\$ -	\$ -	750	\$ -	\$ -		
Low Voltage Service Charge	\$ -	750	\$ -	\$ -	750	\$ -	\$ -		
Smart Meter Entity Charge (if applicable) and/or any fixed (\$) Deferral/Variance Account Rate Riders	\$ 0.79	1	\$ 0.79	\$ 0.79	1	\$ 0.79	\$ -	0.00%	
Additional Volumetric Rate Riders (Sheet 18)		750	\$ -	\$ -	750	\$ -	\$ -		
Sub-Total B - Distribution (includes Sub-Total A)			\$ 30.37			\$ 33.22	\$ 2.85	9.37%	
RTSR - Network	\$ 0.0072	778	\$ 5.60	\$ 0.0072	778	\$ 5.60	\$ -	0.00%	
RTSR - Connection and/or Line and Transformation Connection	\$ 0.0015	778	\$ 1.17	\$ 0.0015	778	\$ 1.17	\$ -	0.00%	
Sub-Total C - Delivery (including Sub-Total B)			\$ 37.14			\$ 39.99	\$ 2.85	7.66%	
Wholesale Market Service Charge (WMSC)	\$ 0.0036	778	\$ 2.80	\$ 0.0036	778	\$ 2.80	\$ -	0.00%	
Rural and Remote Rate Protection (RRRP)	\$ 0.0003	778	\$ 0.23	\$ 0.0003	778	\$ 0.23	\$ -	0.00%	
Standard Supply Service Charge	\$ 0.25	1	\$ 0.25	\$ 0.25	1	\$ 0.25	\$ -	0.00%	
TOU - Off Peak	\$ 0.0650	498	\$ 31.69	\$ 0.0650	498	\$ 31.69	\$ -	0.00%	
TOU - Mid Peak	\$ 0.0950	128	\$ 12.11	\$ 0.0950	128	\$ 12.11	\$ -	0.00%	
TOU - On Peak	\$ 0.1320	135	\$ 17.82	\$ 0.1320	135	\$ 17.82	\$ -	0.00%	
Total Bill on TOU (before Taxes)			\$ 102.05			\$ 104.89	\$ 2.85	2.79%	
HST		13%	\$ 13.27	13%		\$ 13.64	\$ 0.37	2.79%	
8% Rebate		8%	\$ (8.16)	8%		\$ (8.39)	\$ (0.23)		
Total Bill on TOU			\$ 107.15			\$ 110.14	\$ 2.99	2.79%	

5

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Table 6.5 – General Service less than 50 kW – RPP

Customer Class: GENERAL SERVICE LESS THAN 50 kW SERVICE CLASSIFICATION								
RPP / Non-RPP: RPP								
Consumption	2,000	kWh						
Demand	-	kW						
Current Loss Factor	1.0379							
Proposed/Approved Loss Factor	1.0379							
	Current OEB-Approved			Proposed			Impact	
	Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	\$ 39.06	1	\$ 39.06	\$ 39.68	1	\$ 39.68	\$ 0.62	1.59%
Distribution Volumetric Rate	\$ 0.0117	2000	\$ 23.40	\$ 0.0119	2000	\$ 23.80	\$ 0.40	1.71%
Fixed Rate Riders	\$ -	1	\$ -	\$ -	1	\$ -	\$ -	
Volumetric Rate Riders	\$ 0.0011	2000	\$ 2.20	\$ 0.0000	2000	\$ (0.00)	\$ (2.20)	-100.00%
Sub-Total A (excluding pass through)			\$ 64.66			\$ 63.48	\$ (1.18)	-1.82%
Line Losses on Cost of Power	\$ 0.0822	76	\$ 6.23	\$ 0.0822	76	\$ 6.23	\$ -	0.00%
Total Deferral/Variance Account Rate Riders	\$ 0.0018	2,000	\$ (3.60)	\$ 0.0010	2,000	\$ 2.00	\$ 5.60	-155.56%
CBR Class B Rate Riders	\$ -	2,000	\$ -	\$ -	2,000	\$ -	\$ -	
GA Rate Riders	\$ -	2,000	\$ -	\$ -	2,000	\$ -	\$ -	
Low Voltage Service Charge	\$ -	2,000	\$ -	\$ -	2,000	\$ -	\$ -	
Smart Meter Entity Charge (if applicable) and/or any fixed (\$ Deferral/Variance Account Rate Riders	\$ 0.79	1	\$ 0.79	\$ 0.79	1	\$ 0.79	\$ -	0.00%
Additional Volumetric Rate Riders (Sheet 18)		2,000	\$ -	\$ -	2,000	\$ -	\$ -	
Sub-Total B - Distribution (includes Sub-Total A)			\$ 68.08			\$ 72.50	\$ 4.42	6.49%
RTSR - Network	\$ 0.0066	2,076	\$ 13.70	\$ 0.0066	2,076	\$ 13.70	\$ -	0.00%
RTSR - Connection and/or Line and Transformation Connection	\$ 0.0015	2,076	\$ 3.11	\$ 0.0015	2,076	\$ 3.11	\$ -	0.00%
Sub-Total C - Delivery (including Sub-Total B)			\$ 84.89			\$ 89.31	\$ 4.42	5.21%
Wholesale Market Service Charge (WMSC)	\$ 0.0036	2,076	\$ 7.47	\$ 0.0036	2,076	\$ 7.47	\$ -	0.00%
Rural and Remote Rate Protection (RRRP)	\$ 0.0003	2,076	\$ 0.62	\$ 0.0003	2,076	\$ 0.62	\$ -	0.00%
Standard Supply Service Charge	\$ 0.25	1	\$ 0.25	\$ 0.25	1	\$ 0.25	\$ -	0.00%
Debt Retirement Charge (DRC)	\$ 0.0070	2,000	\$ 14.00	\$ 0.0070	2,000	\$ 14.00	\$ -	0.00%
TOU - Off Peak	\$ 0.0650	1,300	\$ 84.50	\$ 0.0650	1,300	\$ 84.50	\$ -	0.00%
TOU - Mid Peak	\$ 0.0950	340	\$ 32.30	\$ 0.0950	340	\$ 32.30	\$ -	0.00%
TOU - On Peak	\$ 0.1320	360	\$ 47.52	\$ 0.1320	360	\$ 47.52	\$ -	0.00%
Total Bill on TOU (before Taxes)			\$ 271.56			\$ 275.98	\$ 4.42	1.63%
HST		13%	\$ 35.30		13%	\$ 35.88	\$ 0.57	1.63%
8% Rebate		8%	\$ (21.72)		8%	\$ (22.08)	\$ (0.35)	
Total Bill on TOU			\$ 285.14			\$ 289.78	\$ 4.64	1.63%

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Table 6.6 – General Service 50 to 4,999 kW – Non-RPP (Other)

Customer Class: GENERAL SERVICE 50 TO 4,999 kW SERVICE CLASSIFICATION								
RPP / Non-RPP: Non-RPP (Other)								
Consumption	56,000	kWh						
Demand	150	kW						
Current Loss Factor	1.0379							
Proposed/Approved Loss Factor	1.0379							
	Current OEB-Approved			Proposed			Impact	
	Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	\$ 279.14	1	\$ 279.14	\$ 283.61	1	\$ 283.61	\$ 4.47	1.60%
Distribution Volumetric Rate	\$ 2.2028	150	\$ 330.42	\$ 2.2380	150	\$ 335.70	\$ 5.28	1.60%
Fixed Rate Riders	\$ -	1	\$ -	\$ -	1	\$ -	\$ -	
Volumetric Rate Riders	\$ 0.1126	150	\$ (16.89)	\$ 0.1495	150	\$ (22.43)	\$ (5.53)	32.77%
Sub-Total A (excluding pass through)			\$ 592.67			\$ 596.89	\$ 4.22	0.71%
Line Losses on Cost of Power	\$ -	-	\$ -	\$ -	-	\$ -	\$ -	
Total Deferral/Variance Account Rate Riders Including GA(kW) Rate Riders	\$ 1.8860	150	\$ 282.90	\$ 0.3963	150	\$ 59.45	\$ (223.46)	-78.99%
CBR Class B Rate Riders	\$ -	150	\$ -	\$ -	150	\$ -	\$ -	
GA Rate Riders	\$ 0.0001	56,000	\$ 5.60	\$ 0.0021	56,000	\$ (117.60)	\$ (123.20)	-2200.00%
Low Voltage Service Charge	\$ -	150	\$ -	\$ -	150	\$ -	\$ -	
Smart Meter Entity Charge (if applicable) and/or any fixed (\$ Deferral/Variance Account Rate Riders	\$ -	1	\$ -	\$ -	1	\$ -	\$ -	
Additional Volumetric Rate Riders (Sheet 18)		150	\$ -	\$ -	150	\$ -	\$ -	
Sub-Total B - Distribution (includes Sub-Total A)			\$ 881.17			\$ 538.73	\$ (342.44)	-38.86%
RTSR - Network	\$ 2.6843	150	\$ 402.65	\$ 2.6776	150	\$ 401.64	\$ (1.01)	-0.25%
RTSR - Connection and/or Line and Transformation Connection	\$ 0.5108	150	\$ 76.62	\$ 0.5166	150	\$ 77.49	\$ 0.87	1.14%
Sub-Total C - Delivery (including Sub-Total B)			\$ 1,360.44			\$ 1,017.86	\$ (342.58)	-25.18%
Wholesale Market Service Charge (WMSC)	\$ 0.0036	58,122	\$ 209.24	\$ 0.0036	58,122	\$ 209.24	\$ -	0.00%
Rural and Remote Rate Protection (RRRP)	\$ 0.0003	58,122	\$ 17.44	\$ 0.0003	58,122	\$ 17.44	\$ -	0.00%
Standard Supply Service Charge	\$ 0.25	1	\$ 0.25	\$ 0.25	1	\$ 0.25	\$ -	0.00%
Debt Retirement Charge (DRC)	\$ 0.0070	56,000	\$ 392.00	\$ 0.0070	56,000	\$ 392.00	\$ -	0.00%
Average IESO Wholesale Market Price	\$ 0.1101	58,122	\$ 6,399.28	\$ 0.1101	58,122	\$ 6,399.28	\$ -	0.00%
Total Bill on Average IESO Wholesale Market Price			\$ 8,378.64			\$ 8,036.06	\$ (342.58)	-4.09%
HST		13%	\$ 1,089.22		13%	\$ 1,044.69	\$ (44.53)	-4.09%
Total Bill on Average IESO Wholesale Market Price			\$ 9,467.86			\$ 9,080.75	\$ (387.11)	-4.09%

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Table 6.7 – Unmetered Scattered Load – RPP

Customer Class: UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION								
RPP / Non-RPP: RPP								
Consumption	900	kWh						
Demand	-	kW						
Current Loss Factor	1.0379							
Proposed/Approved Loss Factor	1.0379							
	Current OEB-Approved			Proposed			Impact	
	Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	\$ 21.01	1	\$ 21.01	\$ 21.35	1	\$ 21.35	\$ 0.34	1.62%
Distribution Volumetric Rate	\$ 0.0063	900	\$ 5.67	\$ 0.0064	900	\$ 5.76	\$ 0.09	1.59%
Fixed Rate Riders	\$ -	1	\$ -	\$ -	1	\$ -	\$ -	
Volumetric Rate Riders	\$ 0.0010	900	\$ (0.90)	\$ 0.0007	900	\$ (0.63)	\$ 0.27	-30.00%
Sub-Total A (excluding pass through)			\$ 25.78			\$ 26.48	\$ 0.70	2.72%
Line Losses on Cost of Power	\$ 0.0822	34	\$ 2.80	\$ 0.0822	34	\$ 2.80	\$ -	0.00%
Total Deferral/Variance Account Rate Riders	\$ 0.0018	900	\$ (1.62)	\$ 0.0032	900	\$ 2.88	\$ 4.50	-277.78%
CBR Class B Rate Riders	\$ -	900	\$ -	\$ -	900	\$ -	\$ -	
GA Rate Riders	\$ -	900	\$ -	\$ -	900	\$ -	\$ -	
Low Voltage Service Charge	\$ -	900	\$ -	\$ -	900	\$ -	\$ -	
Smart Meter Entity Charge (if applicable) and/or any fixed (\$ Deferral/Variance Account Rate Riders	\$ -	1	\$ -	\$ -	1	\$ -	\$ -	
Additional Volumetric Rate Riders (Sheet 18)		900	\$ -	\$ -	900	\$ -	\$ -	
Sub-Total B - Distribution (includes Sub-Total A)			\$ 26.96			\$ 32.16	\$ 5.20	19.29%
RTSR - Network	\$ 0.0066	934	\$ 6.17	\$ 0.0066	934	\$ 6.17	\$ -	0.00%
RTSR - Connection and/or Line and Transformation Connection	\$ 0.0015	934	\$ 1.40	\$ 0.0015	934	\$ 1.40	\$ -	0.00%
Sub-Total C - Delivery (including Sub-Total B)			\$ 34.53			\$ 39.73	\$ 5.20	15.06%
Wholesale Market Service Charge (WMSC)	\$ 0.0036	934	\$ 3.36	\$ 0.0036	934	\$ 3.36	\$ -	0.00%
Rural and Remote Rate Protection (RRRP)	\$ 0.0003	934	\$ 0.28	\$ 0.0003	934	\$ 0.28	\$ -	0.00%
Standard Supply Service Charge	\$ 0.25	1	\$ 0.25	\$ 0.25	1	\$ 0.25	\$ -	0.00%
Debt Retirement Charge (DRC)	\$ 0.0070	900	\$ 6.30	\$ 0.0070	900	\$ 6.30	\$ -	0.00%
TOU - Off Peak	\$ 0.0650	585	\$ 38.03	\$ 0.0650	585	\$ 38.03	\$ -	0.00%
TOU - Mid Peak	\$ 0.0950	153	\$ 14.54	\$ 0.0950	153	\$ 14.54	\$ -	0.00%
TOU - On Peak	\$ 0.1320	162	\$ 21.38	\$ 0.1320	162	\$ 21.38	\$ -	0.00%
Total Bill on TOU (before Taxes)			\$ 118.67			\$ 123.87	\$ 5.20	4.38%
HST	13%		\$ 15.43	13%		\$ 16.10	\$ 0.68	4.38%
Total Bill on TOU			\$ 134.09			\$ 139.97	\$ 5.88	4.38%

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Table 6.8 – Street Lighting – RPP

Customer Class: STREET LIGHTING SERVICE CLASSIFICATION								
RPP / Non-RPP: RPP								
Consumption	10,000	kWh						
Demand	40	kW						
Current Loss Factor	1.0379							
Proposed/Approved Loss Factor	1.0379							
	Current OEB-Approved			Proposed			Impact	
	Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	\$ 7.78	300	\$ 2,334.00	\$ 7.90	300	\$ 2,370.00	\$ 36.00	1.54%
Distribution Volumetric Rate	\$ 30.4196	40	\$ 1,216.78	\$ 30.9063	40	\$ 1,236.25	\$ 19.47	1.60%
Fixed Rate Riders	\$ -	300	\$ -	\$ -	300	\$ -	\$ -	
Volumetric Rate Riders	\$ 1.0499	40	\$ (42.00)	\$ 0.2855	40	\$ 11.42	\$ 53.42	-127.19%
Sub-Total A (excluding pass through)			\$ 3,508.79			\$ 3,617.67	\$ 108.88	3.10%
Line Losses on Cost of Power	\$ 0.0822	379	\$ 31.14	\$ 0.0822	379	\$ 31.14	\$ -	0.00%
Total Deferral/Variance Account Rate Riders	\$ 0.5087	40	\$ (20.35)	\$ 0.4038	40	\$ 16.15	\$ 36.50	-179.38%
CBR Class B Rate Riders	\$ -	40	\$ -	\$ -	40	\$ -	\$ -	
GA Rate Riders	\$ -	10,000	\$ -	\$ -	10,000	\$ -	\$ -	
Low Voltage Service Charge	\$ -	40	\$ -	\$ -	40	\$ -	\$ -	
Smart Meter Entity Charge (if applicable) and/or any fixed (\$ Deferral/Variance Account Rate Riders	\$ -	1	\$ -	\$ -	1	\$ -	\$ -	
Additional Volumetric Rate Riders (Sheet 18)		40	\$ -	\$ -	40	\$ -	\$ -	
Sub-Total B - Distribution (includes Sub-Total A)			\$ 3,519.58			\$ 3,664.96	\$ 145.38	4.13%
RTSR - Network	\$ 2.0240	40	\$ 80.96	\$ 2.0189	40	\$ 80.76	\$ (0.20)	-0.25%
RTSR - Connection and/or Line and Transformation Connection	\$ 0.3949	40	\$ 15.80	\$ 0.3994	40	\$ 15.98	\$ 0.18	1.14%
Sub-Total C - Delivery (including Sub-Total B)			\$ 3,616.33			\$ 3,761.69	\$ 145.36	4.02%
Wholesale Market Service Charge (WMSC)	\$ 0.0036	10,379	\$ 37.36	\$ 0.0036	10,379	\$ 37.36	\$ -	0.00%
Rural and Remote Rate Protection (RRRP)	\$ 0.0003	10,379	\$ 3.11	\$ 0.0003	10,379	\$ 3.11	\$ -	0.00%
Standard Supply Service Charge	\$ 0.25	1	\$ 0.25	\$ 0.25	1	\$ 0.25	\$ -	0.00%
Debt Retirement Charge (DRC)	\$ 0.0070	10,000	\$ 70.00	\$ 0.0070	10,000	\$ 70.00	\$ -	0.00%
TOU - Off Peak	\$ 0.0650	6,500	\$ 422.50	\$ 0.0650	6,500	\$ 422.50	\$ -	0.00%
TOU - Mid Peak	\$ 0.0950	1,700	\$ 161.50	\$ 0.0950	1,700	\$ 161.50	\$ -	0.00%
TOU - On Peak	\$ 0.1320	1,800	\$ 237.60	\$ 0.1320	1,800	\$ 237.60	\$ -	0.00%
Total Bill on TOU (before Taxes)			\$ 4,548.66			\$ 4,694.02	\$ 145.36	3.20%
HST	13%		\$ 591.33	13%		\$ 610.22	\$ 18.90	3.20%
Total Bill on TOU			\$ 5,139.99			\$ 5,304.25	\$ 164.26	3.20%

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Table 6.9 – Residential – RPP (10th Percentile)

Customer Class: RESIDENTIAL SERVICE CLASSIFICATION								
RPP / Non-RPP: RPP								
Consumption: 318 kWh								
Demand: - kW								
Current Loss Factor: 1.0379								
Proposed/Approved Loss Factor: 1.0379								
	Current OEB-Approved			Proposed			Impact	
	Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	\$ 24.02	1	\$ 24.02	\$ 27.05	1	\$ 27.05	\$ 3.03	12.61%
Distribution Volumetric Rate	\$ 0.0066	318	\$ 2.10	\$ 0.0034	318	\$ 1.08	\$ (1.02)	-48.48%
Fixed Rate Riders	\$ (0.15)	1	\$ (0.15)	\$ (0.11)	1	\$ (0.11)	\$ 0.04	-26.67%
Volumetric Rate Riders	-\$ 0.0003	318	\$ (0.10)	-\$ 0.0003	318	\$ (0.10)	\$ -	0.00%
Sub-Total A (excluding pass through)			\$ 25.87			\$ 27.93	\$ 2.05	7.93%
Line Losses on Cost of Power	\$ 0.0822	12	\$ 0.99	\$ 0.0822	12	\$ 0.99	\$ -	0.00%
Total Deferral/Variance Account Rate Riders	-\$ 0.0018	318	\$ (0.57)	\$ 0.0011	318	\$ 0.35	\$ 0.92	-161.11%
CBR Class B Rate Riders	\$ -	318	\$ -	\$ -	318	\$ -	\$ -	-
GA Rate Riders	\$ -	318	\$ -	\$ -	318	\$ -	\$ -	-
Low Voltage Service Charge	\$ -	318	\$ -	\$ -	318	\$ -	\$ -	-
Smart Meter Entity Charge (if applicable) and/or any fixed (\$) Deferral/Variance	\$ 0.79	1	\$ 0.79	\$ 0.79	1	\$ 0.79	\$ -	0.00%
Account Rate Riders								
Additional Volumetric Rate Riders (Sheet 18)		318	\$ -	\$ -	318	\$ -	\$ -	-
Sub-Total B - Distribution (includes Sub-Total A)			\$ 27.08			\$ 30.06	\$ 2.97	10.98%
RTSR - Network	\$ 0.0072	330	\$ 2.38	\$ 0.0072	330	\$ 2.38	\$ -	0.00%
RTSR - Connection and/or Line and Transformation Connection	\$ 0.0015	330	\$ 0.50	\$ 0.0015	330	\$ 0.50	\$ -	0.00%
Sub-Total C - Delivery (including Sub-Total B)			\$ 29.95			\$ 32.93	\$ 2.97	9.93%
Wholesale Market Service Charge (WMSC)	\$ 0.0036	330	\$ 1.19	\$ 0.0036	330	\$ 1.19	\$ -	0.00%
Rural and Remote Rate Protection (RRRP)	\$ 0.0003	330	\$ 0.10	\$ 0.0003	330	\$ 0.10	\$ -	0.00%
Standard Supply Service Charge	\$ 0.25	1	\$ 0.25	\$ 0.25	1	\$ 0.25	\$ -	0.00%
Debt Retirement Charge (DRC)								
TOU - Off Peak	\$ 0.0650	207	\$ 13.44	\$ 0.0650	207	\$ 13.44	\$ -	0.00%
TOU - Mid Peak	\$ 0.0950	54	\$ 5.14	\$ 0.0950	54	\$ 5.14	\$ -	0.00%
TOU - On Peak	\$ 0.1320	57	\$ 7.56	\$ 0.1320	57	\$ 7.56	\$ -	0.00%
Total Bill on TOU (before Taxes)			\$ 57.62			\$ 60.59	\$ 2.97	5.16%
HST		13%	\$ 7.49	13%		\$ 7.88	\$ 0.39	5.16%
8% Rebate		8%	\$ (4.61)	8%		\$ (4.85)	\$ (0.24)	-
Total Bill on TOU			\$ 60.50			\$ 63.62	\$ 3.12	5.16%

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Table 6.10 – Residential – Non-RPP (Retailer)

Customer Class: RESIDENTIAL SERVICE CLASSIFICATION								
RPP / Non-RPP: Non-RPP (Retailer)								
Consumption: 750 kWh								
Demand: - kW								
Current Loss Factor: 1.0379								
Proposed/Approved Loss Factor: 1.0379								
	Current OEB-Approved			Proposed			Impact	
	Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	\$ 24.02	1	\$ 24.02	\$ 27.05	1	\$ 27.05	\$ 3.03	12.61%
Distribution Volumetric Rate	\$ 0.0066	750	\$ 4.95	\$ 0.0034	750	\$ 2.55	\$ (2.40)	-48.48%
Fixed Rate Riders	\$ (0.15)	1	\$ (0.15)	\$ (0.11)	1	\$ (0.11)	\$ 0.04	-26.67%
Volumetric Rate Riders	-\$ 0.0003	750	\$ (0.23)	-\$ 0.0003	750	\$ (0.23)	\$ -	0.00%
Sub-Total A (excluding pass through)			\$ 28.60			\$ 29.27	\$ 0.67	2.34%
Line Losses on Cost of Power	\$ 0.1101	28	\$ 3.13	\$ 0.1101	28	\$ 3.13	\$ -	0.00%
Total Deferral/Variance Account Rate Riders	-\$ 0.0018	750	\$ (1.35)	\$ 0.0011	750	\$ 0.83	\$ 2.18	-161.11%
CBR Class B Rate Riders	\$ -	750	\$ -	\$ -	750	\$ -	\$ -	-
GA Rate Riders	\$ 0.0064	750	\$ 4.80	\$ 0.0021	750	\$ (1.58)	\$ (6.38)	-132.81%
Low Voltage Service Charge	\$ -	750	\$ -	\$ -	750	\$ -	\$ -	-
Smart Meter Entity Charge (if applicable) and/or any fixed (\$) Deferral/Variance	\$ 0.79	1	\$ 0.79	\$ 0.79	1	\$ 0.79	\$ -	0.00%
Account Rate Riders								
Additional Volumetric Rate Riders (Sheet 18)		750	\$ -	\$ -	750	\$ -	\$ -	-
Sub-Total B - Distribution (includes Sub-Total A)			\$ 35.96			\$ 32.43	\$ (3.53)	-9.82%
RTSR - Network	\$ 0.0072	778	\$ 5.60	\$ 0.0072	778	\$ 5.60	\$ -	0.00%
RTSR - Connection and/or Line and Transformation Connection	\$ 0.0015	778	\$ 1.17	\$ 0.0015	778	\$ 1.17	\$ -	0.00%
Sub-Total C - Delivery (including Sub-Total B)			\$ 42.74			\$ 39.21	\$ (3.53)	-8.26%
Wholesale Market Service Charge (WMSC)	\$ 0.0036	778	\$ 2.80	\$ 0.0036	778	\$ 2.80	\$ -	0.00%
Rural and Remote Rate Protection (RRRP)	\$ 0.0003	778	\$ 0.23	\$ 0.0003	778	\$ 0.23	\$ -	0.00%
Standard Supply Service Charge								
Debt Retirement Charge (DRC)								
Non-RPP Retailer Avg. Price	\$ 0.1101	750	\$ 82.58	\$ 0.1101	750	\$ 82.58	\$ -	0.00%
Total Bill on Non-RPP Avg. Price			\$ 128.35			\$ 124.82	\$ (3.53)	-2.75%
HST		13%	\$ 16.69	13%		\$ 16.23	\$ (0.46)	-2.75%
8% Rebate		8%	\$ -	8%		\$ -	\$ -	-
Total Bill on Non-RPP Avg. Price			\$ 145.03			\$ 141.04	\$ (3.99)	-2.75%

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Table 6.11 – General Service less than 50 kW – Non-RPP (Retailer)

Customer Class: GENERAL SERVICE LESS THAN 50 kW SERVICE CLASSIFICATION								
RPP / Non-RPP: Non-RPP (Retailer)								
Consumption: 2,000 kWh								
Demand: - kW								
Current Loss Factor: 1.0379								
Proposed/Approved Loss Factor: 1.0379								
	Current OEB-Approved			Proposed			Impact	
	Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	\$ 39.06	1	\$ 39.06	\$ 39.68	1	\$ 39.68	\$ 0.62	1.59%
Distribution Volumetric Rate	\$ 0.0117	2000	\$ 23.40	\$ 0.0119	2000	\$ 23.80	\$ 0.40	1.71%
Fixed Rate Riders	\$ -	1	\$ -	\$ -	1	\$ -	\$ -	-
Volumetric Rate Riders	\$ 0.0011	2000	\$ 2.20	\$ 0.0000	2000	\$ (0.00)	\$ (2.20)	-100.00%
Sub-Total A (excluding pass through)			\$ 64.66			\$ 63.48	\$ (1.18)	-1.82%
Line Losses on Cost of Power	\$ 0.1101	76	\$ 8.35	\$ 0.1101	76	\$ 8.35	\$ -	0.00%
Total Deferral/Variance Account Rate Riders	\$ 0.0018	2,000	\$ (3.60)	\$ 0.0010	2,000	\$ 2.00	\$ 5.60	-155.56%
CBR Class B Rate Riders	\$ -	2,000	\$ -	\$ -	2,000	\$ -	\$ -	-
GA Rate Riders	\$ 0.0064	2,000	\$ 12.80	\$ 0.0021	2,000	\$ (4.20)	\$ (17.00)	-132.81%
Low Voltage Service Charge	\$ -	2,000	\$ -	\$ -	2,000	\$ -	\$ -	-
Smart Meter Entity Charge (if applicable) and/or any fixed (\$) Deferral/Variance	\$ 0.79	1	\$ 0.79	\$ 0.79	1	\$ 0.79	\$ -	0.00%
Account Rate Riders							\$ -	-
Additional Volumetric Rate Riders (Sheet 18)		2,000	\$ -	\$ -	2,000	\$ -	\$ -	-
Sub-Total B - Distribution (includes Sub-Total A)			\$ 83.00			\$ 70.42	\$ (12.58)	-15.16%
RTSR - Network	\$ 0.0066	2,076	\$ 13.70	\$ 0.0066	2,076	\$ 13.70	\$ -	0.00%
RTSR - Connection and/or Line and Transformation Connection	\$ 0.0015	2,076	\$ 3.11	\$ 0.0015	2,076	\$ 3.11	\$ -	0.00%
Sub-Total C - Delivery (including Sub-Total B)			\$ 99.81			\$ 87.23	\$ (12.58)	-12.60%
Wholesale Market Service Charge (WMSC)	\$ 0.0036	2,076	\$ 7.47	\$ 0.0036	2,076	\$ 7.47	\$ -	0.00%
Rural and Remote Rate Protection (RRRP)	\$ 0.0003	2,076	\$ 0.62	\$ 0.0003	2,076	\$ 0.62	\$ -	0.00%
Standard Supply Service Charge							\$ -	-
Debt Retirement Charge (DRC)	\$ 0.0070	2,000	\$ 14.00	\$ 0.0070	2,000	\$ 14.00	\$ -	0.00%
Non-RPP Retailer Avg. Price	\$ 0.1101	2,000	\$ 220.20	\$ 0.1101	2,000	\$ 220.20	\$ -	0.00%
Total Bill on Non-RPP Avg. Price			\$ 342.11			\$ 329.53	\$ (12.58)	-3.68%
HST		13%	\$ 44.47	13%		\$ 42.84	\$ (1.64)	-3.68%
8% Rebate		8%		8%				-
Total Bill on Non-RPP Avg. Price			\$ 386.58			\$ 372.36	\$ (14.22)	-3.68%

2

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Table 6.12 – General Service 50 to 4,999 kW – Non-RPP (Retailer)

Customer Class: GENERAL SERVICE 50 TO 4,999 KW SERVICE CLASSIFICATION								
RPP / Non-RPP: Non-RPP (Retailer)								
Consumption: 56,000 kWh								
Demand: 150 kW								
Current Loss Factor: 1.0379								
Proposed/Approved Loss Factor: 1.0379								
	Current OEB-Approved			Proposed			Impact	
	Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	\$ 279.14	1	\$ 279.14	\$ 283.61	1	\$ 283.61	\$ 4.47	1.60%
Distribution Volumetric Rate	\$ 2.2028	150	\$ 330.42	\$ 2.2380	150	\$ 335.70	\$ 5.28	1.60%
Fixed Rate Riders	\$ -	1	\$ -	\$ -	1	\$ -	\$ -	-
Volumetric Rate Riders	\$ 0.1126	150	\$ (16.89)	\$ 0.1495	150	\$ (22.43)	\$ (5.53)	32.77%
Sub-Total A (excluding pass through)			\$ 592.67			\$ 596.89	\$ 4.22	0.71%
Line Losses on Cost of Power	\$ -	-	\$ -	\$ -	-	\$ -	\$ -	-
Total Deferral/Variance Account Rate Riders Including GA(KW) Rate Riders	\$ 1.8860	150	\$ 282.90	\$ 0.3963	150	\$ 59.45	\$ (223.46)	-78.99%
CBR Class B Rate Riders	\$ -	150	\$ -	\$ -	150	\$ -	\$ -	-
GA Rate Riders	\$ 0.0001	56,000	\$ 5.60	\$ 0.0021	56,000	\$ (117.60)	\$ (123.20)	-2200.00%
Low Voltage Service Charge	\$ -	150	\$ -	\$ -	150	\$ -	\$ -	-
Smart Meter Entity Charge (if applicable) and/or any fixed (\$) Deferral/Variance	\$ -	1	\$ -	\$ -	1	\$ -	\$ -	-
Account Rate Riders							\$ -	-
Additional Volumetric Rate Riders (Sheet 18)		150	\$ -	\$ -	150	\$ -	\$ -	-
Sub-Total B - Distribution (includes Sub-Total A)			\$ 881.17			\$ 538.73	\$ (342.44)	-38.86%
RTSR - Network	\$ 2.6843	150	\$ 402.65	\$ 2.6776	150	\$ 401.64	\$ (1.01)	-0.25%
RTSR - Connection and/or Line and Transformation Connection	\$ 0.5108	150	\$ 76.62	\$ 0.5166	150	\$ 77.49	\$ 0.87	1.14%
Sub-Total C - Delivery (including Sub-Total B)			\$ 1,360.44			\$ 1,017.86	\$ (342.58)	-25.18%
Wholesale Market Service Charge (WMSC)	\$ 0.0036	58,122	\$ 209.24	\$ 0.0036	58,122	\$ 209.24	\$ -	0.00%
Rural and Remote Rate Protection (RRRP)	\$ 0.0003	58,122	\$ 17.44	\$ 0.0003	58,122	\$ 17.44	\$ -	0.00%
Standard Supply Service Charge							\$ -	-
Debt Retirement Charge (DRC)	\$ 0.0070	56,000	\$ 392.00	\$ 0.0070	56,000	\$ 392.00	\$ -	0.00%
Non-RPP Retailer Avg. Price	\$ 0.1101	58,122	\$ 6,399.28	\$ 0.1101	58,122	\$ 6,399.28	\$ -	0.00%
Total Bill on Non-RPP Avg. Price			\$ 8,378.39			\$ 8,035.81	\$ (342.58)	-4.09%
HST		13%	\$ 1,089.19	13%		\$ 1,044.66	\$ (44.53)	-4.09%
Total Bill on Non-RPP Avg. Price			\$ 9,467.58			\$ 9,080.47	\$ (387.11)	-4.09%

4

Table 6.13 – Street Lighting – Non-RPP (Other)

Customer Class: STREET LIGHTING SERVICE CLASSIFICATION								
RPP / Non-RPP: Non-RPP (Other)								
Consumption: 10,000 kWh								
Demand: 40 kW								
Current Loss Factor: 1.0379								
Proposed/Approved Loss Factor: 1.0379								
	Current OEB-Approved			Proposed			Impact	
	Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	\$ 7.78	300	\$ 2,334.00	\$ 7.90	300	\$ 2,370.00	\$ 36.00	1.54%
Distribution Volumetric Rate	\$ 30.4196	40	\$ 1,216.78	\$ 30.9063	40	\$ 1,236.25	\$ 19.47	1.60%
Fixed Rate Riders	\$ -	300	\$ -	\$ -	300	\$ -	\$ -	-
Volumetric Rate Riders	\$ 1.0499	40	\$ (42.00)	\$ 0.2855	40	\$ 11.42	\$ 53.42	-127.19%
Sub-Total A (excluding pass through)			\$ 3,508.79			\$ 3,617.67	\$ 108.88	3.10%
Line Losses on Cost of Power	\$ 0.1101	379	\$ 41.73	\$ 0.1101	379	\$ 41.73	\$ -	0.00%
Total Deferral/Variance Account Rate	\$ 1.7537	40	\$ 70.15	\$ 0.4038	40	\$ 16.15	\$ (54.00)	-76.97%
Riders Including GA(kW) Rate Riders	\$ -	40	\$ -	\$ -	40	\$ -	\$ -	-
CBR Class B Rate Riders	\$ 0.0001	10,000	\$ 1.00	\$ 0.0021	10,000	\$ (21.00)	\$ (22.00)	-2200.00%
GA Rate Riders	\$ -	40	\$ -	\$ -	40	\$ -	\$ -	-
Low Voltage Service Charge	\$ -	40	\$ -	\$ -	40	\$ -	\$ -	-
Smart Meter Entity Charge (if applicable)	\$ -	1	\$ -	\$ -	1	\$ -	\$ -	-
and/or any fixed (\$) Deferral/Variance	\$ -	1	\$ -	\$ -	1	\$ -	\$ -	-
Account Rate Riders	\$ -	40	\$ -	\$ -	40	\$ -	\$ -	-
Additional Volumetric Rate Riders (Sheet 18)	\$ -	40	\$ -	\$ -	40	\$ -	\$ -	-
Sub-Total B - Distribution (includes Sub-Total A)			\$ 3,621.66			\$ 3,654.55	\$ 32.89	0.91%
RTSR - Network	\$ 2.0240	40	\$ 80.96	\$ 2.0189	40	\$ 80.76	\$ (0.20)	-0.25%
RTSR - Connection and/or Line and Transformation Connection	\$ 0.3949	40	\$ 15.80	\$ 0.3994	40	\$ 15.98	\$ 0.18	1.14%
Sub-Total C - Delivery (including Sub-Total B)			\$ 3,718.42			\$ 3,751.28	\$ 32.86	0.88%
Wholesale Market Service Charge (WMSC)	\$ 0.0036	10,379	\$ 37.36	\$ 0.0036	10,379	\$ 37.36	\$ -	0.00%
Rural and Remote Rate Protection (RRRP)	\$ 0.0003	10,379	\$ 3.11	\$ 0.0003	10,379	\$ 3.11	\$ -	0.00%
Standard Supply Service Charge	\$ 0.25	1	\$ 0.25	\$ 0.25	1	\$ 0.25	\$ -	0.00%
Debt Retirement Charge (DRC)	\$ 0.0070	10,000	\$ 70.00	\$ 0.0070	10,000	\$ 70.00	\$ -	0.00%
Average IESO Wholesale Market Price	\$ 0.1101	10,000	\$ 1,101.00	\$ 0.1101	10,000	\$ 1,101.00	\$ -	0.00%
Total Bill on Average IESO Wholesale Market Price			\$ 4,930.15			\$ 4,963.01	\$ 32.86	0.67%
HST	13%		\$ 640.92	13%		\$ 645.19	\$ 4.27	0.67%
Total Bill on Average IESO Wholesale Market Price			\$ 5,571.07			\$ 5,608.20	\$ 37.14	0.67%

Mitigation

NOTL Hydro is not proposing any rate mitigation measures. As per the tables above, all rate classes and categories have total bill impacts less than 10%.

7. GLOBAL ADJUSTMENT

GA Analysis Workform

Pursuant to section 3.2.5.2 of Chapter 3 Filing Requirements, NOTL Hydro has completed and attached the GA Analysis Workform.

Effective January 1, 2016 NOTL Hydro billed all Class B customers on the actual GA rate which resulted in an Expected GA Variance for 2016 of \$0.

Table 7.1 Analysis of Expected GA Amount

Analysis of Expected GA Amount									
Year	2016								
Calendar Month	Non-RPP Class B Including Loss Factor Billed Consumption (kWh)	Deduct Previous Month Unbilled Loss Adjusted Consumption (kWh)	Add Current Month Unbilled Loss Adjusted Consumption (kWh)	Non-RPP Class B Including Loss Adjusted Consumption, Adjusted for Unbilled (kWh)	GA Rate Billed (\$/kWh)	\$ Consumption at GA Rate Billed	GA Actual Rate Paid (\$/kWh)	\$ Consumption at Actual Rate Paid	Expected GA Variance (\$)
	F	G	H	I = F-G+H	J	K = I*J	L	M = I*L	=M-K
January	6,321,918	7,750,293	6,741,002	5,312,627	0.09179	\$ 487,646	0.09179	\$ 487,646	\$ -
February	7,058,567	6,741,002	7,533,074	7,848,639	0.09851	\$ 773,169	0.09851	\$ 773,169	\$ -
March	6,992,029	7,533,074	7,709,063	7,159,918	0.10810	\$ 759,572	0.10810	\$ 759,572	\$ -
April	7,116,866	7,709,063	7,173,324	6,590,127	0.11132	\$ 733,613	0.11132	\$ 733,613	\$ -
May	6,570,383	7,173,324	7,313,878	6,710,937	0.10748	\$ 721,359	0.10748	\$ 721,359	\$ -
June	7,265,526	7,313,878	7,257,185	7,208,834	0.09545	\$ 688,083	0.09545	\$ 688,083	\$ -
July	7,653,732	7,257,185	8,303,555	8,700,101	0.09306	\$ 722,630	0.09306	\$ 722,630	\$ -
August	8,721,782	8,303,555	9,303,060	9,721,287	0.07103	\$ 690,503	0.07103	\$ 690,503	\$ -
September	9,768,018	9,303,060	9,747,849	10,212,807	0.09531	\$ 973,383	0.09531	\$ 973,383	\$ -
October	8,236,684	9,747,849	9,139,894	7,628,729	0.11226	\$ 856,401	0.11226	\$ 856,401	\$ -
November	7,427,466	9,139,894	7,678,855	5,966,426	0.11109	\$ 662,810	0.11109	\$ 662,810	\$ -
December	7,297,572	7,678,855	7,876,297	7,495,014	0.08708	\$ 652,666	0.08708	\$ 652,666	\$ -
Net Change in Expected GA Balance in the Year (i.e. Transactions in the Year)	90,428,543	95,642,032	95,768,036	90,554,548		\$ 8,721,835		\$ 8,721,835	\$ -

The actual net change in principal balance in account 1598 for 2016 was (\$1,562,956). Reconciling items include the following:

2a – Remove prior year-end unbilled to actual revenue differences: \$193,823.

The calculation of monthly GA revenue is as follows:

- GA Revenue = (reversal of prior month unbilled revenue) + revenue billed in the current month + unbilled revenue as of the end of the current month

December 2015 unbilled revenue estimates were \$193,823 less than the actual amount that was billed in 2016 that related to 2015 consumption. In January 2016, the unbilled revenue estimates from December 2015 were reversed. Due to the reversing entry, January 2016 GA revenue was overstated by \$193,823 resulting in a debit to GA revenue and an offsetting credit to account 1589 of \$193,823. Table 7.2 shows the differences between the GL entries for January 2016 and what those entries should have been based on actual billings.

Table 7.2 Remove Prior Year-end Unbilled to Actual Revenue Differences

January 2016 - GL Entries	Unbilled GA (reversal of previous month)	Billed Revenue	Unbilled Revenue (current month)	Total
GA Revenue	591,194	(726,272)	(749,621)	(\$884,699)
GA Expense				\$837,463
Difference				(\$47,236)
<u>RSVA Entries</u>				
RSVA - Revenue				\$47,236
RSVA - 1589 Global Adjustment				(\$47,236)
January 2016 - Should have been*	Unbilled GA (reversal of previous month)	Billed Revenue	Unbilled Revenue (current month)	Total
GA Revenue	785,017	(726,272)	(749,621)	(\$690,876)
GA Expense				\$837,463
<u>RSVA Entries</u>				
RSVA - Revenue				(\$146,587)
RSVA - 1589 Global Adjustment				\$146,587
January 2016 - Differences Reconciling Item for GA Workform	Unbilled GA (reversal of previous month)	Billed Revenue	Unbilled Revenue (current month)	Total
GA Revenue	\$193,823	\$0	\$0	\$193,823
GA Expense				\$0
RSVA - Revenue				(\$193,823)
RSVA - 1589 Global Adjustment				\$193,823

* Adjusted December 2015 unbilled estimate to actual amount billed in 2016 for 2015 consumption.

2b – Add current year-end unbilled to actual revenue differences: \$231,901. The calculation of monthly GA revenue is as follows:

- GA Revenue = (reversal of prior month unbilled revenue) + revenue billed in the current month + unbilled revenue as of the end of the current month

December 2016 unbilled revenue estimates were \$231,901 higher than the actual amount that was billed in 2017 that related to 2016 consumption.

December 2016 GA revenue was therefore overstated by \$231,901 resulting in a debit to GA revenue and an offsetting credit to account 1589. Table 7.3 shows the differences between the GL entries for December 2016 and what those entries should have been based on actual billings.

Table 7.3 Add Current Year-End Unbilled to Actual Revenue Differences

December 2016 - Entries	Unbilled GA (reversal of previous month)	Billed Revenue	Unbilled Revenue (current month)	Total
GA Revenue	847,281	(809,618)	(876,003)	(\$838,339)
GA Expense				\$478,265
Difference				(\$360,075)
<u>RSVA Entries</u>				
RSVA - Revenue				\$360,075
RSVA - 1589 Global Adjustment				(\$360,075)
December 2016 - Should have been*	Unbilled GA (reversal of previous month)	Billed Revenue	Unbilled Revenue (current month)	Total
GA Revenue	847,281	(809,618)	(644,102)	(\$606,438)
GA Expense				\$478,265
<u>RSVA Entries</u>				
RSVA - Revenue				\$128,174
RSVA - 1589 Global Adjustment				(\$128,174)
December 2016 - Differences Reconciling Item for GA Workform	Unbilled GA (reversal of previous month)	Billed Revenue	Unbilled Revenue (current month)	Total
GA Revenue	\$0	\$0	\$231,901	\$231,901
GA Expense				\$0
RSVA - Revenue				(\$231,901)
RSVA - 1589 Global Adjustment				\$231,901

* Adjusted December 2016 unbilled estimate to actual amount billed in 2017 for 2016 consumption.

6 – Differences in GA IESO posted rate and rate charged on IESO invoice: (\$11,967).

This amount is the difference between the actual GA amount on NOTL Hydro's monthly IESO invoices and the amount calculated based on NOTL Hydro's proportion of the total Class B Global Adjustment. Table 7.4 provides details of the calculation.

Table 7.4 IESO Invoice Adjustments

		Jan 2016	Feb 2016	Mar 2016	Apr 2016	May 2016	Jun 2016	Jul 2016	Aug 2016	Sep 2016	Oct 2016	Nov 2016	Dec 2016	Total
IESO Invoice Line 148	A	\$1,629,520	\$1,578,378	\$1,755,444	\$1,637,364	\$1,689,561	\$1,720,500	\$1,849,191	\$1,672,312	\$1,738,686	\$1,740,936	\$1,637,146	\$1,526,574	\$20,175,611
IESO Data File														
AQEW MWh	B	17,322	15,971	16,320	13,270	14,121	16,150	20,645	21,887	16,663	13,875	13,954	16,008	196,186
Generation (as submitted) MWh	C	430	58	226	1,438	1,598	1,880	1,618	1,657	1,580	1,633	782	1,524	14,424
Total	D = B + C	17,752	16,029	16,546	14,708	15,719	18,030	22,263	23,544	18,243	15,508	14,736	17,532	210,610
Market Consumption MWh	E	10,239,004	9,477,657	9,276,467	8,602,249	8,653,883	9,200,951	10,495,121	10,962,305	8,993,182	8,384,041	8,580,417	9,825,841	112,691,118
NOTL %	F=D/E	0.1734%	0.1691%	0.1784%	0.1710%	0.1816%	0.1960%	0.2121%	0.2148%	0.2029%	0.1850%	0.1717%	0.1784%	
Total Class B Global Adjustment	G	\$939,872,086	\$933,775,713	\$983,322,284	\$957,444,606	\$931,195,516	\$873,738,789	\$869,886,203	\$778,512,833	\$857,238,163	\$941,101,581	\$953,276,181	\$855,356,777	\$10,874,720,732
NOTL GA (Calculated)	H = F x G	\$1,629,485	\$1,579,192	\$1,753,937	\$1,637,076	\$1,691,419	\$1,712,189	\$1,845,282	\$1,672,061	\$1,738,916	\$1,740,726	\$1,637,202	\$1,526,159	\$20,163,644
Adjustments	A - H	\$35	(\$814)	\$1,507	\$288	(\$1,858)	\$8,312	\$3,909	\$251	(\$230)	\$210	(\$57)	\$414	\$11,967

7 – OEB Approved Disposition: \$1,020,143.

This amount was approved for disposition as part of NOTL Hydro's 2016 IRM.

1

Table 7.5 2016 IRM

Ontario Energy Board

EB-2015-0091
Niagara-on-the-Lake Hydro Inc.

The following table identifies the principal and interest amounts which the OEB approves for disposition.

Group 1 Deferral and Variance Account Balances

Account Name	Account Number	Principal Balance (\$) A	Interest Balance (\$) B	Total Claim (\$) C=A+B
Smart Meter Entity Variance Charge	1551	(3,118)	(81)	(3,199)
RSVA - Wholesale Market Service Charge	1580	(87,893)	(1,673)	(89,566)
RSVA - Retail Transmission Network Charge	1584	71,183	1,912	73,095
RSVA - Retail Transmission Connection Charge	1586	15,116	368	15,484
RSVA – Power	1588	(668,081)	(20,744)	(688,825)
RSVA - Global Adjustment	1589	1,020,143	21,891	1,042,035
Disposition and Recovery of Regulatory Balances (2009)	1595	(15)	0	(15)
Disposition and Recovery of Regulatory Balances (2010)	1595	158	3	161
Disposition and Recovery of Regulatory Balances (2011)	1595	(414)	94	(321)
Disposition and Recovery of Regulatory Balances (2012)	1595	136	(13,927)	(13,791)
Disposition and Recovery of Regulatory Balances (2013)	1595	25,182	4,077	29,259
Total Group 1 Excluding Global Adjustment - Account 1589		(647,890)	(29,974)	(677,864)

Decision and Rate Order
March 17, 2016

8

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8 – Notice of Disagreement and Legal Fees: (\$130,072)

- March 2016 NOD as discussed in Section 3: (\$125,030)
- Legal fees related to the NOD with the IESO were posted to account 1589: (\$5,042)

9 – Generation Estimates: \$35,661

Monthly generation numbers reported as part of NOTL Hydro's monthly 1598 submissions during 2016 were based on estimates. This was due to the timing of the availability of generation data. NOTL Hydro has taken steps to improve the timeliness of the required data and began reporting based on actual monthly generation numbers in July 2017.

Table 7.6 Generation Estimates vs. Actual

		Jan 2016	Feb 2016	Mar 2016	Apr 2016	May 2016	Jun 2016	Jul 2016	Aug 2016	Sep 2016	Oct 2016	Nov 2016	Dec 2016	Total
Actual Generation kWh	A	124,046	106,502	727,135	1,576,722	1,707,940	1,625,947	1,643,081	1,718,187	1,515,896	1,564,905	944,820	1,432,397	14,687,576
IESO Submitted Generation Estimate kWh	B	430,000	58,000	226,000	1,438,000	1,598,000	1,880,000	1,618,000	1,657,000	1,580,000	1,633,000	782,000	1,524,000	14,424,000
Difference kWh	C = A - B	(305,954)	48,502	501,135	138,722	109,940	(254,053)	25,081	61,187	(64,104)	(68,095)	162,820	(91,603)	263,576
GA Rate	D	\$0.0918	\$0.0985	\$0.1061	\$0.1113	\$0.1075	\$0.0955	\$0.0831	\$0.0710	\$0.0953	\$0.1123	\$0.1111	\$0.0871	
Difference	C x D	(\$28,083)	\$4,778	\$53,170	\$15,442	\$11,817	(\$24,249)	\$2,083	\$4,346	(\$6,110)	(\$7,644)	\$18,088	(\$7,977)	\$35,661

10 – IESO Load vs. Actual Consumption: \$157,558

The difference between the actual load and the actual amount billed to customers for the GA.

11 – July Consumption Billed at June GA Rate: \$72,100

Some customers were incorrectly billed the June GA rate of \$.09545 on their July consumption. The correct rate for July consumption was \$.08306. This resulted in an increase in revenue of \$72,100 and an additional credit to account 1589 for the same amount. This was corrected in August 2017 and the proper amounts were returned to the impacted customers.

Description of Settlement Process

Section 8 in NOTL Hydro's 2016 Rate Application reflected NOTL Hydro's best understanding of the intent of the filing requirements stated in Section 3.2.5.2 of

the 2016 Chapter 3 Filing Guidelines. NOTL Hydro notes that the corresponding filing requirements in the 4th paragraph of Page 12 Section 3.2.5.2 of the 2018 Chapter 3 Filing Guidelines have been updated from last year.

NOTL Hydro submits that the description in the 2016 rate application is still applicable and should be used as the description for this 2018 rate application with the following updates to numbers of embedded generators, the GA rate used (both billed and to record unbilled revenue), number of retailer customers and timing of the RPP variance true-up process.

Introductory Facts Update¹³

- Class A Customers

NOTL Hydro currently has 1 Class A customer. This customer opted in starting July 1, 2017.

- Embedded Generation

NOTL Hydro currently has 136 microFIT generators under contracts issued by the IESO, 5 FIT generators, and 2 Standard Offer Program generators.

- GA Rate Used When Billing Customers

NOTL Hydro used the 1st estimate GA rate when billing non-RPP customers of all rate classes for consumption up until December 31, 2015. Effective for all consumption from January 1, 2016, NOTL Hydro uses the actual GA rate when billing non-RPP customers of all rate classes. Please note that NOTL Hydro also began billing for calendar month usage for all customers effective January 1, 2016.

¹³ See Page 49 of 76, Manager's Summary, EB-2015-0091

1 • GA rate used for unbilled revenue

2 Unbilled revenue estimates for GA are based on the actual GA rates from the
3 previous month i.e. unbilled revenue at the end of January would be
4 calculated using the December actual GA rate.

5 • Retailer customers

6 NOTL Hydro currently has approximately 271 retailer customers (136
7 residential, 106 GS<50Kw, and 29 GS>50 kW)¹⁴, all of which are on
8 distributor-consolidated billing and pay to NOTL Hydro the retailer's contract
9 price plus the GA rate (actual).

10 **IESO Settlement Process Update**

11 • Data Gathering - Step 4 - Global Adjustment Rates¹⁵

12 The actual GA rate is determined from the same IESO website at
13 [www.ieso.ca/Pages/Participate/Settlements/Global-Adjustment-for-Class-](http://www.ieso.ca/Pages/Participate/Settlements/Global-Adjustment-for-Class-B.aspx)
14 [B.aspx](http://www.ieso.ca/Pages/Participate/Settlements/Global-Adjustment-for-Class-B.aspx).

15 • Data Gathering - Step 10 – Estimate RPP Energy Consumed¹⁶

16 As of July, 2017, NOTL Hydro began using actual generation instead of
17 estimates.

18 • Embedded Generation and Class A Load Information¹⁷

19 As of July, 2017, the volume of electricity supplied by generators in the
20 subject month of the IESO submission is the sum of the amounts determined
21 as follows:

22 Biomass and small hydro:

¹⁴ Per RRR 2.1.2 – 2017 Quarter 2

¹⁵ See Pages 51 and 52 of 76, Manager's Summary, EB-2015-0091

¹⁶ See Page 58 of 76, Manager's Summary, EB-2015-0091

¹⁷ See Pages 66 and 67 of 76, Manager's Summary, EB-2015-0091

1 Due to improvements in the timeliness of available data, starting in July 2017
2 NOTL Hydro began submitting actual generation for biomass and small hydro
3 generators for the subject month.

4 microFIT and FIT:

5 Due to improvements in the timeliness of available data, starting July 2017
6 NOTL Hydro began submitting actual generation for microFIT and FIT
7 generators for the subject month.

8 As of July 2017, NOTL Hydro has 1 Class A customer. Actual consumption
9 for that customer is submitted for the subject month.

10 **True-Up Process Update – RPP Variance¹⁸**

11 In accordance with NOTL Hydro's Reply Submission in EB-2015-0091¹⁹, NOTL
12 Hydro now ensures that RPP settlement true-ups are aligned to appropriate
13 years to mitigate volatility in account balances going forward. Previously, true-
14 ups had been aligned with the summer (May 1 to October 31) and winter
15 (November 1 to April 30) rate periods.

16 The most recent true-up analysis was completed for the period from January 1,
17 2016 to December 31, 2016. The RSVA accounts were trued-up accordingly and
18 were reflected in the audited 2016 Financial Statements and RRR submission
19 2.1.7.

20 **Certification**

21 Further to Page 13 of Chapter 3 of the Filing Requirements, I, Jeff Klassen,
22 certify that NOTL Hydro has robust processes and internal controls in place for
23 the preparation, review, verification, and oversight of the 1588 RSVA Power and
24 1589 RSVA GA account balances being disposed.

¹⁸ See Page 67 of 76, Manager's Summary, EB-2015-0091

¹⁹ See Page 2 of 15 of NOTL's Reply Submission dated January 14, 2016

1 **8. ELECTRONIC BILLING**

2 NOTL Hydro plans to implement a promotion to increase the number of
3 customers that utilize e-billing. Approximately 17% of NOTL Hydro's customers
4 currently take advantage of e-billing. The promotion would consist of a \$10
5 rebate to customers who switch from receiving a paper bill to electronic billing.
6 The rebate would be advertised through the NOTL Hydro website and Twitter
7 account, bill inserts, and through customer interactions at the front counter and
8 over the phone. It is estimated the total advertising costs would be approximately
9 \$500.

10 The current cost to NOTL Hydro to send a paper bill is \$0.94, \$0.82 for postage
11 and \$0.12 for printing and stuffing. The return on a \$10 rebate would be 11
12 months and an increase of approximately 400 customers or 4% would also cover
13 the estimated advertising costs in less than 1 year.

14
15 ~ End ~