

**Tillsonburg Hydro Inc.
EB-2017-0076
OEB Staff Questions**

Questions #1:

Reference: GA Analysis

- a) Based on Tillsonburg Hydro's answer to question 3 of the follow-up GA Analysis Workform Questions (OEB sent to Tillsonburg on November 23, 2017 and received responses on November 27, 2017), it is not clear whether or not reconciling item 2b is applicable related to Tillsonburg Hydro's December 2016 GA unbilled revenue estimate. Tillsonburg Hydro indicated that it performed a detailed calculation to estimate its unbilled revenue for December 2016. Please confirm that there was no difference between that estimate and what the applicant had actually billed its customers for December 2016 consumption. If a difference did exist, please quantify and include it as an adjustment in 2b of Note 5 of the GA Analysis Workform.

Response

The unbilled calculation is done after the meter reads and rates are known (i.e. in February 2017 for December 2016 calculations). As a result, this adjustment is not required.

- b) In regards to adjustment 7 (\$221,933) that the applicant has proposed in Note 5 of the GA Analysis Workform, please update the DVA continuity schedule to capture this adjustment as a “Principal Adjustment” for 2016. Please note that the applicant must also update their 2017 G/L balances accordingly to reflect the impact of this adjustment. As a result, when the utility seeks the disposition of its 2017 DVA balances, it will need to record a “Principal Adjustment” in the DVA continuity schedule to remove this balance from their 2017 activity (as it has already been disposed as part of the 2016 DVA balance). Please further note, that the applicant is not required to modify its RRR filing for 2016 as a result of this \$221,933 adjustment.

Response

The 2018 IRM Rate Generator attached to these responses captures the requested adjustments.

- c) The calculated value from the GA Analysis Workform V3 for “F59/D26” = 0.93 and Tillsonburg’s OEB approved total loss factor is 1.0333. Please explain this difference.

Response

The approved loss factor is a value approved during the 2013 Cost of Service rate application and is based on estimates and assumptions. The calculation referenced is based on a sub-set of the kWh flowing through the THI network and will not necessarily relate to the sub-set of data referenced. Residential and Small Commercial (the majority of Class B load) are fed off of various networks configurations with different loss (not specifically identifiable).

- d) In the GA Analysis Workform Note 4, the Non-RPP Class B consumption including unbilled loss adjustment is the same as the consumption before the adjustment. If Tillsonburg performed unbilled calculations through the year-end process, please clarify whether or not there is any adjustment in consumption for December 2015 that should be reflected in January 2016.

Response

No an additional adjustment is not required. A full unbilled calculation is performed and accounted for at the end of each year. The referenced adjustment has already been made.

Questions #2:

Reference: 2018 IRM Rate Generator Model, Tab 3 Continuity Schedule

Reconciliation with RRR data – please explain why the following 1595 sub-account balances as of December 31, 2016 in the continuity schedule do not agree with RRR data (i.e. column BV):

- a) Disposition and Recovery/Refund of Regulatory Balances (2012), with the difference of -\$168
- b) Disposition and Recovery/Refund of Regulatory Balances (2013), with the difference of -\$150
- c) Disposition and Recovery/Refund of Regulatory Balances (2014), with the difference of \$410

Response

THI is not sure why the difference has arisen. In any event, as these balances are not at all material and the referenced variance accounts have been disposed of, THI has entered “Principal Adjustment” in column BF to remove these differences.

Questions #3:

Reference: 2018 IRM Rate Generator Model, Tab 3 Continuity Schedule

Reconciliation with 2017 approved IRM Rate Generator Model – please explain why the following 1595 sub-account balances as of December 31, 2015 do not agree with the approved 2017 IRM Model. If the 2018 IRM Model is not accurate, please revise the model accordingly.

- a) Disposition and Recovery/Refund of Regulatory Balances (2012), with the difference of \$155 (principal balance)
- b) Disposition and Recovery/Refund of Regulatory Balances (2013), with the difference of \$687 (interest amount)
- c) Disposition and Recovery/Refund of Regulatory Balances (2014), with the difference of \$72 (interest amount)

Response

All values referenced have been adjusted to match the 2017 approved IRM model.

Questions #4:

Reference: 2018 IRM Rate Generator Model, Tab 6, Class A Consumption Data

- a) Please select the Rate Class in the drop-down list in cell D30 in tab 6.

Response

Adjustment completed as requested in attached IRM Rate Generator

Questions #5:

Reference: 2018 IRM Rate Generator Model, Tab 12, RTSR – Historical Wholesale

- a) Please clarify whether Tillsonburg Hydro is partially embedded to Hydro One's distribution system or not?

Response

Tillsonburg is not embedded within Hydro One's system, THI is only billed Wholesale Network and Connections charges from the IESO.

Questions #6:

Reference: Clarification of certain items in 2018 IRM Rate Generator Model

Please confirm whether or not the following items in the 2018 IRM Model/GA Analysis Workform should be revised, if so, please update the model(s) accordingly; if not, please explain why it should not be revised.

- a) Tab 3 Continuity Schedule, cell BQ21:BQ37 and BR21:BR37, the interest rate should apply to Dec 31, 2016 balance adjusted for disposition during 2017 (i.e. values in column BO not BG). The interest rate used in BR21:BR37 should be $0.015/12*4=0.005$

Response

Adjusted in attached IRM model

- b) Tab 3 Continuity Schedule, following question 6(a), after the revision of column BQ and BR, please do the following revisions to the IRM model:
- i. Please check the checkbox in column BT in the Continuity Schedule to indicate which 1595 sub-account that Tillsonburg proposes to dispose.
 - ii. Please enter allocators in column Q in tab 4. Billing Det. For Def-Var for allocating 1595 account balance to rate classes.

Response

THI did not require a change to the check boxes in column BT as referenced and as a result column Q in tab 4 is not visible and not required for this application.

- c) Tab 4 Billing Det. for Def-Var, Cell E17:E24 should be metered Non-RPP Consumption excluding WMP and the total consumption should agree with data in GA Analysis Workform (i.e. cell D24 in the GA Analysis Workform, 142,284,111 kWh). OEB staff understands that Tillsonburg cannot make changes to these cells, please provide the kWh in a table following the format below.

Response

See completed chart below, note only the Class A (contained within the GS > 1,500 kW class was impacted.

Rate Class	Metered kWh for Non-RPP Customers (excluding WMP)
RESIDENTIAL SERVICE CLASSIFICATION	3,482,791
GENERAL SERVICE LESS THAN 50 KW SERVICE CALSSIFICATION	5,342,841
GENERAL SERVICE 50 TO 499 KW SERVICE CLASSIFICATION	41,235,216
GENERAL SERVICE 500 TO 1,499 KW SERVICE CALSSIFICATION	42,395,404
GENERAL SERVICE EQUAL TO OR GREATER THAN 1,500 KW SERVICE CALSSIFICATION	48,334,812
UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION	63,806
SENTINEL LIGHTING SERVICE CLASSIFICATION	1,666
STREET LIGHTING SERVICE CLASSIFICATION	1,427,575

- d) Tab 6.1 GA, cell C17:C24 should be metered Non-RPP Consumption excluding WMP and the total consumption should agree with data in GA Analysis Workform (i.e. cell D24 in the GA Analysis, 142,284,111 kWh). Please provide the kWh in a table.

Response

The only change is identified in the chart above. Class A for 2016 (contained entirely within the GS > 1,500 class) kWh have not been included. The value for Tab 6.1 Cell C21 should be 48,334,812.

- e) Tab 6.1a GA Allocation, cell D20 should be Non-RPP Class B consumption excluding WMP, which is 129,431,968 kWh (agree to cell D26 in GA Analysis Workform).

Response

Revised as required.

- f) Tab 6.2a CBR B_Allocation, cell D20 should be total Class B consumption excluding WMP (i.e. RPP and Non-RPP Class B), which should be 182,581,213 kWh.

Response

Revised as required.