Clarification Questions

Toyota Motor Manufacturing Canada Inc. (“TMMC”)

to

Energy+ Inc. (“Energy+”)

EB-2018-0028

September 17, 2018

Clarification TMMC-1

Reference: **IR-TMMC-4**

Preamble: In the preamble of its response to IR-TMMC-4, Energy+ indicates that it has updated its cost allocation models to incorporate charges to the application made as a result of responding to interrogatories from various parties. One significant change was to update the contract capacity value of the standby tariff for TMMC from 28.8 MW to 26.2 MW. However, no update to the cost allocation model currently appears on the OEB website.

Questions:

1. Provide an update to the cost allocation model (i.e. an update to the original file named "EnergyPlus_2019 Cost_Allocation_Model_20180430") that reflects the changes noted above. Please also provide updates to any other models that have been impacted by the changes noted above, to the extent that these models have not already been provided.

2. Provide the file named "2019_Energy+_Rev_Reqt_Work_Form_1 Staff 2" that is referenced in Energy+'s response to interrogatory 1-Staff-2.

3. Provide the file named "2019 EnergyPlus_Cost_Allocation_Model 7 Staff 76b.xlsm" that is referenced in Energy+'s response to question (b) of interrogatory 7-Staff-76.

Clarification TMMC-2

Reference: **IR-TMMC-4, Sub-Question 3**

Preamble: In its response to IR-TMMC-4, Sub-Question 3, Energy+ indicates that the quantum of incremental costs allocated to the Large User Class as a result of the adjustments noted in the response to Sub-Question 1 is $33,385. However, Energy+ then also states that there is no difference in the revenue requirement for rate design purposes for the Large User Class as a result of the Standby Charge proposal. Energy+ references a calculation of the revenue that would be achieved without the Standby tariff; this calculation is based on increasing current rates by the 2019 Energy+ distribution rate increase (of 3.3%).

Energy+ also indicates that the difference in annual charges paid by TMMC between "No Standby and Standby" is $10,127.

Questions:

1. Provide copies of all associated Excel files and any other calculations that were used to support the statements above and the associated cost figures presented.

Clarification TMMC-3

Topic: Standby Rate Proposal

Reference: **IR-TMMC-12**

Preamble: In its response to IR-TMMC-12, Sub-Question 4, Energy+ indicates that it is not able to identify the specific asset values and annual depreciation expenses for the assets that are being reserved as the assets are categorized on a pooled asset basis. Therefore the asset values, net book value, and the annual depreciation expense is not specifically available.

In IR-TMMC-12, TMMC specifically requested that estimates of asset values be provided in the event that specific asset values could not be provided because of the use of "group accounting methods". Group accounting is a synonym for pooled asset accounting.

One specific asset referenced in Energy+'s response is capacity at Preston TS on the 230kV-27.6kV transformers.

Questions:

1. Please provide estimates of the asset values, net book value and depreciation expense of the assets noted as specifically requested in TMMC's original IR.

2. Please confirm our understanding that the 230kV-27.6kV transformer is an asset owned by Hydro One and therefore is not part of Energy+'s Rate Base and therefore not part of the costs that will be recovered through Energy+'s distribution tariff.

3. In light of your response to Sub-Question 2 above, please indicate why the reservation of capacity on the transformer noted above is relevant to Energy+'s request to apply for a Standby tariff.

Clarification TMMC-4

Topic: Standby Rate Proposal

Reference: **IR-TMMC-15**

Preamble: In its response to IR-TMMC-15, Sub-Question 5, Energy+ indicates that it is not able to identify the specific asset values and annual depreciation expenses for the assets that are being used by the Large User Class as the assets are categorized on a pooled asset basis. Therefore the asset values, net book value, and the annual depreciation expense is not specifically available.

In IR-TMMC-15, TMMC specifically requested that estimates of asset values be provided in the event that specific asset values could not be provided because of the use of "group accounting methods". Group accounting is a synonym for pooled asset accounting.

Questions:

1. Please provide estimates of the asset values, net book value and depreciation expense of the assets noted as specifically requested in TMMC's original IR.