

January 7, 2019

VIA RESS AND COURIER

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street
26th Floor, Box 2319
Toronto, ON M4P 1E4

Dear Ms. Walli;

RE: APPLICATION BY ALECTRA UTILITIES CORPORATION FOR DISTRIBUTION RATES EFFECTIVE JANUARY 1, 2019 (EB-2018-0016) – DRAFT RATE ORDER

On June 7, 2018, Alectra Utilities filed an application with the Ontario Energy Board (“OEB” or the “Board”) under Section 78 of the *Ontario Energy Board Act, 1998* as amended and pursuant to the OEB’s *Filing Requirements for Incentive Rate-setting Applications* seeking approval for electricity distribution rates, and other charges, effective January 1, 2019. The Board assigned File Number EB-2018-0016 to the Application.

The Board issued a Partial Decision and Order (the “Partial Decision”) in this matter on December 20, 2018. The Board directed Alectra Utilities to file a Draft Rate Order by January 7, 2019, that incorporates the OEB’s determinations in the Partial Decision; and to file detailed supporting material, including all relevant calculations showing the impact of the implementation of the Decision on rates and rate riders, including bill impacts.

In accordance with the Decision, Alectra Utilities provides its Draft Rate Order which incorporates the information directed by the Board from the Partial Decision. The Draft Rate Order includes customer bill impacts and detailed information in support of the calculation of final rates and rate riders. Alectra Utilities has calculated foregone revenue rate riders from February 1, 2019 to December 31, 2019. Rate riders for all deferral and variance accounts approved for disposition will be in effect from February 1, 2019 to December 31, 2019. Alectra Utilities proposes that the Global Adjustment rate riders for classes with transition customers be in effect from May 1, 2019 to December 31, 2019.

Included in this Draft Rate Order are the following Attachments for each rate zone:

Horizon Utilities RZ

- Attachment 1: 2019 Proposed Tariff of Rates and Charges
- Attachment 2: Revenue Requirement Work Form
- Attachment 3: Income Tax/PILS Work Form

- Attachment 4: IRM Model
- Attachment 5: Bill Impacts
- Attachment 6: Cost Allocation Model
- Attachment 7: Summary of Fixed/Variable Splits
- Attachment 8: RTSR Work Form
- Attachment 9: LRAMVA Work Form

The following “live” Excel models also accompany the Draft Rate Order:

- 2019 Proposed Tariff of Rates and Charges
- Revenue Requirement Work Form
- Income Tax/PILS Work Form
- IRM Model
- Bill Impacts
- Cost Allocation Model
- RTSR Work Form
- LRAMVA Work Form

Brampton RZ

- Attachment 10: 2019 Proposed Tariff of Rates and Charges
- Attachment 11: Rate Generator Model (“RGM”)
- Attachment 12: LRAMVA Workform
- Attachment 13: Bill Impacts

The following “live” Excel models also accompany the Draft Rate Order:

- 2019 Proposed Tariff of Rates and Charges
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- LRAMVA Work Form
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PowerStream RZ

- Attachment 14: 2019 Proposed Tariff of Rates and Charges
- Attachment 15: RGM Model
- Attachment 16: LRAMVA Work Form
- Attachment 17: Bill Impacts

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Enersource RZ

- Attachment 18: 2019 Proposed Tariff of Rates and Charges
- Attachment 19: RGM Model
- Attachment 20: LRAMVA Work Form
- Attachment 21: Bill Impacts

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All Alectra Utilities RZs

- Attachment 22: Foregone Revenue Calculation
- Attachment 23: 2019 GA Rider Calculation – 11 months vs 8 months

Two hard copies of the Draft Rate Order will be delivered to the OEB via courier. An electronic copy of the Draft Rate Order and a live Excel version of the Excel Models are being filed using the Board's RESS filing system.

Should you have any questions or require additional information, please do not hesitate to contact me.

Yours truly,

[Original Signed By]

Indy J. Butany-DeSouza, MBA
Vice President, Regulatory Affairs
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indy.butany@alectrautilities.com

cc: Charles Keizer, Torys

IN THE MATTER OF the *Ontario Energy Board Act, 1998*,
being Schedule B to the *Energy Competition Act, 1998 S.O.*
1998, c. 15;

AND IN THE MATTER OF an Application by Alectra Utilities
Corporation to the Ontario Energy Board for an Order or
Orders approving of fixing just and reasonable rates and
other service charges for the distribution of Electricity as of
January 1, 2019.

**ALECTRA UTILITIES CORPORATION (“ALECTRA UTILITIES”)
DRAFT RATE ORDER
DELIVERED: January 7, 2019**

INTRODUCTION

1 Alectra Utilities Corporation (“Alectra Utilities”) is a licensed electricity distribution company
2 operating within the cities of Mississauga, Hamilton, St. Catharines, Brampton, Alliston, Aurora,
3 Barrie, Beeton, Bradford, Markham, Penetanguishene, Richmond Hill, Thornton, Tottenham,
4 Vaughan, in addition to Collingwood, Stayner, Creemore and Thornbury under Ontario Energy
5 Board (“OEB” or the “Board”) Electricity Distributor Licence No. ED-2016-0360.

6 On June 7, 2018, Alectra Utilities filed an application with the OEB under Section 78 of the
7 *Ontario Energy Board Act, 1998* as amended and pursuant to the OEB’s *Filing Requirements*
8 *for Incentive Rate-setting Applications* seeking approval for electricity distribution rates, and
9 other charges, effective January 1, 2019. The Board assigned File Number EB-2018-0016 to
10 this Filing.

11 The following six parties requested and were granted intervenor status:

- 12 • Association of Major Power Consumers in Ontario (“AMPCO”);
- 13 • Building Owners and Managers Association of Greater Toronto (“BOMA”);
- 14 • Consumers Council of Canada (“CCC”);
- 15 • Energy Probe Research Foundation (“Energy Probe”);
- 16 • School Energy Coalition (“SEC”); and

- 1 • Vulnerable Energy Consumers Coalition (“VECC”).

2 Alectra Utilities received interrogatories from OEB staff and intervenors between August 23,
3 2018 and August 27, 2018. Alectra Utilities provided responses to the interrogatories on
4 September 17, 2018. Pursuant to Procedural Order No. 2, issued September 24, 2018, a
5 settlement conference was held on October 16 and 17, 2018, however no settlement was
6 reached. In Procedural Order (“PO”) No. 3, issued November 8, 2018, the OEB bifurcated the
7 application such that items that were not eligible for cost awards would proceed by way of
8 written hearing. Alectra Utilities received submissions from OEB Staff and SEC on November
9 23, 2018. Alectra Utilities filed its reply submission on November 30, 2018. The OEB provided
10 a decision for that portion of the Application on December 20, 2018.

11 On December 20, 2018, the OEB issued its Partial Decision and Order on all matters that were
12 not eligible for cost awards. The OEB also declared Alectra Utilities’ current Tariff of Rates and
13 Charges interim as of January 1, 2019 until the final rate order is issued by the OEB. In the
14 Decision, the OEB also directed Alectra Utilities to: file a Draft Rate Order that incorporates the
15 OEB’s determinations in the Decision; and to file detailed supporting material, including all
16 relevant calculations showing the impact of the implementation of the Decision on the rates and
17 rate riders, including bill impacts.

18 Alectra Utilities submits this Draft Rate Order which incorporates the Orders of the Board in its
19 Decision. The issues presented in this Draft Rate Order are organized in the manner that these
20 issues are set out in the Board’s Decision.

21 Included in this Draft Rate Order are the following Appendices for each rate zone:

22 **Horizon Utilities RZ**

- 23 • Attachment 1: 2019 Proposed Tariff of Rates and Charges
24 • Attachment 2: Revenue Requirement Work Form
25 • Attachment 3: Income Tax/PILS Work Form
26 • Attachment 4: IRM Model
27 • Attachment 5: Bill Impacts
28 • Attachment 6: Cost Allocation Model
29 • Attachment 7: Summary of Fixed/Variable Splits
30 • Attachment 8: RTSR Work Form
31 • Attachment 9: LRAMVA Work Form

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10

11 **Brampton RZ**

- 12 • Attachment 10: 2019 Proposed Tariff of Rates and Charges
- 13 • Attachment 11: Rate Generator Model (“RGM”)
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- 15 • Attachment 13: Bill Impacts

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17 The following “live” Excel models also accompany the Draft Rate Order:

- 18 • 2019 Proposed Tariff of Rates and Charges
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23 **PowerStream RZ**

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29 The following “live” Excel models also accompany the Draft Rate Order:

- 30 • 2019 Proposed Tariff of Rates and Charges
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1 • LRAMVA Work Form

2 • Bill Impacts

3

4 **Enersource RZ**

5 • Attachment 18: 2019 Proposed Tariff of Rates and Charges

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16 **All Alectra Utilities RZs**

17 • Attachment 22: Foregone Revenue Calculation

18 • Attachment 23: 2019 GA Rider Calculation – 11 months vs 8 months

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1 **DECISION SUMMARIZED BY ISSUE**

2 As identified above, the issues presented in this Draft Rate Order are organized in the manner
3 that they were set out in the Board's Decision. The Board's Decision is presented first, with
4 Alectra Utilities' action taken as per the Decision immediately thereafter.

5 **1. Horizon Utilities Rate Zone – Year 5 Custom IR Update**

6 Horizon Utilities' Settlement Agreement from its Custom Incentive Rate-Setting ("IR")
7 Application (EB-2014-0002), approved by the OEB on December 11, 2014 (the "Horizon
8 Settlement Agreement") provides for annual adjustments during the term of the Custom IR rate
9 plan. Alectra Utilities applied for annual adjustments for the Horizon Utilities RZ related to the
10 fourth and final adjustment in its 2015-2019 Custom IR rate plan term. The following
11 adjustments to the rates for the Horizon Utilities RZ are addressed in subsequent sections of
12 this Draft Rate Order as they are also relevant to other rate zones: deferral and variance
13 accounts, including the Lost Revenue Adjustment Mechanism ("LRAMVA"); residential rate
14 design; and retail transmission service rates.

15 **a) Changes in the Cost of Capital**

16 Alectra Utilities identified in its Reply Submission that it would update the Cost of Capital
17 Parameters. On November 22, 2018, the OEB released updated cost of capital parameters.¹

18 **Board Findings – as per page 5 of the Decision**

19 *"As per the approved settlement proposal for the Custom IR framework, the OEB approves an*
20 *update to the cost of capital for the Horizon Utilities RZ."*

21 Alectra Utilities has updated the revenue requirement for the change in the cost of capital
22 parameters issued by the OEB on November 22, 2018, in its Draft Rate Order. The changes in
23 the cost of capital parameters have been incorporated into the derivation of the HRZ revenue
24 requirement and Proposed Tariff of Rates and Charges. They are identified in Table 1 on page
25 7.

26 **b) Changes in the Working Capital Allowance**

¹ Letter from OEB to All Licensed Electricity Distributors and Transmitters et al re Cost of Capital Parameter Updates for 2019 Cost of Service and Custom Incentive Rate-setting Applications, November 22, 2018.

1 Alectra Utilities updated the working capital allowance in its Annual Filing, as a result of changes
2 to the Cost of Power flow-through costs as follows:

- 3 i) The Cost of Power and Global Adjustment were updated based on the rates
4 published by the OEB in the Regulated Price Plan (“RPP”) Supply Cost Report
5 and the RPP Prices and the Global Adjustment Modifier Report on April 19,
6 2018. RPP rates, the Hourly Ontario Energy Price (“HOEP”) and Global
7 Adjustment Rates were updated to the most recent rates effective from May 1,
8 2018 to April 30, 2019. Alectra Utilities then applied an inflationary adjustment to
9 the RPP rates and Global Adjustment, based on the Ontario Consumer Price
10 Index averaged over the 2015 to 2017 period, for the period May 1, 2019 to
11 December 31, 2019;
- 12 ii) Retail Transmission Service Rates (“RTSRs”) were updated to incorporate 2017
13 demand, 2017 Hydro One Sub-Transmission Rates and 2018 Hydro One
14 Uniform Transmission Rates (“UTRs”);
- 15 iii) The Smart Metering Entity Charge (“SMEC”) was updated to incorporate 2017
16 Residential and GS < 50 kW customer counts, and the updated SMEC of \$0.57
17 approved by the OEB on March 1, 2018²; and
- 18 iv) The ratio of RPP vs. non-RPP volumes were updated for 2017 actuals.

19 **Board Findings – as per page 5 of the Decision**

20 *“As per the approved settlement proposal for the Custom IR framework, the OEB approves the*
21 *update to the working capital allowance for the Horizon RZ.”*

22 There is no further action required by Alectra Utilities, as a result of this Board finding.

23 As there were no updates to the Cost of Power as a result of the Board’s findings, the impact to
24 revenue requirement is unchanged at (\$110,939). Alectra Utilities has adjusted the revenue
25 requirement in the HRZ to incorporate the above mentioned changes to the Cost of Capital
26 parameters as revised by the OEB on November 22, 2018. The impact of the change to the cost

² EB-2017-0290, Decision and Order, March 1, 2018.

1 of capital parameters (from a decrease of \$878,366 as filed June 7, 2018, to a decrease of
2 \$821,042 as updated in this Draft Rate Order), combined with the previously identified change
3 to the Cost of Power (decrease of \$110,939), is a decrease to revenue requirement of
4 \$931,981, as identified in Table 1, below.

5 **Table 1 - Impact to Revenue Requirement due to Cost of Power and Associated Cost of**
6 **Capital Parameter Changes**

Description	%	2019 Custom IR Application EB-2014-0002	%	2019 Annual Filing After COP Update	%	2019 Annual Filing After COP and COC Parameter Update	Increase/ (Decrease) in Revenue Requirement due to Cost of Power Update	Increase/ (Decrease) in Revenue Requirement due to Cost of Capital Parameters
Rate Base		\$557,229,610		\$555,697,950		\$555,697,950	(\$1,531,659)	\$0
Rate Base Breakdown								
Short Term Debt	4.00%	\$22,289,184	4.00%	\$22,227,918	4.00%	\$22,227,918	(\$61,266)	\$0
Long Term Debt	56.00%	\$312,048,581	56.00%	\$311,190,852	56.00%	\$311,190,852	(\$857,729)	\$0
Deemed Equity	40.00%	\$222,891,844	40.00%	\$222,279,180	40.00%	\$222,279,180	(\$612,664)	\$0
Revenue Requirement Components								
Deemed Interest - Short Term Debt	2.16%	\$481,446	2.16%	\$480,123	2.82%	\$626,827	(\$1,323)	\$146,704
Deemed Interest - Long Term Debt	3.74%	\$11,676,468	3.74%	\$11,644,373	3.74%	\$11,644,373	(\$32,095)	\$0
Return on Equity	9.30%	\$20,728,941	9.30%	\$20,671,964	8.98%	\$19,960,670	(\$56,978)	(\$711,293)
PILs Gross-Up	26.50%	\$7,473,700	26.50%	\$7,453,157	26.50%	\$7,196,704	(\$20,543)	(\$256,453)
Total Revenue Requirement Impact	7.24%	\$40,360,556	7.24%	\$40,249,616	7.10%	\$39,428,575	(\$110,939)	(\$821,042)

7
8 Table 2 below identifies the significant changes in the revenue requirement for 2019 as a result
9 of the OEB's decision as compared to: (i) that which was provided in the Annual Filing; and (ii)
10 that which was approved in Horizon Utilities' Custom IR Application.

1 **Table 2 – 2019 Summary of Significant Changes**

2019 Summary of Significant Changes						
Note	Description	Custom IR EB-2014-0002	Changes	2019 Draft Rate Order	2019 Annual Filing EB-2018-0016	
Rate Base:						
	Average Net Fixed Assets	\$ 476,716,587	\$ -	\$ 476,716,587	\$	476,716,587
1	Working Capital Base	\$ 670,941,854	\$ (12,763,828)	\$ 658,178,026	\$	658,178,026
	Working Capital Factor	12.00%	0.00%	12.00%		12.00%
2	Working Capital Allowance	\$ 80,513,023	\$ (1,531,659)	\$ 78,981,363	\$	78,981,363
	Total Rate Base	\$ 557,229,610	\$ (1,531,659)	\$ 555,697,950	\$	555,697,950
Revenue Requirement:						
3	Deemed Interest on Debt	\$ 12,157,914	\$ 113,286	\$ 12,271,200	\$	12,153,392
4	Return on Equity (ROE)	\$ 20,728,941	\$ (768,271)	\$ 19,960,670	\$	20,005,126
	Total Return on Rate Base	\$ 32,886,856	\$ (654,985)	\$ 32,231,870	\$	32,158,518
	Depreciation	\$ 25,278,432	\$ -	\$ 25,278,432	\$	25,278,432
	OM&A	\$ 63,238,783	\$ -	\$ 63,238,783	\$	63,238,783
	Property Tax	\$ 318,611	\$ -	\$ 318,611	\$	318,611
5	PILs	\$ 3,422,636	\$ (276,996)	\$ 3,145,640	\$	3,161,668
	Service Revenue Requirement	\$ 125,145,317	\$ (931,981)	\$ 124,213,335	\$	124,156,012
7	Revenue Offsets	\$ 5,953,899	\$ -	\$ 5,953,899	\$	5,953,899
	Base Revenue Requirement	\$ 119,191,418	\$ (931,981)	\$ 118,259,437	\$	118,202,113

Notes	
1	The change in working capital base is the result of updates to the Cost of Power flow-through costs: (i) the RPP price reductions based on the OEB's Regulated Price Plan Supply Cost Report, issued April 19, 2018; (ii) Hydro One 2018 UTRs approved by the OEB February 1, 2018; (iii) an update to Horizon Utilities RZ demand from 2016 to 2017 actuals in the RTSR model; (iv) an update to the SME Charge to \$0.57 effective January 1, 2018 approved by the OEB March 1, 2018 and an update to the number of customers; and (v) a change in the ratio of RPP to non-RPP volumes.
2	The change in working capital allowance is due to the change in working capital base as a result of changes to Cost of Power flow-through costs.
3	The change in deemed interest on debt is due to the change in working capital base as a result of changes to Cost of Power flow-through costs; and an increase in the deemed short term debt rate from 2.29% to 2.82%.
4	The change in return on equity is due to the change in the return on equity from 9.00% to 8.98% and a change in working capital base as a result of changes to Cost of Power flow-through costs.
5	The change in PILs is due to the change in the Cost of Capital Parameters and a change in working capital base as a result of changes to Cost of Power flow-through costs.

2

3

4 **c) Capital Investment Variance Account (“CIVA”)**

5 The Horizon Utilities’ Settlement Agreement provided for the introduction of a deferral account
6 to refund ratepayers the impact to revenue requirement of the variance in its cumulative capital
7 additions for the period from January 1, 2015 to the end of the relative year, in the event that in-
8 service capital additions be lower than the capital approved in its Settlement Agreement.

1 Alectra Utilities reported 2017 capital additions of \$52.4MM, which is \$6.8MM higher than the
2 forecasted capital additions of \$45.6MM.³ The 2017 capital additions of \$52.4MM, are inclusive
3 of the capitalization policy change that was a result of the consolidation that formed Alectra
4 Utilities. Since the capital additions are above the forecast amount, no entry was made to the
5 Capital Investment Variance Account (“CIVA”). OEB staff submitted that 2017 capital additions
6 should be calculated based on the Horizon Utilities’ previous capitalization policy. OEB staff also
7 noted that under either calculation, no entry is made to the CIVA.⁴ SEC submitted that the
8 Board should defer consideration of the 2017 CIVA addition until the capitalization policy issues
9 are fully resolved.⁵

10 **Board Findings – as per page 7 of the Decision**

11 *“The OEB finds that there is no entry for the CIVA account for 2017.*

12 *The OEB finds that it is appropriate to defer consideration of the actual 2017 capital additions to*
13 *be used for the final computation of the CIVA account until the application for 2020 rates. The*
14 *OEB has previously determined that other issues related to the change in capitalization policy*
15 *will be heard in the same 2020 rate proceeding.”*

16 There is no further action required by Alectra Utilities as a result of this Board finding.

17 **d) Efficiency Adjustment**

18 The Horizon Utilities Settlement Agreement includes an Efficiency Adjustment to incent Horizon
19 Utilities, and now Alectra Utilities in respect of the Horizon Utilities RZ, to maintain or improve its
20 cohort position based on the OEB’s Stretch Factor Assignment.⁶ The Efficiency Adjustment
21 operates as a proxy stretch factor, in the event that Horizon Utilities is placed in a less efficient
22 cohort than the starting point in any year during the Custom IR term.⁷ Horizon Utilities’ starting
23 point was Cohort III. Alectra Utilities identified that the latest version of the *OEB’s Empirical*
24 *Research in Support of Incentive Rate-Setting: 2017 Benchmarking Update for Determination of*
25 *2018 Stretch Factor Rankings* (the “Benchmarking Update”), issued on August 23, 2018, placed

³ Exhibit 2, Tab 1, Schedule 2, p. 13.

⁴ OEB Staff Submission, p. 7.

⁵ SEC Submission, p. 1.

⁶ Settlement Proposal, p. 14.

⁷ Ibid.

1 the Alectra Utilities in Cohort III for the purposes of calculating stretch factors for 2019.⁸ In the
2 Application, Alectra Utilities indicated that no Efficiency Adjustment was appropriate for 2019.⁹

3 **Board Findings as per page 10 of the Decision**

4 *“The OEB agrees that there should be no efficiency adjustment for the 2019 rate year. Horizon*
5 *Utilities was in Group III of the OEB’s efficiency benchmarking and Alectra Utilities remains in*
6 *Group III as of the OEB’s most recent assessment.”*

7 There is no further action required by Alectra Utilities, as a result of this Board finding.

8 **e) Special Studies Deferral Account**

9 The Horizon Utilities Settlement Agreement included a deferral account to record costs related
10 to the development of a Specific Service Charge study to determine the appropriateness of
11 Horizon Utilities’ Specific Service Charges.¹⁰ Alectra Utilities confirmed that no studies have
12 commenced and no costs have been recorded in this deferral account.¹¹

13 **Board Findings – as per page 8 of the Decision**

14 *“The OEB accepts that no study costs have been incurred related to specific service charges*
15 *and no entry in the deferral account is required in 2019. The OEB has policy consultations*
16 *underway to review Customer Service Rules and Miscellaneous Rates and Charges. The OEB*
17 *agrees it is more effective for Alectra Utilities to participate in these consultations rather than*
18 *undertaking its own study.”*

19 There is no further action required by Alectra Utilities as a result of this Board finding.

20 **f) Revenue-to-Cost Ratio (“RCR”) Adjustments**

21 Alectra Utilities has appropriately adjusted the revenue to cost ratios for the Horizon Utilities RZ
22 to reflect the OEB’s Decision and Order in Horizon Utilities’ 2016 Annual Filing proceeding (EB-

⁸ OEB’s Empirical Research in Support of Incentive Rate-Setting: 2017 Benchmarking Update for Determination of 2018 Stretch Factor R, August 23, 2018.

⁹ Exhibit 2, Tab 1, Schedule 2, p. 14.

¹⁰ Settlement Proposal, p. 56.

¹¹ Exhibit 2, Tab 1, Schedule 2, p. 15.

1 2015-0075). Pursuant to the OEB's direction to reduce the RCR for the Street Lighting Class
2 from 120% in 2016 by 6.67% per year in each of 2017 to 2019, Alectra Utilities has updated its
3 rate design model for 2019 to include a RCR 100.00% for the Street Lighting Class for the
4 Horizon Utilities RZ.

5 **Board Findings – as per page 9 of the Decision**

6 *“The OEB approves the proposed change to the revenue-to-cost ratio for the street lighting rate*
7 *class in 2019, as the change is consistent with the OEB’s 2016 Custom IR Update decision.”*

8 There is no further action required by Alectra Utilities as a result of this Board finding.

9

10 **2. IRM Model Filings for the Brampton, Enersource and PowerStream Rate Zones**

11 Alectra Utilities' Incentive Rate-Setting Mechanism (“IRM”) Model filings for the Brampton,
12 PowerStream and Enersource RZs have been completed in accordance with applicable OEB
13 policies, practices and requirements. In connection with Alectra Utilities' request for approval of
14 distribution rates and other charges for the Brampton, PowerStream and Enersource RZs
15 pursuant to the Price Cap IR regime, effective January 1, 2019, Alectra Utilities has completed
16 and updated the Board's Rate Generator Models for each of these rate zones in accordance
17 with the OEB's Decision. Alectra Utilities has attached the RGM Models for the Brampton,
18 PowerStream and Enersource RZs, as Attachments 11, 15 and 19, respectively.

19 **a) Price Cap Adjustment**

20 Alectra Utilities applied a stretch factor of 0.3% for the Brampton, PowerStream and Enersource
21 RZs, each in accordance with the most recent PEG Report available at the time of filing the
22 Application, which was issued on August 17, 2017. The Stretch Factor assignments for all rate
23 zones remained unchanged in the August 2018 report.

24

25 For each of the Brampton, PowerStream and Enersource RZs, Alectra Utilities applied the
26 Board published inflation factor of 1.2%, issued on November 23, 2017, resulting in a Price Cap
27 Index of 0.9%. Alectra Utilities identified in its Reply Submission that it would update the Rate
28 Generator Models to include the 2019 inflation factor of 1.5%, resulting in a Price Cap Index of
29 1.2%.

1 **Board Findings – as per page 11 of the Decision**

2 *“The OEB finds that Alectra Utilities’ request for a 1.20% rate adjustment for the Brampton,*
3 *Enersource, and PowerStream RZs is in accordance with the annually updated parameters set*
4 *by the OEB. The adjustment is approved, and Alectra Utilities’ new rates shall be effective*
5 *January 1, 2019.”*

6 Alectra Utilities has updated the RGM Models to reflect an inflation factor of 1.5% and a stretch
7 factor of 0.3% for the Brampton, Enersource and PowerStream RZs.

8 **b) Eligible Investments for Connection of Qualifying Generation Facilities**

9 In Hydro One Brampton’s 2015 Cost of Service Rate Application, the OEB approved the request
10 for funding of Renewable Generation Connection Provincial amounts included in its detailed
11 Distribution System Plan (“DSP”).¹² Alectra Utilities requested funding for investments for
12 connecting renewable generation for the Brampton RZ of \$145,922 in 2019 or \$12,160 per
13 month from all provincial ratepayers.

14 In the 2016 Custom IR Rate Application, the OEB approved PowerStream’s request for the
15 funding of Renewable Generation Connection Provincial amounts included in its detailed DSP.¹³
16 Alectra Utilities requested funding for investments for connecting renewable generation for the
17 PowerStream RZ of \$260,517 in 2019 or \$21,710 per month from all provincial ratepayers.

18 Enersource filed a basic Green Energy Plan (the “GEA Plan”), which was approved by the OEB
19 in Enersource’s 2013 Cost of Service Application proceeding.¹⁴ Alectra Utilities requested
20 funding for investments for connecting renewable generation for the Enersource RZ of \$153,726
21 in 2019, or \$12,810 per month from all provincial ratepayers.

22 **Board Findings – as per page 12 of the Decision**

23 *“The OEB approves the proposed funding of investments for connecting renewables, which*
24 *were previously approved by the OEB. The approved amounts are \$145,922 for the Brampton*
25 *RZ, \$153,726 for the Enersource RZ and \$260,517 for the PowerStream RZ.”*

¹² EB-2014-0083, Final Rate Order, January 15, 2015, p.2.

¹³ EB-2015-0003, Decision and Rate Order, September 27, 2016, p. 2.

¹⁴ EB-2012-0033, Decision and Order, December 13, 2012, p.24.

1 **3. Retail Transmission Service Rates**

2 Alectra Utilities used the most recent rates available at the time of filing the Application, in the
3 RGM Models for all RZs. The RTSRs were calculated based on the Sub-Transmission Rates
4 (“STRs”) and Uniform Transmission Rates (“UTRs”) as provided in Table 3.

5 **Table 3 – UTRs and STRS**

UTRs	\$
Network Service Rate	\$3.61
Line Connection Service Rate	\$0.95
Transformation Connection Service Rate	\$2.34

STRs	\$
Network Service Rate	\$3.1942
Line Connection Service Rate	\$0.7710
Transformation Connection Service Rate	\$1.7493

6

7 **Board Findings – as per page 14 of the Decision**

8 *“Alectra Utilities’ proposed adjustment to its RTSRs is approved. The RTSRs were adjusted*
9 *based on the current host-RTSRs and the UTRs. The differences resulting from the approval of*
10 *new 2019 UTRs and RTSRs will be captured in Accounts 1584 and 1586 for future disposition.”*

11

12 **4. Residential Rate Design**

13 Alectra Utilities has incorporated the fourth and final year transition adjustment to fully fixed
14 distribution rates for residential customers in its proposed rates for 2019 for the Horizon Utilities,
15 Brampton and Enersource RZs. Alectra Utilities has incorporated the third year transition
16 adjustment to fully fixed distribution rates for residential customers in its proposed rates for 2019
17 for the PowerStream RZ. Alectra Utilities conducted analysis on the 10th consumption percentile
18 of energy consuming customers and followed the OEB’s instructions to consider whether rate
19 mitigation was required if there was greater than a 10% cost of distribution service, for all rate
20 zones. Alectra Utilities confirmed that the monthly service charge was not increasing by more
21 than \$4, nor would the customer at the 10th consumption percentile of electricity consumption
22 have a bill impact of 10% or more for the Brampton, Enersource and PowerStream RZs.

1 **Board Findings – as per page 15 of the Decision**

2 *“The OEB finds that the approach to calculate the 2019 monthly fixed charges for the Brampton,*
3 *Enersource, Horizon, and PowerStream RZs is in accordance with the OEB's residential rate*
4 *design policy. The results of the monthly fixed charge, and total bill impact for low consumption*
5 *residential consumers demonstrate that no mitigation is required.”*

6 Alectra Utilities will ensure that the approach to calculate the transition adjustment to fully fixed
7 distribution rates for residential customers remains unchanged in the updated RGM to be filed
8 with this Draft Rate Order.

9

10 **5. Deferral and Variance Accounts**

11 **a) Disposition of Group 1 Deferral and Variance Accounts (“DVA”)**

12 In its Application, Alectra Utilities included a request for the disposition of Group 1 accounts over
13 a one-year period including carrying charges projected to December 31, 2018, for the Horizon
14 Utilities, Brampton, PowerStream and Enersource RZs.

15 **Board Findings – as per page 17 of the Decision**

16 *“The OEB approves the disposition of a credit principal balance of \$8,247,932 as of December*
17 *31, 2017 for Group 1 accounts on an interim basis for the Horizon RZ.*

18 *The OEB approves the disposition of a credit principal balance of \$2,848,521 as of December*
19 *31, 2017 for Group 1 accounts on an interim basis for the Brampton RZ.*

20 *The OEB approves the disposition of a debit principal balance of \$2,832,756 as of December*
21 *31, 2017 for Group 1 accounts on an interim basis for the Enersource RZ.*

22 *The OEB approves the disposition of a credit principal balance of \$10,410,406 as of December*
23 *31, 2017 for Group 1 accounts on an interim basis for the PowerStream RZ.*

24 *Disposition of the balances will be over 11 months from February 1, 2019 to December 31,*
25 *2019. Alectra Utilities shall recalculate the interest to January 31, 2019 and file revised rate*
26 *riders as part of the draft rate order.”*

1 Alectra Utilities has updated its Group 1 balances approved for disposition to include interest
2 projected to January 31, 2019 at the OEB's current prescribed rate. The following Tables 4 to 7
3 identify the principal amounts, with interest projected to January 31, 2019, as directed in the
4 Board's Decision.

5 **Table 4 – Group 1 Accounts Horizon Utilities RZ**

Group 1 Accounts		Principal as at December 31, 2017	Interest Projected to January 31, 2019	Total
LV Variance Account	1550	\$586,395	\$16,322	\$602,718
Smart Metering Entity Charge Variance Account	1551	(\$27,964)	(\$750)	(\$28,714)
RSVA - Wholesale Market Service Charge	1580	(\$4,605,473)	(\$131,854)	(\$4,737,327)
Variance WMS – Sub-account CBR Class B	1580	(\$55,326)	(\$705)	(\$56,032)
RSVA - Retail Transmission Network Charge	1584	(\$187,535)	(\$5,654)	(\$193,188)
RSVA - Retail Transmission Connection Charge	1586	\$433,359	\$11,335	\$444,694
RSVA - Power	1588	(\$4,040,810)	(\$93,064)	(\$4,133,874)
RSVA - Global Adjustment	1589	(\$350,579)	\$28,402	(\$322,177)
Total Group 1 Balance excluding LRAMVA		(\$8,247,932)	(\$175,968)	(\$8,423,900)

7

8 **Table 5 – Group 1 Accounts Brampton RZ**

Group 1 Accounts		Principal as at December 31, 2017	Interest Projected to January 31, 2019	Total
LV Variance Account	1550	\$200,280	\$3,980	\$204,260
Smart Metering Entity Charge Variance Account	1551	(\$65,889)	(\$1,293)	(\$67,182)
RSVA - Wholesale Market Service Charge	1580	(\$3,926,630)	(\$80,344)	(\$4,006,974)
Variance WMS – Sub-account CBR Class B	1580	(\$121,943)	(\$5,405)	(\$127,347)
RSVA - Retail Transmission Network Charge	1584	\$19,930	\$3,585	\$23,516
RSVA - Retail Transmission Connection Charge	1586	(\$71,372)	(\$6,116)	(\$77,489)
RSVA - Power	1588	(\$627,073)	(\$12,417)	(\$639,490)
RSVA - Global Adjustment	1589	\$1,744,175	\$63,428	\$1,807,604
Total Group 1 Balance excluding LRAMVA		(\$2,848,521)	(\$34,582)	(\$2,883,103)

9

10 **Table 6 – Group 1 Accounts PowerStream RZ**

Group 1 Accounts		Principal as at December 31, 2017	Interest Projected to January 31, 2019	Total
LV Variance Account	1550	\$1,506,288	\$16,401	\$1,522,689
Smart Metering Entity Charge Variance Account	1551	(\$389,459)	(\$7,297)	(\$396,755)
RSVA - Wholesale Market Service Charge	1580	(\$7,987,408)	(\$68,232)	(\$8,055,640)
Variance WMS – Sub-account CBR Class B	1580	(\$84,171)	(\$12,899)	(\$97,071)
RSVA - Retail Transmission Network Charge	1584	(\$6,668,761)	(\$143,108)	(\$6,811,869)
RSVA - Retail Transmission Connection Charge	1586	(\$1,010,067)	(\$42,608)	(\$1,052,676)
RSVA - Power	1588	(\$223,398)	(\$44,280)	(\$267,679)
RSVA - Global Adjustment	1589	\$4,446,571	\$119,265	\$4,565,836
Total Group 1 Balance excluding LRAMVA		(\$10,410,406)	(\$182,759)	(\$10,593,165)

1

2

3 **Table 7 – Group 1 Accounts Enersource RZ**

Group 1 Accounts		Principal as at December 31, 2017	Interest Projected to January 31, 2019	Total
LV Variance Account	1550	\$2,379,788	\$51,921	\$2,431,709
Smart Metering Entity Charge Variance Account	1551	(\$26,813)	(\$486)	(\$27,299)
RSVA - Wholesale Market Service Charge	1580	(\$7,283,689)	(\$163,032)	(\$7,446,720)
Variance WMS – Sub-account CBR Class B	1580	\$35,171	\$3,318	\$38,489
RSVA - Retail Transmission Network Charge	1584	\$1,964,323	\$46,237	\$2,010,560
RSVA - Retail Transmission Connection Charge	1586	\$48,373	\$4,733	\$53,106
RSVA - Power	1588	\$319,684	(\$10,550)	\$309,134
RSVA - Global Adjustment	1589	\$5,395,918	\$161,593	\$5,557,511
Total Group 1 Balance excluding LRAMVA		\$2,832,756	\$93,734	\$2,926,490

4

5 **b) Proposal to Change Disposition of 2019 GA Rider to 8 months**

6 Alectra Utilities requests that the 2019 GA riders in the GS 50-699 kW and GS 700-4999 kW
7 rate classes in the Brampton RZ; the GS 50-4999 kW rate classes in the Horizon Utilities and
8 PowerStream RZs; and the GS 500-4999 kW rate class in the Enersource RZ, be implemented
9 May 1, and disposed over 8 months from May 1, 2019 to December 31, 2019. Alectra Utilities
10 submits that this does not result in bill impacts greater than 10% for any rate class, and
11 therefore, rate mitigation is not required. There are 281 Class A transition customers across all
12 rate zones that will be impacted by the implementation of the 2019 GA riders. These customers
13 are currently eligible, and are billed, for the 2018 GA rider, as they were Class B customers for
14 the full year during 2016, and contributed to the GA balance. These customers transitioned to
15 Class A on July 1, 2017. The general 2019 Class B GA rider to non-RPP customers is not to be

1 charged to these transition customers; instead, these customers are charged the customer
2 specific bill adjustments as provided in Tab 6.1 GA Allocation of the RGM. This situation results
3 from the overlap of the 2018 and 2019 GA riders; as transition customers are flagged as either
4 'eligible' or 'not eligible' to receive the GA rider, the system currently cannot accommodate the
5 scenario where a customer is 'eligible' to receive the 2018 GA rider and 'not eligible' to receive
6 the 2019 GA rider. Based on the existing configuration in the Customer Information System, a
7 transition customer that is eligible for the 2018 GA rider, will automatically be charged the 2019
8 GA rider. To address this issue, and ensure customers' bills are accurate, Alectra Utilities
9 proposes to implement the 2019 GA rider for the affected classes, upon the expiry of the 2018
10 GA rider on April 30, 2019.

11

12 The existing configuration hierarchy and logic cannot support the parameter with applicability for
13 one year and not the following year. Additional configuration is required to restructure and
14 configure the parameters in the rate component with on/off rules, designed to control a variety of
15 line item displays on bill statements. This affects approximately 400 rate lines, and is
16 complicated further with parameters that are effective date driven. In addition to the
17 configuration effort, a dedicated testing team and related testing environment is required to
18 execute approximately 250 test cases per utility. These requirements are in conflict with the
19 current schedule and plan for Alectra Utilities' final convergence of the Horizon Utilities RZ onto
20 the new CIS solution on March 11, 2019. The consolidation of the CIS environment into one
21 common Oracle Customer Care & Billing ("CC&B") system to facilitate integration of Customer
22 Service business functions and improve service to customers is currently underway. An
23 aggressive timeline for CIS consolidation has been set in order to achieve these goals in as
24 timely a manner as possible while also respecting the fact that the migration will mean
25 significant impacts to customers. Based on a February 1 implementation timeline for the
26 approved rates, the configuration and testing could not be accommodated in the balance of time
27 remaining in the final Horizon Utilities RZ testing cycle. In order to implement for February 1, a
28 dedicated team will be required (with the same resources who are focused on the project
29 timeline) to establish a mirror of the system's configuration at Go Live, which is then tested and
30 released to the business for final validation.

31

32 Alectra Utilities acknowledges that rates will not always be implemented January 1, and a
33 solution is required to address these scenarios, especially given the increase in the number of

1 transition customers annually. Alectra Utilities intends to develop and test a solution that will be
2 available for the implementation of 2020 rates. As mentioned previously, configuration changes
3 will have to be implemented to restructure and configure the parameters in the CIS to support
4 applicability of various rate riders to customers.

5
6 As the IRM and RGM Models can only accommodate the calculation of the riders over either an
7 11 month period or 8 month period, Alectra Utilities provides at Attachment 23, the calculation of
8 the GA riders over an 11 month period for all classes, except the affected classes mentioned
9 above, which are calculated over a 8 month period. Further, since the bill impacts and tariff
10 sheets in the IRM and RGM models are based on the calculation of the riders over an 11 month
11 period, Alectra Utilities has filed separate bill impact models and tariff sheets that include the GA
12 riders based on both the 11 month and 8 month calculations. The 2019 proposed tariff sheets
13 for the Horizon Utilities, Brampton, PowerStream and Enersource RZs are provided as
14 Attachments 1, 10, 14 and 18, respectively, and the bill impact calculations are provided as
15 Attachments 5, 13, 17 and 21, respectively.

16

17 **6. Lost Revenue Adjustment Mechanism (“LRAMVA”)**

18 In its Application, Alectra Utilities requested the disposition of LRAMVA balances in the Horizon
19 Utilities, Brampton, Enersource and PowerStream RZs resulting from CDM activities as of
20 December 31, 2016. LRAMVA balances were calculated in accordance with OEB guidelines
21 and an LRAMVA work form was completed for each rate zone. Alectra Utilities identified in its
22 reply submission that it incorrectly applied a threshold of 38.7 million kWh in 2016 for the
23 Horizon Utilities RZ, and that a threshold of 19.2 million kWh should be used in the LRAMVA
24 calculation. This resulted in revised LRAMVA amount of \$908,115 for the Horizon Utilities RZ.
25 OEB Staff also noted a very minor inconsistency in the billed demand data for streetlights.
26 Alectra Utilities identified that it will update the LRAMVA workform for the Enersource RZ as part
27 of its Draft Rate Order, to include 2016 billed streetlight demand of 45,735 kW, instead of
28 45,481 kW.

29

30 **Board Findings – as per page 24 of the Decision**

31 *“The OEB approves the disposition of the LRAMVA accounts for the Brampton, Enersource,*
32 *and PowerStream RZs of \$762,247, \$2,007,600, \$2,891,761 respectively.*

1 *The OEB accepts Alectra Utilities update for a minor inconsistency in the billed demand data for*
2 *streetlights for the Enersource RZ*

3 *The OEB accepts Alectra Utilities correction of the threshold amount for 2016 to be used in*
4 *determining the LRAMVA for the Horizon RZ. The OEB approves the use of a revised threshold*
5 *amount of 19,205,046 kWh and the revised LRAMVA of \$908,115.”*

6 Alectra Utilities has updated its LRAMVA balances approved for disposition to include interest
7 projected to January 31, 2019 at the OEB’s current prescribed rate, and the revised rate riders
8 for the 11-month recovery period. Table 8 identifies the principal amounts, with interest
9 projected to January 31, 2019, as directed in the Board’s Decision.

10 **Table 8 – LRAMVA Balance for Disposition by RZ**

Rate Zone	Account Number	Principal Balance	Interest to January 31, 2019	Total Claim
Horizon Utilities RZ	1568	\$876,841	\$33,064	\$909,905
Brampton RZ	1568	\$735,996	\$27,753	\$763,749
PowerStream RZ	1568	\$2,791,902	\$105,278	\$2,897,180
Enersource RZ	1568	\$1,938,462	\$73,096	\$2,011,558

11

12

13 **7. Effective Date**

14 Alectra Utilities requested that final rates be made effective January 1, 2019. In its application,
15 Alectra Utilities also asked that rates for each of its rate zones be made interim effective
16 January 1, 2019 if a Decision and Order in this matter could not be issued by January 1. In the
17 OEB’s Partial Decision and Order dated December 20, 2017, the OEB granted Alectra Utilities’
18 request for interim rates. At the oral hearing, Alectra Utilities identified that, due to the Customer
19 Information System (“CIS”) project, it will be able to implement rates February 1, 2018, if a
20 Decision was received in 2018.

21 **Board Findings – as per page 25 of the Decision**

22 *“The OEB finds that given the logistical circumstances of an upgrade to Alectra Utilities’ CIS, the*
23 *base rates resulting from this Decision will be effective January 1, 2019 but implemented on*
24 *February 1, 2019.*

1 *The OEB previously made a determination that the disposition of Group 1 deferral and variance*
2 *accounts will be over 11 months, from February 1, 2019 to December 31, 2019. For retail*
3 *service transmission rates, any differences between actual costs and revenue collected from*
4 *customers is recorded in a variance account for future disposition. Therefore, the new RTSRs*
5 *will be effective and implemented February 1, 2019. The amounts approved for Eligible*
6 *Investments for Connection of Qualifying Generation Facilities for the Brampton, Enersource*
7 *and PowerStream RZs are approved on an annual basis, and will be the subject of a*
8 *subsequent OEB decision to determine the monthly amounts paid by the IESO to Alectra*
9 *Utilities.*

10 *The OEB will approve rate riders to recover the foregone revenue given the approved effective*
11 *date and implementation date as part of the draft rate order process. The OEB directs Alectra*
12 *Utilities to file proposed rate riders for the foregone revenue in its draft rate order.”*

13 The Draft Rate Order has been prepared on the basis that Alectra Utilities' 2019 base rates will
14 be effective January 1, 2019 with an implementation date of February 1, 2019. Alectra Utilities
15 has calculated fixed foregone revenue riders for all RZs to recover the difference in distribution
16 revenue between the effective date of January 1, 2019 and the implementation date of February
17 1, 2019, over an eleven-month period ending December 31, 2019.

18

19 Alectra Utilities calculates the foregone revenue equal to the difference between (i) distribution
20 revenue for January using 2018 current approved distribution rates multiplied by January 2017
21 billing determinants and (ii) distribution revenue for January using proposed 2019 distribution
22 rates multiplied by January 2017 billing determinants. The difference is a revenue shortfall for
23 each rate zone as identified in Tables 9 to 12. The detailed foregone revenue calculation is filed
24 as Attachment 22.

1 **Table 9 – Foregone Revenue Calculation – Horizon Utilities RZ**

Rate Class	2018 Board-Approved Base Rates		2019 Board-Approved Base Rates		Jan 2017 Billing Determinants		@ Jan 2017 Load Total Revenue	@ Jan 2017 Load Total Revenue	2017 Monthly Billing Determinant	Foregone Revenue	Fixed Rate Rider
	Monthly	Volumetric	Monthly	Volumetric	Monthly	Volumetric					
Residential	\$ 23.67	\$ 0.0040	\$ 26.70		225,004	136,861,757	\$ 5,873,292	\$ 6,007,607	225,004	\$ 134,315	\$ 0.05
General Service < 50 kW	\$ 41.22	\$ 0.0106	\$ 42.29	\$ 0.0109	18,847	52,056,344	\$ 1,328,671	\$ 1,364,454	18,847	\$ 35,783	\$ 0.17
Unmetered Scattered Load	\$ 8.43	\$ 0.0131	\$ 8.63	\$ 0.0134	2,958	981,406	\$ 37,792	\$ 38,678	2,958	\$ 886	\$ 0.03
General Service 500 kW - 499 kW	\$ 379.54	\$ 2.5565	\$ 389.40	\$ 2.6150	2,031	382,499	\$ 1,748,706	\$ 1,791,107	2,031	\$ 42,402	\$ 1.90
Large Use (1)	\$23,720.06	\$ 1.3995	\$24,279.37	\$ 1.4325	5	37,423	\$ 170,974	\$ 175,006	5	\$ 4,032	\$ 73.30
Large Use (2) with Dedicated Assets	\$ 5,610.14	\$ 0.3310	\$ 5,755.85	\$ 0.3396	7	157,537	\$ 91,416	\$ 93,790	7	\$ 2,375	\$ 30.84
Street Lighting	\$ 2.00	\$ 5.3153	\$ 1.95	\$ 5.1752	53,035	7,396	\$ 145,382	\$ 141,694	53,035	\$ (3,688)	\$ (0.01)
Sentinel	\$ 5.49	\$ 15.0507	\$ 5.63	\$ 15.4416	342	115	\$ 3,608	\$ 3,701	342	\$ 93	\$ 0.02
TOTAL					302229	190,484,476	9,399,840	9,616,038		\$ 216,197	

2
3

4 **Table 10 – Foregone Revenue Calculation – Brampton RZ**

Rate Class	2018 Board-Approved Base Rates		2019 Board-Approved Base Rates		Jan 2017 Billing Determinants		@ Jan 2017 Load Total Revenue	@ Jan 2017 Load Total Revenue	2017 Monthly Billing Determinant	Foregone Revenue	Fixed Rate Rider
	Monthly	Volumetric	Monthly	Volumetric	Monthly	Volumetric					
Residential	\$ 20.92	\$ 0.0040	\$ 24.30		151,346	107,362,978	\$ 3,595,610	\$ 3,677,708	151,346	\$ 82,098	\$ 0.05
General Service < 50 kW	\$ 25.35	\$ 0.0169	\$ 25.65	\$ 0.0171	9,359	29,825,312	\$ 741,298	\$ 750,071	9,359	\$ 8,773	\$ 0.09
Unmetered Scattered Load	\$ 1.10	\$ 0.0200	\$ 1.11	\$ 0.0202	1,533	565,735	\$ 13,001	\$ 13,129	1,533	\$ 128	\$ 0.01
General Service 50 kW - 699 kW	\$ 126.46	\$ 2.8642	\$ 127.98	\$ 2.8986	1,579	258,418	\$ 939,842	\$ 951,131	1,579	\$ 11,290	\$ 0.65
General Service 700 kW - 4999 kW	\$ 1,141.02	\$ 3.3250	\$ 1,154.71	\$ 3.3649	106	157,268	\$ 643,865	\$ 651,591	106	\$ 7,726	\$ 6.63
Large Use (> 5000 kW)	\$ 4,748.01	\$ 2.5174	\$ 4,804.99	\$ 2.5476	6	52,996	\$ 161,901	\$ 163,843	6	\$ 1,942	\$ 29.43
Embedded Distributor	\$ 4,197.26	\$ -	\$ 4,247.63		1	-	\$ 4,197	\$ 4,248	1	\$ 50	\$ 4.58
Distributed Generation	\$ 104.91	\$ -	\$ 106.17		105	17,553	\$ 11,016	\$ 11,148	105	\$ 132	\$ 0.11
Street Lighting	\$ 2.32	\$ 11.6426	\$ 2.35	\$ 11.7823	19,690	8,651	\$ 146,400	\$ 148,199	19,690	\$ 1,799	\$ 0.01
TOTAL					183,725	138,248,911	6,257,129	6,371,068		\$ 113,939	

5
6

1 **Table 11 – Foregone Revenue Calculation – PowerStream RZ**

Rate Class	2018 Board-Approved Base Rates		2019 Board-Approved Base Rates		Jan 2017 Billing Determinants		@ Jan 2017 Load Total Revenue	@ Jan 2017 Load Total Revenue	2017 Monthly Billing Determinant	Foregone Revenue	Fixed Rate Rider
	Monthly	Volumetric	Monthly	Volumetric	Monthly	Volumetric					
Residential	\$ 21.63	\$ 0.0088	\$ 24.91	\$ 0.0045	330,347	236,696,966	\$ 9,228,339	\$ 9,294,080	330,347	\$ 65,741	\$ 0.02
General Service < 50 kW	\$ 29.00	\$ 0.0185	\$ 29.35	\$ 0.0187	32,549	90,174,238	\$ 2,612,144	\$ 2,641,571	32,549	\$ 29,427	\$ 0.08
Unmetered Scattered Load	\$ 8.68	\$ 0.0197	\$ 8.78	\$ 0.0199	3,001	1,140,416	\$ 48,515	\$ 49,043	3,001	\$ 528	\$ 0.02
General Service > 50 kW	\$ 142.24	\$ 4.2415	\$ 143.95	\$ 4.2924	5,104	924,175	\$ 4,645,881	\$ 4,701,650	5,104	\$ 55,768	\$ 0.99
Large User	\$ 6,128.34	\$ 2.2623	\$ 6,201.88	\$ 2.2894	2	7,102	\$ 28,324	\$ 28,663	2	\$ 340	\$ 15.43
Sentinel	\$ 4.23	\$ 9.9582	\$ 4.28	\$ 10.0777	176	65	\$ 1,392	\$ 1,408	176	\$ 17	\$ 0.01
Street Lighting	\$ 1.20	\$ 6.3791	\$ 1.21	\$ 6.4556	90,185	11,437	\$ 181,180	\$ 182,957	90,185	\$ 1,777	\$ -
TOTAL					461,364	328,954,399	\$ 16,745,774	\$ 16,899,372		\$ 153,598	

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3

4 **Table 12 – Foregone Revenue Calculation – Enersource RZ**

Rate Class	2018 Board-Approved Base Rates		2019 Board-Approved Base Rates		Jan 2017 Billing Determinants		@ Jan 2017 Load Total Revenue	@ Jan 2017 Load Total Revenue	2017 Monthly Billing Determinant	Foregone Revenue	Fixed Rate Rider
	Monthly	Volumetric	Monthly	Volumetric	Monthly	Volumetric					
Residential	\$ 21.61	\$ 0.0035	\$ 24.25		183,145	123,395,175	\$ 4,389,647	\$ 4,441,266	183,145	\$ 51,620	\$ 0.03
General Service < 50 kW	\$ 43.99	\$ 0.0128	\$ 44.52	\$ 0.0130	18,413	50,165,020	\$ 1,452,100	\$ 1,471,892	18,413	\$ 19,792	\$ 0.10
Unmetered Scattered Load	\$ 9.08	\$ 0.0165	\$ 9.19	\$ 0.0167	3,106	969,321	\$ 44,196	\$ 44,732	3,106	\$ 536	\$ 0.02
General Service 50 kW - 499 kW	\$ 77.48	\$ 4.6629	\$ 78.41	\$ 4.7189	3,692	483,739	\$ 2,541,682	\$ 2,572,205	3,692	\$ 30,523	\$ 0.75
General Service 500 kW - 4999 kW	\$ 1,764.42	\$ 2.3994	\$ 1,785.59	\$ 2.4282	471	366,401	\$ 1,710,184	\$ 1,730,707	471	\$ 20,523	\$ 3.96
Large Use (> 5000 kW)	\$ 13,911.73	\$ 2.9782	\$ 14,078.67	\$ 3.0139	9	136,336	\$ 531,242	\$ 537,612	9	\$ 6,370	\$ 64.34
Street Lighting	\$ 1.52	\$ 11.6504	\$ 1.54	\$ 11.7902	50,724	3,345	\$ 116,068	\$ 117,550	50,724	\$ 1,482	\$ -
TOTAL					259,560	175,519,336	\$ 10,785,119	\$ 10,915,964		\$ 130,845	

5
6

7 Alectra Utilities confirms that rate riders for the Group 1 deferral and variance accounts will be in effect for 11 months from February
8 1, 2019 to December 31, 2019, except for the 2019 GA rider for the previously identified rate classes, which Alectra proposes to
9 recover over 8 months, from May 1, 2019 to December 31, 2019. The calculation of all rate riders are included in the RGM and IRM
10 Models filed as Attachments 4, 11, 15 and 19.

1 **IMPLEMENTATION**

2 **Board Findings – as per page 28 of the Decision**

3 *“The OEB directs Alectra Utilities to revise the proposed rates to reflect the findings in this*
4 *Partial Decision and Order and to file a draft rate order for rates to be implemented February 1,*
5 *2019 based on the effective dates determined in this Partial Decision and Order.*

6 *The OEB expects Alectra Utilities to file detailed supporting material showing the impact of this*
7 *Partial Decision and Order on the rates and rate riders, including bill impacts.*

8 Alectra Utilities updated its proposed rates and charges to reflect the findings in the Board’s
9 Partial Decision and Order. The issues presented in this Draft Rate Order are organized in the
10 manner that these issues are set out in the Board’s Partial Decision, and each update to rates
11 are identified in each section of this Draft Rate Order. Alectra Utilities has filed live excel models
12 for the RGM and LRAMVA calculations, in addition to live excel schedules for the foregone
13 revenue calculations. A Tariff of Rates and Charges for each RZ is filed as Attachments 1, 10,
14 14 and 18. These tariffs include updates to the Wholesale Market Service Charge and Remote
15 and Rural Rate Protection (“RRRP”) charge.

16

17 **BILL IMPACTS**

18 A summary of the total bill impacts for the typical customer by rate class is presented in Tables
19 13 to 16 below for each rate zone. These bill impacts are inclusive of the LRAMVA rate riders,
20 the disposition of Group 1 account balances, the foregone revenue rate riders and increases as
21 a result of the implementation of the Price Cap IR mechanism and Annual Update for the
22 Horizon Utilities RZ in 2019. The RGM and IRM Models provide detailed bill impacts for each
23 customer class for 2019. For illustrative purposes, Alectra Utilities has provided a comparison of
24 the bill impacts based on the disposition of all Group 1 deferral and variance accounts over 11
25 months to bill impacts based on the disposition of all Group 1 deferral and variance accounts
26 over 11 months and the 2019 GA riders over 8 months. Alectra Utilities submits that the total bill
27 impact does not exceed 10% for any rate class.

1 **Table 13 – Total Bill Impact – Horizon Utilities RZ**

Total Bill Impacts						
Customer Class	Billing Units	Average Monthly Volume	11 months		11/8 months	
			2019 vs. 2018		2019 vs. 2018	
			\$	%	\$	%
Residential	kWh	750	\$ (1.63)	(1.55)%	\$ (1.63)	(1.55)%
GS<50	kWh	2,000	\$ (1.78)	(0.67)%	\$ (1.78)	(0.67)%
GS>50	kW	250	\$ (213.14)	(1.43)%	\$ (224.14)	(1.50)%
Large User	kW	5,000	\$ (5,461.05)	(1.55)%	\$ (5,461.05)	(1.55)%
Large User with Dedicated Assets	kW	20,000	\$ (17,944.25)	(1.38)%	\$ (17,944.25)	(1.38)%
Street Lighting	kW	4,974	\$ 922.09	0.28%	\$ 922.09	0.28%

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4 **Table 14 – Total Bill Impact – Brampton RZ**

Total Bill Impacts						
Customer Class	Billing Units	Average Monthly Volume	11 months		11/8 months	
			2019 vs. 2018		2019 vs. 2018	
			\$	%	\$	%
Residential	kWh	750	\$ (0.98)	(1.0)%	\$ (0.98)	(1.0)%
GS<50	kWh	2,000	\$ (1.24)	(0.5)%	\$ (1.24)	(0.5)%
GS 50-699 kW	kW	500	\$ (21.60)	(0.1)%	\$ 69.65	0.3%
GS 700-4,999 kW	kW	1,432	\$ (69.44)	(0.1)%	\$ 244.17	0.3%
Large User	kW	20,000	\$ (15,632.97)	(1.1)%	\$ (15,632.97)	(1.1)%
Street Lighting	kW	4,000	\$ 259.27	0.1%	\$ 259.27	0.1%

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7 **Table 15 – Total Bill Impact – PowerStream RZ**

Total Bill Impacts						
Customer Class	Billing Units	Average Monthly Volume	11 months		11/8 months	
			2019 vs. 2018		2019 vs. 2018	
			\$	%	\$	%
Residential	kWh	750	\$ (1.50)	(1.4)%	\$ (1.50)	(1.4)%
GS<50	kWh	2,000	\$ (2.58)	(1.0)%	\$ (2.58)	(1.0)%
GS>50	kW	250	\$ 80.61	0.7%	\$ 176.62	1.6%
Large User	kW	7,350	\$ (10,420.80)	(2.8)%	\$ (10,420.80)	(2.8)%
Street Lighting	kW	1	\$ 0.64	1.5%	\$ 0.64	1.5%

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1 **Table 16 – Total Bill Impact – Enersource RZ**

Total Bill Impacts						
Customer Class	Billing Units	Average Monthly Volume	11 months		11/8 months	
			2019 vs. 2018		2019 vs. 2018	
			\$	%	\$	%
Residential	kWh	750	\$ (0.16)	(0.15)%	\$ (0.16)	(0.15)%
GS<50	kWh	2,000	\$ 0.59	0.21%	\$ 0.59	0.21%
GS 50-499 kW	kW	230	\$ 234.85	1.65%	\$ 234.85	1.65%
GS 500-4,999 kW	kW	2,250	\$ 784.72	1.19%	\$ 1,064.72	1.62%
Large User	kW	5,000	\$(248.11)	(0.06)%	\$(248.11)	(0.06)%
Street Lighting	kW		\$ (0.37)	(15.17)%	\$ (0.37)	(15.17)%

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1 **CONCLUSION**

2 Alectra Utilities has fully complied with the Decision and has implemented all of the changes
3 directed by the Board in its Partial Decision. Details of the changes are discussed above and
4 are further supported by the Appendices and live Excel workbooks accompanying this Draft
5 Rate Order.

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7 **ALL OF WHICH IS RESPECTFULLY SUBMITTED THIS 7th DAY OF January, 2019.**

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9 *Original Signed by Indy J. Butany-DeSouza*

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11

12 Indy J. Butany-DeSouza, MBA

13 Vice-President, Regulatory Affairs

14 Alectra Utilities Corporation