



Ontario Energy Board
Commission de l'énergie de l'Ontario

**OEB STAFF SUMMARY OF
COMMUNITY MEETING**

EB-2018-0056

NIAGARA-ON-THE-LAKE HYDRO INC.

Application for 2019 Rates

October 19, 2018

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1 INTRODUCTION

Niagara-on-the-Lake Hydro Inc. (Niagara-on-the-Lake Hydro) filed a cost of service application with the Ontario Energy Board (OEB) on August 23, 2018 seeking approval for changes to the rates that Niagara-on-the-Lake Hydro charges for electricity distribution, to be effective May 1, 2019. For a typical residential customer beginning May 1, 2019, the proposed increase was \$1.29 per month.

A Notice of Hearing was issued on September 7, 2018.

Further to the Notice of Hearing, the OEB hosted a community meeting on October 9, 2018 in the Town of Niagara-on-the-Lake, Ontario regarding Niagara-on-the-Lake Hydro's 2019 application.

This is an OEB staff report summarizing the outcomes of this community meeting. This report will be placed on the public record of the OEB hearing of this application along with copies of any written presentations made at the meeting. This report includes a summary of comments, questions and concerns raised during the community meeting by customers who attended the meeting. This summary is intended to capture the range of perspectives that were shared, rather than to provide a verbatim transcript of the meeting.

Customers are also able to submit individual written letters of comment with the OEB, either during a community meeting or any other time during the course of the OEB's review of an application. The OEB places written letters of comment on the public record of the specific proceeding. All comments must be submitted to the OEB before the decision-makers in that case begin to consider their decision on the application. In making its decision, the OEB considers everything on the public record, including all comments when determining whether to grant the requests made by Niagara-on-the-Lake Hydro in this application.

2 THE PROCESS

The OEB convenes community meetings in the service territories of local distribution companies that have applied to the OEB to change their rates through a cost of service proceeding.

Community meetings are part of the OEB's process of reviewing a rate application. The OEB has established a [Consumer Engagement Framework](#) to ensure that the perspectives of customers served by rate-regulated entities are considered in the OEB's decision-making process.

Community meetings are hosted by OEB staff who inform customers about the role of the OEB in rate-setting and the processes involved. OEB representatives explain the various ways that customers can become involved in the adjudicative process. A copy of OEB staff's presentation is attached to this report as Schedule A.

To assist customers in better understanding the application, the utility makes a presentation explaining its proposals for capital, operations and other spending that result in the requested rate change. A copy of Niagara-on-the-Lake Hydro's presentation is attached to this report as Schedule B.

Customers and municipal officials are also invited to make presentations outlining their thoughts on the utility's proposals.

Following the presentations, customers have the opportunity to ask questions of the OEB and the utility about the application and the regulatory process. The issues raised by customers in the community meetings are documented and used by OEB staff in reviewing the application, asking interrogatories and making submissions to the OEB panel hearing and deciding the application. Any verbal comments provided to OEB staff at the community meeting are summarized in this report with no attribution.

In addition to providing verbal comments to OEB staff, customers attending the meetings may express their concerns directly to the OEB by providing individual comments (with attribution) through an online form on the computers provided or by filling in a hard copy comment form, which is then submitted to the OEB by OEB staff.

3 SUMMARY OF THE MEETING

The Niagara-on-the-Lake Hydro meeting was held at the Niagara-on-the-Lake Community Centre in Niagara-on-the-Lake, Ontario on October 9, 2018 from 6:30 p.m. to 8:30 p.m. Approximately 10 customers attended the meeting to hear presentations from OEB staff and Niagara-on-the-Lake Hydro. Prior to the presentations, OEB staff and Niagara-on-the-Lake Hydro staff were available to informally talk to attendees and answer questions. OEB and Niagara-on-the-Lake Hydro representatives responded to questions from attendees during and following the presentations.

The following OEB staff and Niagara-on-the-Lake Hydro representatives attended the meeting:

OEB Staff

Ljuba Djurdjevic, Legal Counsel
Jane Scott, Manager, Major Applications
Tina Li, Project Advisor, Major Applications
Lynn Ramsay, Senior Advisor, Community Relations & Outreach
Andrew Bodrug, Senior Advisor, Community Relations & Outreach
Cherida Walter, Hearings Advisor, Registrar's Office

Niagara-on-the-Lake Hydro

Tim Curtis, President
Kazi Marouf, Vice President, Operations
Jeff Klassen, Vice President, Finance
Sara Engels, Manager, Corporate Services
Brodie Mosher, Manager, Conservation & Administration
Councillor Jamie King, Board Member
Philip Wormwell, Board Member
Jim Huntingdon, Board Member

The OEB and Niagara-on-the-Lake Hydro presented at the meeting. There were no customer presentations at the meeting.

Meeting participants had questions related to the new transformer, the monthly bill increase and its relation to the rate rider. Participants also had questions on self-generation, street light revenue reduction and whether the generation from the new large business customer will impact residential rates.

Specific Concerns Raised

- Capital expenditures – Customers had questions about the new transformer.
- Customers were concerned about whether the new transformer will have enough capacity to serve the expected growth in 5-10 years, and recommended considering the region's future growth when replacing the current transformer.
- Rate Design – Clarification was sought on whether rates will decrease once the population increases, and why customer bills seem to increase in Ontario the more they conserve.
- Rate Rider – Clarification was sought around the relationship of the rate rider and the bill impact.
- Cost Allocation – A customer requested an explanation on the street light revenue reduction and residential class revenue increase.
- Distribution grid – A customer inquired about how the new large customer's generation will affect the distribution grid and impact rates.
- Self-generation – Customers asked questions regarding grants for solar panels and how they could generate electricity and be independent of the grid.
- A customer inquired about the remuneration paid by the utility to the Town of Niagara-on-the-Lake.
- Hydro One – A customer inquired whether Niagara-on-the-Lake Hydro will remain independent of Hydro One, given the recent change of provincial government.

SCHEDULE A
ONTARIO ENERGY BOARD PRESENTATION
NIAGARA-ON-THE-LAKE HYDRO INC.
EB-2018-0056
OCTOBER 9, 2018



Getting Involved
OEB Review of
Niagara-on-the-Lake Hydro's
Rate Application

OEB Community Meeting
October 9, 2018

Every Voice Matters

- The OEB wants to hear from you to ensure we take your concerns into account as we make a decision about this application.
- OEB Community Meetings are held to give you an opportunity to:
 - Learn more about your utility's costs and rate application
 - Find out how to get involved in the OEB's process
 - Provide your comments to us about your utility's application.



Ontario Energy Board

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OEB – Regulating Ontario’s Energy Sector

- **The OEB is Ontario’s independent energy regulator.** We work to ensure a sustainable, reliable energy sector that helps consumers get value from their natural gas and electricity services – for today and tomorrow.



Ontario Energy Board

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Reviewing Distribution Rates



Ontario Energy Board

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Delivering Value – Ensuring Reliability

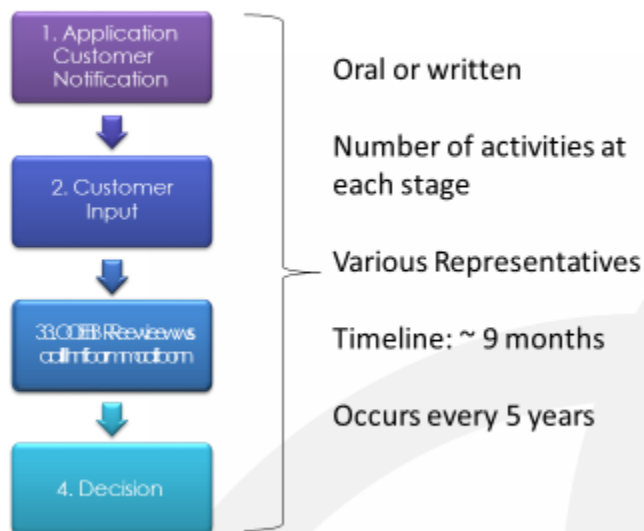
The OEB's job is to align various objectives to ensure reliability



Ontario Energy Board

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Be Heard in the OEB's Process



Ontario Energy Board

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Be Heard in the OEB's Process



What Can You Do?

- OEB wants to hear from you. We encourage you to:
 - Ask questions
 - Provide comments (via post or email)
 - Follow the proceeding
- Your voice helps the OEB do our job:

Ensuring utilities deliver value by focusing on what matters most to you



Ontario Energy Board

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Your Voice Matters – Thank You



Visit our website


416-314-2455
Toll Free 1-877-632-2727

 www.oeb.ca
 Twitter: @OntEnergyBoard
 Ontario Energy Board, 2300 Yonge Street,
Suite 2701, Toronto, Ontario M4P 1E4

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SCHEDULE B
NIAGARA-ON-THE-LAKE HYDRO INC. PRESENTATION
NIAGARA-ON-THE-LAKE HYDRO INC.
EB-2018-0056
OCTOBER 9, 2018

Niagara
on-the-Lake
HYDRO

OEB Community Meeting

NOTL Community Centre
October 9, 2018

Niagara
on-the-Lake
HYDRO

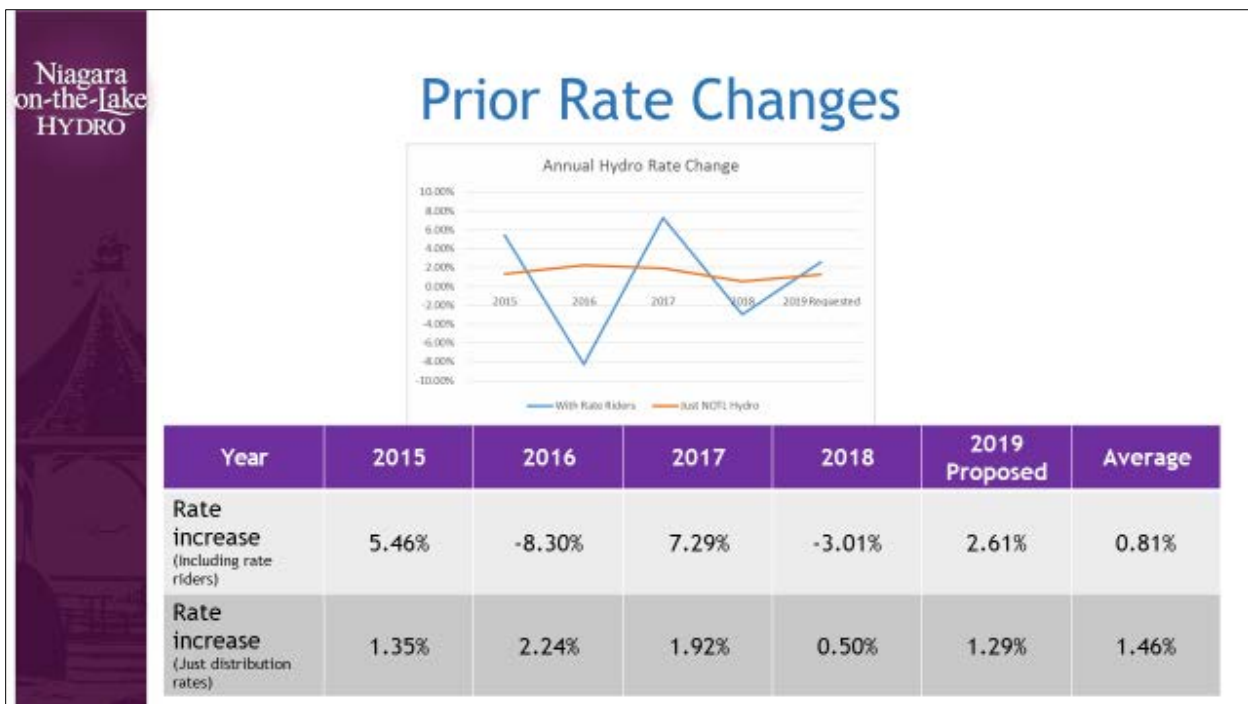
Before we start...SAFETY

WHAT YOU CAN'T SEE CAN HURT YOU!

It's getting pretty crowded underground. There could be gas pipelines, electrical services, telephone and cable TV as well as water and sewer connections. In addition to these types of buried services to your home, there could be distribution networks for utilities that serve your neighborhood and community.

Don't take the risk. Get a free locate!
Call 1-800-400-2255





Niagara-on-the-Lake HYDRO

Request to the Ontario Energy Board

- \$5.544 million or an increase of \$50k or 0.91% in Distribution Revenue.

Bill Impact for average 750kWh Residential Customer:

- \$1.29 for distribution portion.
 - **\$1.01** after other applied changes.
- Effective May 1, 2019

Request by Customer Class

Customer Class	Change in Revenue
Residential	\$34,748
Small Business	\$10,776
Large Business	\$9,009
Unmetered	\$ 77
Streetlights	(\$57,832)
Large User	\$53,622
Total	\$50,399

Bill Impact

	Current	Proposed	Change	
NOTL Hydro	29.87	30.25	0.39	1.29%
Rate Riders	(1.00)	(0.01)	0.99	
Smart Meter Charge	0.57	0.57	0.00	
Line losses	2.33	2.29	(0.04)	
Transmission	6.85	6.53	(0.32)	
Delivery Charge	38.62	39.63	1.01	2.62%
Regulatory Charges	3.28	3.28	0.00	
Electricity (TOU)	61.50	61.50	0.00	
Total	103.40	104.41	1.01	
HST	13.44	13.57	0.13	
8% Rebate	(8.27)	(8.35)	(0.08)	
Total Bill	108.57	109.63	1.06	0.98%

Niagara
on-the-Lake
HYDRO

Distribution Revenues

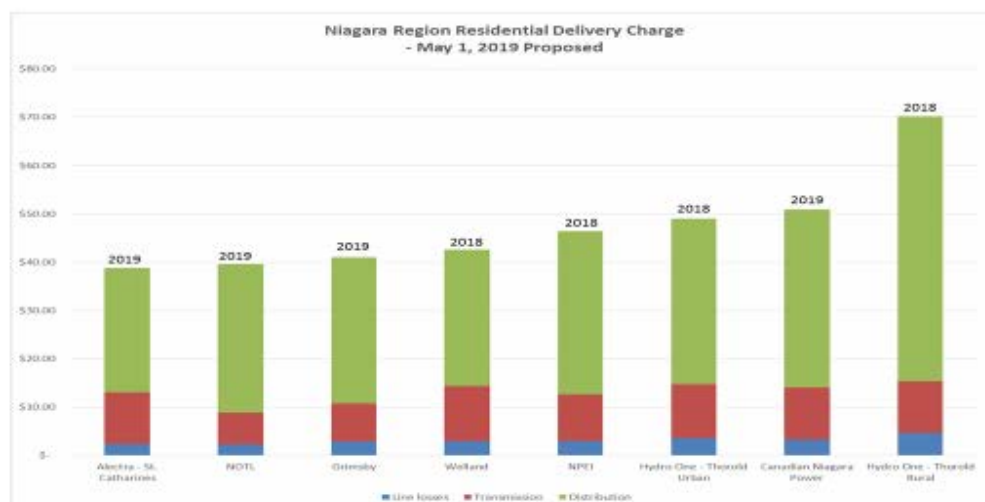


Notes:

- Increase in revenue in 2016 due to rate increase for new transformer

Niagara
on-the-Lake
HYDRO

Forecast Delivery Rates in Niagara



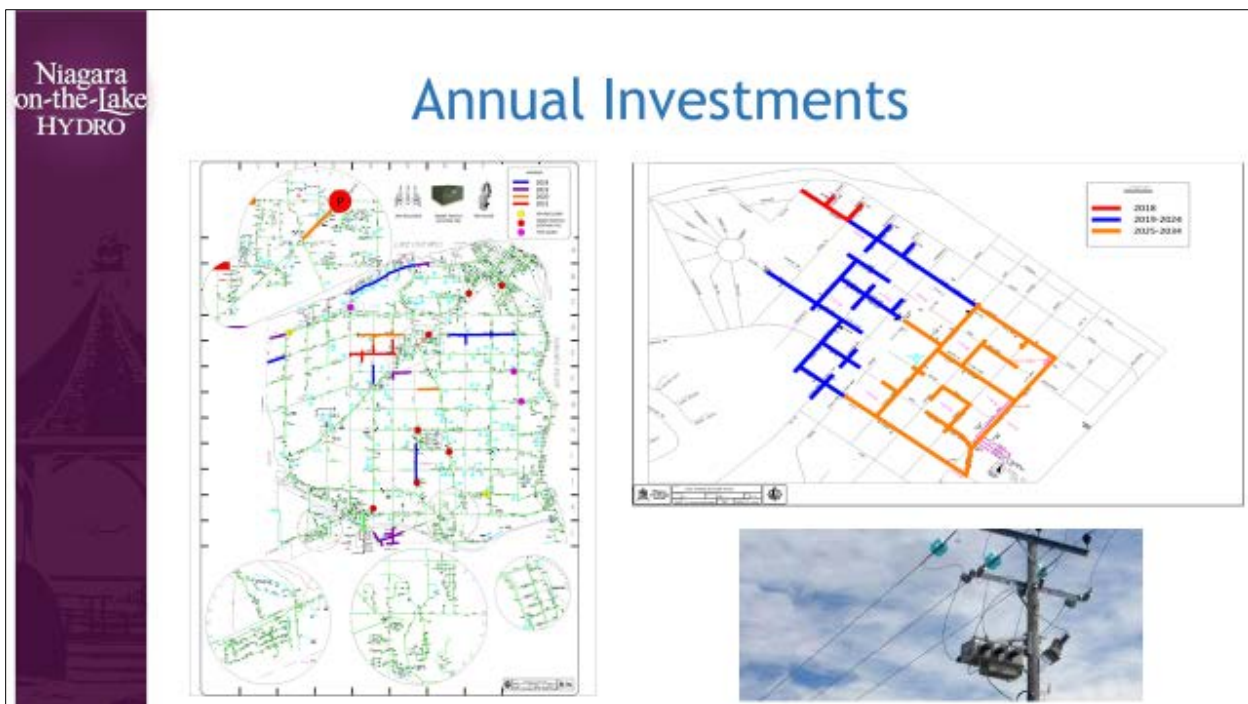
Customer Inputs



- Open Houses in 2017 and 2018.
 - 2 Public Meetings in 2017
 - 2 Public Meeting in 2018
 - 2 Business-focused meetings in 2018
 - Survey at Meetings
- Results from 2017 Customer Satisfaction Survey.
- Open Communication with customers.

The Need for the Request

- **83 MVA Transformer Upgrade at York MTS.** Currently will not support total Town demand. Cost of \$3.3 million.
 - NOTL Hydro owns our main Transformers (*not common*)
- **Continuing upgrades to distribution grid.** Upgrades are improving line losses as NOTL Hydro line loss was 3.79% and we are requesting it to be reduced to 3.73%.
- **Underground Conversions.** Olde Town work will continue. Starting underground conversion on Niagara Stone Road in Virgil in 2020 (*while road is being widened*).



Niagara-on-the-Lake HYDRO

The Risks of Not Investing

- **83 MVA Transformer Upgrade at York MTS.**
 - If the NOTL MTS were to go off-line due to any reason, the York MTS does not have the capacity to meet the current peak load demands of the Town. Rolling black-outs would be needed.
 - NOTL continues to have solid growth. Glendale area targeted for expansion.
- **Continuing upgrades to distribution grid.**
 - New technologies enhance capabilities.
 - Allow more distributed generation.
 - Moving to a consistent voltage in all areas of Town is best practice.

Local Recognition - York MTS



Scorecard Measure - Reliability



Continued Advocacy

- Most recent press release - May 1, 2018
 - Raising concerns with continued rising cost of electricity
- Government meetings
 - Met with local PC MPP Sam Oosterhoff
 - Requested / promised a meeting with the Minister of Energy
- Key positions
 - Get rid of Fair Hydro Plan (creating debt for next generation) and write-off excess costs from Green Energy Plan instead
 - Reduce costs

Get More Information!

www.NOTLhydro.com

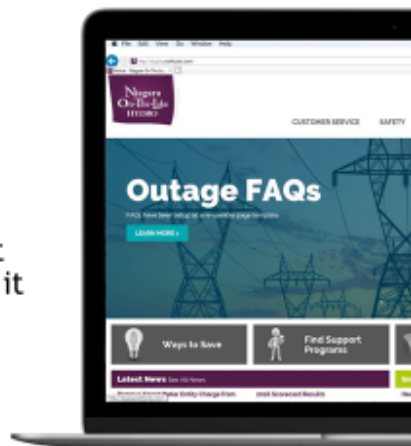
- View our full Rate Application submission.
- Scorecard Information & Historic values.
- Financial Statements from 2010 to today.
- AGM Presentations that show our annual investments.

Social Media

- Twitter is used more for outage updates but we post other important information when it is timely.

OEB.ca

- All Ontario rate applications and current correspondence for transparency.



Niagara
on-the-Lake
HYDRO

Your Community-Owned Utility

- Over **100 years** of distributing electricity in Niagara-on-the-Lake. 100% owned by the Town of Niagara-on-the-Lake
- NOTL Hydro is one of the smaller LDC's in Ontario
 - 9,500 Customers
 - 133km² operating territory
 - Over 400km underground and overhead distribution lines
- 18 full-time employees
- **Lowest Delivery Charge** in the Niagara Region.

**FOOD
& TOY
DRIVE**Don't Pay
**REMOVE THE SMART
METER CHARGE!**Niagara
on-the-Lake
HYDRO

Thank you for your time.

