



# Centre Wellington Hydro Ltd.

2019 IRM APPLICATION  
EB-2018-0023

Submitted on: August 13, 2018

Revised on: September 5, 2018

Centre Wellington Hydro Ltd.  
PO Box 217  
730 Gartshore Street  
Fergus, ON  
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September 5, 2018

Ontario Energy Board  
P.O. Box 2319, 27th Floor  
2300 Yonge Street  
Toronto, Ontario M4P 1E4

**Attention: Ms. Kirsten Walli, Board Secretary**

Dear Ms. Walli,

**Regarding: 2019 IRM Application (EB-2018-0023)**

Centre Wellington Hydro Ltd. ("CWH") submitted to the Ontario Energy Board the 2019 IRM application on August 13<sup>th</sup>, 2018 as required. This application was filed pursuant to the Board's e-Filing Services. Hard copies of the application were sent to the OEB's offices via courier within the week.

On August 23<sup>rd</sup>, 2018, CWH received an incomplete letter from the OEB staff listing a number of items that needed to be addressed. CWH is re-submitting the Manager Summary with the items in question highlighted in red font.

We would be pleased to provide any further information or details that you may require relative to this application.

Yours truly,

*Original Signed by:*

Florence Thiessen, CPA, CGA  
Vice President / Treasurer  
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**IN THE MATTER OF** the Ontario Energy Board Act, 1998, S.O.

1998, c.15, (Schedule B); **AND IN THE MATTER OF** an

Application by Centre Wellington Hydro Ltd. to the Ontario Energy Board for an Order or Orders approving or fixing just and reasonable distribution rates and other service charges to be effective January 1, 2019.

## 1 INTRODUCTION

2 Centre Wellington Hydro Ltd. hereby applies to the Ontario Energy Board (the "Board")  
3 for approval of its 2019 Distribution Rate Adjustments effective January 1, 2019. Centre  
4 Wellington Hydro applies for an Order or Orders approving the proposed distribution  
5 rates and other charges as set out in Appendix 2 of this Application as just and reasonable  
6 rates and charges pursuant to Section 78 of the OEB Act.

7 Centre Wellington Hydro has followed Chapter 3 of the Board's Filing Requirements for  
8 Transmission and Distribution Applications dated July 12, 2018 along with the Key  
9 References listed at section 3.1.1 of the Chapter 3 Incentive Rate-Setting Applications

10 In the event that the Board is unable to provide a Decision and Order in this Application  
11 for implementation by the Applicant as of January 1, 2019, Centre Wellington Hydro  
12 requests that the Board issue an Interim Rate Order declaring the current Distribution  
13 Rates and Specific Service Charges as interim until the decided implementation date of  
14 the approved 2019 distribution rates. If the effective date does not coincide with the  
15 Board's decided implementation date for 2019 distribution rates and charges, Centre  
16 Wellington Hydro requests to be permitted to recover the incremental revenue from the  
17 effective date to the implementation date.

18 Centre Wellington Hydro requests that this application be disposed of by way of a written  
19 hearing. Centre Wellington Hydro confirms that the billing determinants used in the  
20 model are from most recent reported RRR filings. The utility reviewed both the existing

1 "Tariff Sheets" and billing determinants in the pre-populated worksheets and confirms  
2 that they were accurate.

3 In the preparation of this application, Centre Wellington Hydro used the 2019 IRM Rate  
4 Generator issued on July 12, 2018. The rate and other adjustments being applied for and  
5 as calculated using the above models include a Price Cap incentive Rate-Setting ("Price  
6 Cap IR") option to adjust its 2019 rates. (The Price Cap IR methodology provides for a  
7 mechanistic and formulaic adjustment to distribution rates and charges in the period  
8 between Cost of Service applications). The model also adjusts Retail Transmission Service  
9 Rates in accordance with Board Guideline G-2008-0001 - Electricity Distribution Retail  
10 Transmission Service Rates revised on June 28, 2012.

11 Centre Wellington Hydro also applies for the following matter;

- 12 • Continuance of the Specific Services charges and Loss Factors.
- 13 • Continuance of the MicroFit monthly charge.
- 14 • Continuance of the Smart Meter Entity charge.
- 15 • In compliance of the OEB's new rate design policy for residential customers,  
16 Centre Wellington Hydro requests approval of a revised Minimum Fixed Charge  
17 of \$29.16 up from previously Board Approved \$26.33 and thus eliminating the  
18 Volumetric Charge from previously Board Approved \$0.0042 Further details on  
19 Bill Impacts are presented at Section 16 of this application.

20

1 The annual adjustment mechanism is not being applied to the following components of  
2 delivery rates:

- 3 • Rate Adders, Rate Riders, Low Voltage Service Charges, Retail Transmission  
4 Service Rates, Wholesale Market Service Rate, Rural and Remote Rate  
5 Protection Benefit and Charge, Standard Supply Service – Administrative  
6 Charge, MicroFIT Service Charge, Specific Service Charges, Retail Service  
7 Charges, Transformation and Primary Metering Allowances, Smart Metering  
8 Entity Charge.

9 CWH recognizes that the utility, its shareholder and all its customer classes will be  
10 affected by the outcome of the herein application.

11

## 2 DISTRIBUTOR'S PROFILE

CWH was incorporated on May 11, 2000 under the laws of the Province of Ontario. 100% of CWH's shares are owned by the Holding Company that, in turn, is wholly owned by the Corporation of the Township of Centre Wellington. The principle activity of CWH is to provide distribution of electricity to the customers of the Town of Fergus and the Village of Elora in the Township of Centre Wellington. The Board of Directors consists of one Chairman and four directors.

CWH provides electrical distribution services to approximately 7,000 residential and commercial customers in its service area. The Applicant's service territory covers approximately 11.33 square kilometers. The Applicant has a total of 156 circuit kilometers of primary wire and underground cable installed of which 79 km or 50.6% is overhead. The overhead system includes 318 pole mounted transformers, 2720 poles, and 428 overhead switches. The Applicant underground distribution system accounts for approximately 49.4% of its overall distribution system. This portion of the distribution system is comprised primarily of 77 km of underground conductors, and associated distribution transformers.

The Applicant's distribution system is supplied by Hydro One Networks Inc. ("HONI"), primarily from the Fergus TS at a voltage level of 44 kV. The distribution system contains six municipal substations transforming voltage from 44 kV to 2.4/4.16kV. The six substations operate at a primary voltage of 44 kV with secondary transformation to 2.4/4.16 kV, where they supply Distribution feeders owned by The Applicant for wide-area distribution to residential and commercial customers.

The Applicant is surrounded by Hydro One Networks with their nearest area office being located in Guelph.

### Other Neighbouring Utilities:

- Waterloo North Hydro's service area is approximately 20 kilometers to the west.
- Guelph Hydro is approximately 20 kilometers to the south.
- Wellington North Power is approximately 20 kilometers to the north.

1 Centre Wellington Hydro's last Cost of Service application was for rates effective January 1,  
2 2018.

### 3 **PUBLICATION NOTICE**

4 Upon receiving the Letter of Direction and the Notice of Application and Hearing from the  
5 Board, the OEB will arrange to have the Notice of Application and Hearing for this proceeding  
6 published in the local community not-paid-for newspaper which has the highest circulation in its  
7 service area,<sup>1</sup> The Wellington Advertiser, an unpaid local publication with an average circulation  
8 of approximately 40,251.

9 This application and all documents related to this application will be made available on CWH's  
10 website at: [www.cwhydro.ca](http://www.cwhydro.ca). The application will also be available on the OEB's website at  
11 [www.ontarioenergyboard.ca](http://www.ontarioenergyboard.ca), under Board File Number EB-2018-0023.

12

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<sup>1</sup> MFR - Statement identifying where notice should be published and why

## 4 PRICE CAP ADJUSTMENT

As per Board policy (Chapter 3), distribution rates are to be adjusted according to the Price Cap model presented through the Board's Rate Generator model. The calculation would be based on the annual percentage change in the GDP-IPI index.

In accordance with the Report of the Board: Rate Setting Parameters and Benchmarking under the Renewed Regulatory Framework for Ontario's Electricity Distributors, Centre Wellington Hydro was assigned Stretch Factor Group III with a Price Escalator of 1.20, Price Cap Index of 0.90% and a Stretch Factor Value of 0.30%.

The following table shows Centre Wellington Hydro's applicable factor for its Price Cap Adjustment.

**Table 1 - Price Cap Parameters**

Stretch Factor Group	III
Set Price Escalator	1.20%
Stretch Factor Value	0.30%
Productivity Factor	0.00%
Price Cap Index	0.90%

CWH has used the model's default 2018 rate-setting parameters as a placeholder and understands Board staff will update CWH's 2019 IRM Rate Generator model once the 2019 stretch factor assignment and inflation factors are issued by the OEB.

While the price factor adjustment under this application would apply to the fixed and volumetric distribution rates for Centre Wellington Hydro, it would not affect the following:

- Rate adders and riders; Low voltage service charges; Retail Transmission Service Rates; Wholesale Market Service Rate; Rural Rate Protection Charge; Standard Supply Service – Administrative Charge; MicroFIT Service Charge; Specific Service Charges; Retailer Service Charges.

## 5 REVENUE TO COST RATIO ADJUSTMENT

Centre Wellington Hydro is not proposing to adjust its revenue to cost ratios in this proceeding as its revenue to cost ratios were recently adjusted and set as part of the 2018 Cost of Service Application.

## 6 RATE DESIGN FOR RESIDENTIAL CLASS

In accordance with the Rate Design for Residential Electricity policy issued on April 2, 2015, Centre Wellington Hydro followed the approach set out in sheet 16 of the rate generator model to implement the last yearly adjustment to its Monthly Fixed Charge. Worksheet 16 of the model, which is reproduced below, shows and incremental fixed charge of \$2.57 which falls below the \$4.00 threshold. Table 2 show the existing rates compared to the proposed rates. The bill impacts are discussed further at Section 15 of this application.

**Table 2 - Revenue to Cost Ratio Adjustment**

Rate Design Transition		Revenue from Rates	Current F/V Split	Decoupling MFC Split	Incremental Fixed Charge (\$/month/year)	New F/V Split	Adjusted Rates <sup>1</sup>	Revenue at New F/V Split
Current Residential Fixed Rate (Inclusive of R/C adj.)	26.3300	1,929,568	91.1%	8.9%	2.57	100.0%	28.90	2,117,908
Current Residential Variable Rate (Inclusive of R/C adj.)	0.0042	188,349	8.9%			0.0%	0.0000	0
		2,117,916						2,117,908

**Table 3 - Current vs Proposed Distribution Rates**

Rate Class	Current MFC	Current Volumetric Charge	Proposed MFC	Proposed Volumetric Charge
Residential	26.33	0.0042	29.16	0.0000
GS < 50 kW	20.85	0.0217	21.04	0.0219
GS > 50-2999 kW	170.19	4.1917	171.72	4.2294
GS > 3000-4999 kW	685.86	3.1776	692.03	3.2062
USL	7.83	0.0123	7.90	0.0124
Sentinel Lights	5.78	15.2908	5.83	15.4284
Street Lighting	2.18	10.5671	2.20	10.6622

## 7 RTSR ADJUSTMENT

Centre Wellington Hydro is applying for an adjustment of its Retail Transmission Service Rates based on a comparison of historical transmission costs adjusted for new UTR levels and revenues generated from existing RTSRs. This approach is expected to minimize variances in the USoA Accounts 1584 and 1586.

Centre Wellington Hydro used the RTSR Adjustment Worksheets embedded in the IRM Model, to determine the proposed adjustments to the current Retail Transmission Service Rates.

The Loss Factor applied to the metered kWh is the actual Board-approved 2018 Loss Factor.

The proposed adjustments of the Retail Transmission Service Rates are shown in the table below and the detailed calculations can be found in the 2019 IRM Model filed in conjunction with this application.

**Table 4 - Proposed RTSR**

Retail Transmission Rate - Network Service Rate			
Rate Description	Unit	Current RTSR- Network	Proposed RTSR- Network
Residential	\$/kWh	0.0065	<b>0.0064</b>
GS < 50 kW	\$/kWh	0.0060	<b>0.0059</b>
GS > 50-2999 kW	\$/kW	2.4194	<b>2.3743</b>
GS > 3000-4999 kW	\$/kW	2.7057	<b>2.6553</b>
USL	\$/kWh	0.0060	<b>0.0059</b>
Sentinel Lights	\$/kW	1.8338	<b>1.7996</b>
Street Lighting	\$/kW	1.8245	<b>1.7905</b>

Retail Transmission Rate - Line and Transformation Connection Service Rate			
Rate Description	Unit	Current RTSR- Connection	Proposed RTSR- Connection
Residential	\$/kWh	0.0052	<b>0.0051</b>
GS < 50 kW	\$/kWh	0.0047	<b>0.0047</b>
GS > 50-2999 kW	\$/kW	1.8470	<b>1.8279</b>
GS > 3000-4999 kW	\$/kW	2.1783	<b>2.1557</b>
USL	\$/kWh	0.0047	<b>0.0047</b>
Sentinel Lights	\$/kW	1.4577	<b>1.4426</b>
Street Lighting	\$/kW	1.4279	<b>1.4131</b>

## 8 DEFERRAL AND VARIANCE ACCOUNT

Centre Wellington Hydro has completed the Board Staff's 2019 IRM Rate Generator – Tab 3 Continuity Schedule and the threshold test shows a claim per kWh of \$0.0012. The Report of the Board on Electricity Distributors' Deferral and Variance Account Review Report (the "EDDVAR Report") provides that during the IRM plan term, the distributor's Group 1 audited account balances will be reviewed and disposed if the pre-set disposition threshold of \$0.0010 per kWh (debit or credit) is exceeded. Since the threshold was met, Centre Wellington Hydro is therefore seeking disposal of its deferral and variance account in this proceeding. The Centre Wellington Hydro Group 1 total claim balance is \$158,832 and is comprised of the following account balances. Details of these balances can be found in the 2019 IRM Model.

### **Revision September 5<sup>th</sup>:**

#### **Filing requirement page 11-1**

The Variance between the 2.1.1 RRR and 2017 Balance (Principal and Interest) related to 1580 and 1595 is due to an error in filing the 2.1.7 RRR. A revision was requested and has been submitted.

The variance between 1588 and 1589 of \$69,776 is due to the reallocation between the two accounts discovered in completing the 2018 GA analysis workform for the 2019 IRM application.

The variance for 1568 of \$89,049 is due to the fact that CWH had not booked the LRAMVA in 2017 but has submitted request for disposal as provided in the OEB LRAMVA Guidelines.

The correcting adjustments were reflected in the sheet 3. Continuity Schedule so that the model would correctly calculate the rate riders.

1 **Filing Requirement page 11-2**

2 CWH hereby confirms that no adjustments have been made to any deferral and variance  
3 account (DVA) balances which were previously approved by the OEB on a final basis. CWH  
4 confirms that the amounts reflected in the below table is the same as the original 2019  
5 IRM application.

6 **Table 5 - Deferral and Variance Account balances**

Group 1 Accounts		
LV Variance Account	1550	162,572
Smart Metering Entity Charge Variance Account	1551	(1,232)
RSVA - Wholesale Market Service Charge <sup>5</sup>	1580	(52,194)
Variance WMS – Sub-account CBR Class A <sup>5</sup>	1580	0
Variance WMS – Sub-account CBR Class B <sup>5</sup>	1580	(509)
RSVA - Retail Transmission Network Charge	1584	(15,008)
RSVA - Retail Transmission Connection Charge	1586	(8,820)
RSVA - Power <sup>4</sup>	1588	21,612
RSVA - Global Adjustment <sup>4</sup>	1589	54,682
Disposition and Recovery/Refund of Regulatory Balances (2012)	1595	
Disposition and Recovery/Refund of Regulatory Balances (2013)	1595	
Disposition and Recovery/Refund of Regulatory Balances (2014)	1595	
Disposition and Recovery/Refund of Regulatory Balances (2015)	1595	
Disposition and Recovery/Refund of Regulatory Balances (2016)	1595	(2,271)
Disposition and Recovery/Refund of Regulatory Balances (2017)	1595	
Group 1 Sub-Total (Excluding Account 1589 - Global Adjustment)		\$158,832

7 **9 SPECIFIC SERVICE CHARGES**

8 Centre Wellington Hydro is applying to continue the current Specific Service Charges, and Loss  
9 Factors as approved by the Board (EB-2017-0032).

10 **10 GLOBAL ADJUSTMENT**

11 CWH's process can be summarized as follows.

12

1           **CWH Settlement Process**

2           *The manner in which CWH settles with the IESO depends on whether the customer is a*  
3           *Regulated Price Plan ("RPP") consumer or if the customer is a Class A or Class B consumer.*  
4           *It is not dependent on the rate class.*

5           *During 2017 CWH did not have any Class A customers. As of July 1, 2018 CWH, had two*  
6           *customers become Class A.*

7           *For Class B customers, CWH reviews the general service accounts not eligible on an annual*  
8           *basis to determine which customers are eligible for RPP and at the time that an account*  
9           *changes ownership. Any billing adjustments are done as part of the next billing period.*

10          *CWH uses the 1<sup>st</sup> estimate GA rate posted on the IESO website for each particular month to*  
11          *bill and record unbilled revenue to all customer classes. This rate is applied consistently for*  
12          *all billing and unbilled revenue transactions for non-RPP Class B customers in each*  
13          *customer class.*

14          *CWH uses the 2<sup>nd</sup> estimate GA rate posted on the IESO website for the Form 1598*  
15          *settlement with the IESO each month.*

16          *The variance is recorded and reflected in the account 1589 - RSVA GA on a monthly*  
17          *basis and reported via the OEB quarterly reporting.*

18          **Monthly IESO Submission**

19          *When completing the monthly submission via the IESO Portal, CWH uses a top*  
20          *down approach following the steps below:*

- 21                 1. *CWH starts from the actual Net System Load Shape (which includes the*  
22                         *volumes for embedded generation) for the appropriate month provided by*  
23                         *our third-party meter management vendor, Utilismart, to estimate the RPP*  
24                         *volume.*
- 25                 2. *The percentage of each TOU period or Tier block is calculated by dividing*  
26                         *the volume of each TOU period or Tier block by total kWh's for all of the*

1            *tiers or blocks respectively. CWH obtains the volume breakout between the*  
2            *RPP tier and TOU buckets, by pulling stats codes used from its CIS system.*  
3            *This breakout is based on the previous months actual consumption used*  
4            *within each TOU period/tier block. This percentage is calculated each*  
5            *month, although from month to month it is very consistent. For example in*  
6            *the August 2018 IESO submission the volume breakout is based on the*  
7            *monthly volumes billed in July for June's consumption. CWH bills its*  
8            *customer on the calendar month.*

9            3. *The volume for the TOU periods and Tier blocks is calculated by multiplying*  
10           *the previous months actual percentage of each TOU period or Tier block by*  
11           *the estimated RPP data, as calculated above.*

12           4. *The calculated RPP volume for each TOU period or Tier blocks is multiplied*  
13           *by the 2<sup>nd</sup> estimate GA rate and these values are submitted by the 4th*  
14           *business day of the following month to the IESO.*

15           *Once the Actual GA rate is released, the monthly IESO and Hydro One invoices are*  
16           *verified. CWH updates the spreadsheet that was used to calculate the IESO monthly*  
17           *submission, described above, to calculate the true-up and is included with the*  
18           *following months the submission.*

19           *In terms of Control and Oversight, CWH follows a substantive approach by using*  
20           *reconciliation procedures to ensure accuracy and completeness for the settlement*  
21           *submission process where possible. CWH verifies Utilismart data by comparing the*  
22           *following data:*

- 23           • *the total of all Utilismart data points vs. the Utilismart total virtual data,*
- 24           • *the reconciliation of both the IESO's and Hydro One's volume vs. the volume shown*  
25           *in Utilismart,*
- 26           • *the comparison of actual consumption figures vs. billing stats from our CIS system.*

27           *In addition, CWH does regular bill testing for each class of customer, recalculates the*  
28           *various charges based on approved rates and ensures all correct general ledger accounts*  
29           *are used.*

1           **Reconciliation**

2           *CWH uses a bottom up approach to complete the reconciliation, by using the actual*  
3           *RPP volume, gathered from our CIS system, and the Global Adjustment Actual*  
4           *rate. Any difference is accrued into the appropriate fiscal year and settled in the*  
5           *month when the reconciliation is complete.*

6           **Capacity Based Recovery (CBR)**

7           *CWH has robust processes and internal controls in place for the preparation, review,*  
8           *verification and oversight of the account balances being disposed, consistent with*  
9           *the certification requirements in Chapter 1 of the filing requirements*

10          *In 2012 CWH reviewed Article 490 in the APH and ensured the correct accounting*  
11          *methods were being followed, specifically that at the end of the fiscal period the*  
12          *RSVA balance represents the cumulative net differences between the*  
13          *revenue/"billed" and expense/"Charges" accounts and include carrying charges.*  
14          *CWH uses accrual accounting.*

15          **Account 1589 – RSVA GA**

16          *CWH splits the Global Adjustment Settlement Amounts charged by the IESO and*  
17          *Hydro One between RPP and non-RPP by using the actual percentage of RPP and*  
18          *Non-RPP of the total energy volume for the particular month, as gathered from our*  
19          *CIS system. These amounts are accrued to Account #4705 – Power Purchased for*  
20          *RPP and Account #4707 – Global Adjustment for Non-RPP in the particular month.*

21          *The Global Adjustment revenue, which is billed directly to the non-RPP customers,*  
22          *is posted directly to account 4707 – Global Adjustment from our CIS system and*  
23          *accrued back to the appropriate month, via a monthly journal entry. The variance*  
24          *between the expense and revenue is transferred into Account 1589 – RSVA Global*  
25          *Adjustment.*

26

1           **Account 1588 – RSVA Power**

2           *The value of the energy from the IESO and Hydro One's monthly invoices are*  
3           *accrued into Account 4705 – Power Purchased for the month the energy was*  
4           *consumed. The energy revenue is posted directly from the CIS system and accrued*  
5           *into the appropriate month. The variance between accounts 4705 - Power*  
6           *Purchased and 4005-4055 Energy Sales is posted into Account 1588 – RSVA Power.*  
7           *Any balance as a result of the RPP reconciliation is accrued into account 4705*  
8           *Power Purchased in the appropriate fiscal year.*

9           CWH is seeking approval for 2017 audited balances, at which time CWH did not have any  
10          Class A customers to consider for the CBR allocation.

11          CWH notes that it has completed the GA workform in accordance with the filing requirements.  
12          The workform has been filed along with this application.

13

## 11 DISPOSITION OF LRAMVA

In accordance with the Board's Guidelines for Electricity Distributor Conservation and Demand Management (EB-2012-0003) issued on April 26, 2012, at a minimum, distributors must apply for disposition of the balance in the LRAMVA at the time of their Cost of Service rate applications if the balance is deemed significant by the applicant.

Centre Wellington Hydro has populated the LRAMVA work form and found the balance to be significant enough to include in its claim for disposition with the 2019 IRM Application. Centre Wellington Hydro has used the LRAMVA Work Form 3.0 to complete the calculation of the LRAMVA which amounts to \$89,049.

The proposed disposition of the LRAMVA is shown in the 2019 IRM Model filed in conjunction with this application. The LRAMVA Work Form 3.0 is also being filed with this application.

### **Revision September 5<sup>th</sup>:**

#### **Filing Requirement page 18-3**

CWH is claiming disposition of LRAMVA for lost revenue in 2017 based on the IESO 2017 final verified results. CWH is also claiming persistence of 2011 to 2016 programs in 2017.

The "2017 Final Verified Annual LDC CDM Program Results-Centre Wellington Hydro Ltd.\_Report\_20180629(2)" is filed with this application.

#### **Filing Requirement page 18-4**

CWH confirms that the LRAMVA was based on verified savings results that are supported by the distributor's Final CDM Annual Report and Persistence Savings Report issued by the IESO. CWH confirms that CWH has relied on the most recent input assumptions available at the time of program evaluation.

The persistence savings report is included in the IESO's 2017 final verified results.

1 **Filing Requirement page 18-5**

2 The below table provides the principal and carrying charges amounts by rate class and  
3 resultant rate riders for each rate class. The LRAMVA workform projects the carrying  
4 charges related to the disposition of LRAMVA to the end of December 31, 2018.

5

Description	Residential	General Service < 50 kW	General Service 50 to 2999 kW	General Service 3000-4999 kW	Unmetered Scattered Load	Sentinel Lighting	Street Lighting	Total
2017 Actuals	\$21,900.17	\$58,633.07	\$24,587.49	\$3.03	\$0.00	\$0.00	\$5,512.74	\$110,636.50
2017 Forecast	(\$6,165.12)	(\$6,099.85)	(\$9,106.49)	(\$1,705.09)	(\$102.14)	(\$20.30)	(\$458.38)	(\$23,657.38)
Amount Cleared								
<a href="#">Carrying Charges</a>	\$374.49	\$1,250.29	\$368.45	(\$40.51)	(\$2.43)	(\$0.48)	\$120.29	\$2,070.10
<b>Total LRAMVA Balance</b>	<b>\$16,109.54</b>	<b>\$53,783.51</b>	<b>\$15,849.44</b>	<b>-\$1,742.57</b>	<b>-\$104.58</b>	<b>-\$20.78</b>	<b>\$5,174.66</b>	<b>\$89,049.22</b>

6

Rate Class	Unit	Total Metered kWh	Account 1568 Rate Rider
RESIDENTIAL SERVICE CLASSIFICATION	kWh	43,231,908	0.0004
GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION	kWh	23,043,700	0.0023
GENERAL SERVICE 50 TO 2,999 KW SERVICE CLASSIFICATION	kW	52,231,845	0.1133
GENERAL SERVICE 3,000 TO 4,999 KW SERVICE CLASSIFICATION	kW	17,984,374	(0.0409)
UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION	kWh	563,770	(0.0002)
SENTINEL LIGHTING SERVICE CLASSIFICATION	kW	36,468	(0.2057)
STREET LIGHTING SERVICE CLASSIFICATION	kW	527,903	3.5565

7

8

1 **Filing Requirements page 18 & 19-6**

2 CWH hereby confirms that the period of rate recovery is one (1) year. The amount \$89,049  
3 is significant for CWH and on completion of the calculation of total bill impacts for each  
4 rate class the increase for all rate classes is less than 10% as set out in the OEB guidelines.

5 **Filing Requirements page 19 -7**

6 In accordance with the instructions provided in Tab 2 of the LRAMVA model, CWH has  
7 provided the LRAMVA threshold approved in its 2013 cost of service (COS) application  
8 EB-2012-0113 and the LRAMVA threshold approved in its 2018 cost of service (COS)  
9 application EB-2017-0032, which is used as the comparator against actual savings in the  
10 period of the LRAMVA claim. The references to the board approved threshold are EB-  
11 2012-0113 Decision and Order pages 7/8 and CDM adjustment in Load Forecasting model  
12 EB-2017-0032 (page 33, Section 3.1.4 LRAMVA Baseline of the Settlement Agreement)

13 **Filing Requirement page 19-8**

14 The rate classification was calculated by using the project list excel spreadsheet, provided  
15 by the IESO. The spreadsheet shows the projects savings by customer. CWH used the  
16 kWh results and matched it to the program results on the "final" report. CWH then looked  
17 up each customer and put the kWh savings in that class in order to calculate the rate class  
18 allocation.

19

20

1 **Filing Requirement Page 19-9**

2 CWH notes that the LRAMVA baseline used to compare actual 2017 verified savings, as  
3 reported by the IESO, was determined and approved as part of EB-2017-0032.  
4 Furthermore, CWH notes that the conversion to LED Street Lighting was fully complete  
5 (and verified) at the time of the Board's approval of the LRAMVA Baseline and load  
6 forecast. Therefore, CWH confirms that no additional documentation or data was  
7 provided in support of projects that were not included in the distributor's Final CDM  
8 Annual Report and as such, billing data for such project is non-applicable.

9 CWH confirms that the street lighting savings were calculated in accordance with OEB-  
10 approved load profiles for street lighting projects and confirms that the project was  
11 funded via IESO programs and that the savings were embedded in CWH's board approved  
12 load forecast.

13

14 **12 TAX CHANGE**

15 The Board determined there would be a 50/50 sharing of the impact of currently known  
16 legislative tax changes. Centre Wellington Hydro has completed the shared tax savings  
17 worksheet to determine if amounts should be refunded to or recovered from customers  
18 as a result of corporate tax savings implemented since the 2018 Cost of Service  
19 Application (EB-2017-0032). As indicated in the tax savings worksheets contained within  
20 the 2019 IRM Rate Generator model, the corporate tax rate will stay at 26.5%. Using the  
21 Regulatory Taxable Income from the 2018 PILs model results resulted in an incremental  
22 tax savings of \$0.

23 **13 ICM/Z-FACTOR**

24 Centre Wellington Hydro is not applying for recovery of Incremental Capital or Z-Factor  
25 in this proceeding.

## 14 CURRENT TARIFF SHEET

Centre Wellington Hydro current tariff sheets are provided in Appendix 1.

## 15 PROPOSED TARIFF SHEET

The proposed tariff sheets generated by the 2019 IRM Rate Generator are provided in the Appendix 2.

## 16 BILL IMPACT

The table below shows the bill impacts. The bill impacts are calculated based on the dollar change in Sub-Total C – Delivery divided by the total bill before tax at current rates. The 10% percentile was calculated in the following manner

- 1) The utility produced a report which included Residential Customer Number and their Monthly Consumptions.
- 2) The report was then sorted by lowest to highest consumption.
- 3) Less than 50 kWh monthly consumption was removed from the file.
- 4) The utility then calculated the 10th percentile by taking 10% of the customer count (or number of records in the report), (e.g., 2000 customer = 200)
- 5) The utility then established that the record in questions produced a consumption of 298 kWh/month which in turn became the “ceiling” for the lowest 10th percentile.
- 6) The file used to calculate the 10th percentile is attached for your review.

The total residential bill impact for the 10<sup>th</sup> percentile level of 298 kWh is 2.3%. The residential bill impact for the standard 750kWh is 0.2%. Detailed bill impacts for each rate class are provided in the Appendix 3

With the exception of the GS<50, which uses the typical 2000 kWh/month, the other classes were calculated using a rounded monthly average consumption. Full bill impacts are presented in Appendix 3 of this application.

1

**Table 6 – Summary of Bill Impacts**

RATE CLASSES / CATEGORIES (eg: Residential TOU, Residential Retailer)	Units	Sub-Total						Total	
		A		B		C		Total Bill	
		\$	%	\$	%	\$	%	\$	%
RESIDENTIAL SERVICE CLASSIFICATION - RPP	kWh	-\$0.67	-2.2%	\$0.38	1.1%	\$0.22	0.5%	\$0.23	0.2%
GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION - RPP	kWh	\$2.99	4.4%	\$5.99	7.3%	\$5.78	5.5%	\$6.07	2.1%
GENERAL SERVICE 50 TO 2,999 KW SERVICE CLASSIFICATION - Non-RPP (Other)	kW	-\$215.19	-5.3%	-\$895.28	-14.8%	-\$949.21	-9.8%	-\$1,072.61	-1.9%
GENERAL SERVICE 3,000 TO 4,999 KW SERVICE CLASSIFICATION - Non-RPP (Other)	kW	-\$1,464.43	-10.9%	-\$4,511.03	-19.5%	-\$4,773.83	-11.7%	-\$5,394.43	-2.2%
UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION - RPP	kWh	-\$0.26	-2.3%	-\$0.04	-0.3%	-\$0.07	-0.4%	-\$0.08	-0.2%
SENTINEL LIGHTING SERVICE CLASSIFICATION - RPP	kW	-\$0.09	-0.8%	-\$0.01	0.0%	-\$0.02	-0.2%	-\$0.02	-0.1%
STREET LIGHTING SERVICE CLASSIFICATION - Non-RPP (Other)	kW	\$157.16	8.8%	\$117.22	6.2%	\$115.02	5.6%	\$129.97	2.7%
RESIDENTIAL SERVICE CLASSIFICATION - RPP	kWh	\$1.05	3.7%	\$1.46	4.7%	\$1.40	4.1%	\$1.47	2.3%
RESIDENTIAL SERVICE CLASSIFICATION - Non-RPP (Retailer)	kWh	\$1.05	3.7%	\$0.45	1.4%	\$0.39	1.1%	\$0.44	0.6%
RESIDENTIAL SERVICE CLASSIFICATION - Non-RPP (Retailer)	kWh	-\$0.67	-2.2%	-\$2.17	-5.4%	-\$2.33	-4.7%	-\$2.63	-1.7%
GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION - Non-RPP (Retailer)	kWh	\$2.99	4.4%	-\$0.81	-0.9%	-\$1.02	-0.9%	-\$1.15	-0.3%
UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION - Non-RPP (Retailer)	kWh	-\$0.26	-2.3%	-\$0.97	-6.5%	-\$1.00	-5.5%	-\$1.13	-2.0%
SENTINEL LIGHTING SERVICE CLASSIFICATION - Non-RPP (Retailer)	kW	-\$0.09	-0.8%	-\$0.26	-2.3%	-\$0.28	-2.2%	-\$0.31	-1.3%

2

3 CWH notes that a utility specific rate rider which was approved as part of the utility's 2018 Cost  
 4 of Service is not included in the above Bill Impacts. CWH commits to working with the OEB  
 5 Board Staff to rectify the issue prior to finalizing its 2019 rates.

6 **Revision of Bill Impacts:**

7 CWH confirms that the 2019 IRM Rate Generator Model has been revised to reflect the correct  
 8 bill impacts. An updated copy of the 2019 IRM Rate Generator Model is being filed with this  
 9 revision.

**17 CERTIFICATION OF EVIDENCE**

As Vice President / Treasurer of Centre Wellington Hydro Ltd. I certify that, to the best of my knowledge, the evidence filed in Centre Wellington Hydro's 2019 Incentive Rate-Setting Application is accurate, complete, and consistent with the requirements of the Chapter 3 Filing Requirements for Electricity Distribution Rate Applications as revised on July 12, 2018. I also confirm that internal controls and processes are in place for the preparation, review, verification and oversight of any account balances that are being requested for disposal.

Respectfully submitted,

*Original Signed by:*

Florence Thiessen, CPA, GGA  
Centre Wellington Hydro Ltd.  
PO Box 217  
730 Gartshore Street  
Fergus, ON  
N1M 2W8

1 **APPENDICES**

2

Appendix 1	Current Tariff Sheet
Appendix 2	Proposed Tariff Sheet
Appendix 3	Bill Impacts
Appendix 4	2018 RRWF

3