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Ontario

BY E-MAIL

January 21, 2019

Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4

Dear Ms. Walli:

Re: Orangeville Hydro Limited (Orangeville Hydro)
2019 IRM Distribution Rate Application
OEB Staff Interrogatories
OEB File No. EB-2018-0060

In accordance with Procedural Order #1, please find attached OEB Staff interrogatories in the above proceeding. The applicant has been copied on this filing.

Orangeville Hydro's responses to interrogatories are due by January 28, 2019.

Yours truly,

Original Signed By

Jerry Wang
Incentive Rate Setting & Accounting

Encl.

Orangeville Hydro Limited (Orangeville Hydro)
EB-2018-0060

Staff IR-1
Ref: A portion of Sheet 3 "Continuity Schedule" is reproduced below.

Account Descriptions	Account Number	Balances	Total Claim	2.1.7 RRR As of Dec 31, 2017	Variance RRR vs. 2017 Balance (Principal + Interest)
Group 1 Accounts					
LV Variance Account	1550		404,729	819,062	0
Smart Metering Entity Charge Variance Account	1551		(5,189)	(9,171)	0
RSVA - Wholesale Market Service Charge[5]	1580		(261,755)	(491,058)	(13,190)
Variance WMS – Sub-account CBR Class A[5]	1580		0	(1,001)	0
Variance WMS – Sub-account CBR Class B[5]	1580		(2,439)	(12,190)	0
RSVA - Retail Transmission Network Charge	1584		(74,562)	(38,486)	0
RSVA - Retail Transmission Connection Charge	1586		(29,093)	533	(0)
RSVA - Power[4]	1588		(1,103,191)	56,315	1,143,563
RSVA - Global Adjustment[4]	1589		1,273,158	878,486	(376,373)
Disposition and Recovery/Refund of Regulatory Balances (2012)[3]	1595	☐ Check to Dispose of Account	0	0	0
Disposition and Recovery/Refund of Regulatory Balances (2013)[3]	1595	☐ Check to Dispose of Account	0	0	0
Disposition and Recovery/Refund of Regulatory Balances (2014)[3]	1595	☐ Check to Dispose of Account	0	0	0
Disposition and Recovery/Refund of Regulatory Balances (2015)[3]	1595	☐ Check to Dispose of Account	0	11,784	(1)
Disposition and Recovery/Refund of Regulatory Balances (2016)[3]	1595	☑ Check to Dispose of Account	(10,836)	(10,643)	0
Disposition and Recovery/Refund of Regulatory Balances (2017)[3]	1595	☐ Check to Dispose of Account	0	43,569	0
Not to be disposed of until a year after rate rider has expired and that balance has been audited	1595		0		0

In section 3 of the Accounting Guidance[1] that the OEB issued on July 25, 2016, it states that for 2015 CBR costs, distributors should apply billing adjustments which should reduce the balance in the sub-account to $0 once processed. Subsequently, in all future years, the distributor should bill Class A customers their share of the actual CBR charge and no variance should be recorded in Account 1580 going forward. The billing adjustment calculation for 2016 variance in account 1580 sub-account CBR Class A is included in the Accounting Guidance on page 5.

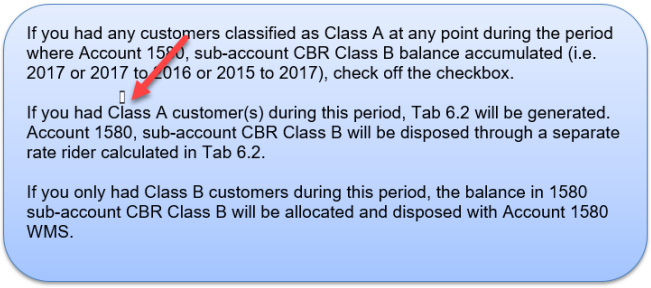
a) Please explain why there is a balance in Sub-Account CBR Class A, when it should be zero.

Orangeville Hydro's Response

Orangeville Hydro agrees that the balances in Sub-Account CBR Class A should be $0. Due to the fact that Orangeville Hydro billed Class A customers in July and August 2017, but were not billed Class A by the IESO, there is a balance in this account at the end of 2017.

[1] Accounting Guidance – Capacity Based Recovery (July 25, 2016)

Staff IR-2
Ref: A portion of Sheet 3 "Continuity Schedule" is reproduced below.



a) Please explain why Orangeville Hydro has not indicated they had Class A customers during the period the CBR balances accumulated. If this was just an oversight, please update the rate generator model.

Orangeville Hydro's Response

Orangeville Hydro agrees that it was an oversight that the checkbox was not checked to indicate the there were customers classified as Class A in 2017. Orangeville Hydro has updated the rate generator model.

Staff IR-3
Ref: Rate Generator Model, Tab 3 - Continuity Schedule

Appendix A of the Chapter 3 Filing Requirements[2] states:

> *"When approval for disposition of deferral and variance account balances is received from the OEB, the approved amounts of principal and carrying charges are transferred to account 1595 for that rate year."*

[2] Ontario Energy Board – Filing Requirements for Electricity Distribution Rate Applications – 2018 Edition for 2019 Rate Applications – Chapter 3: Incentive Rate-Setting Applications (July 12, 2018)

In the continuity schedule, distributors are required to input all OEB-approved dispositions and transfer the net total offsetting amount into the corresponding vintage year 1595 sub-account. Each amount should be entered into the continuity schedule under the OEB approved disposition – principal and interest columns and should match the amounts approved in previous decisions. The transactions related to recovery/return of amounts through rate riders and applicable interest amounts should be recorded in the applicable Transactions debit/(credit) – principal and interest columns.

OEB staff notes that principal and interest amounts approved in the 2015, 2016 and 2017 rate years have not been transferred to their corresponding vintage year 1595 sub-accounts in the appropriate columns in tab 3 continuity schedule. It appears that, for each rate year, Orangeville Hydro has netted the amounts approved with the amounts collected/returned through rate riders in the rate year into the "Transactions Debit / (Credit)" column. Please update the rate generator model continuity schedule for the 1595 Sub-Account (2015), 1595 Sub-Account (2016) and 1595 Sub-Account (2017):

a) The offset to the balance of the Group 1 accounts disposed should be the total amount approved by the OEB in the respective year. This amount should be recorded in the amounts "OEB-Approved Disposition" column in the continuity schedule, in the 1595 sub-account for the respective rate year. Please reconcile any differences and update the Rate Generator Model accordingly.

Orangeville Hydro's Response

Orangeville Hydro has updated the Rate Generator model to correct the amounts in the "OEB-Approved Disposition" column.

Staff IR-4
Ref: Rate Generator Model, Tab 3 - Continuity Schedule

a) "OEB- Approved Disposition during 2018" and Interest Disposition" do not reconcile with the approved amounts in the 2018 IRM Decision[3]. The amounts in Account 1595 (2015) are missing (Principal Balance $10,320 and Interest Balance $1,615). Please reconcile any differences and update the Rate Generator Model accordingly.

[3] EB-2017-0068

Orangeville Hydro's Response

Orangeville Hydro agrees that the amounts in Account 1595 (2015) were missing (Principal Balance $10,320 and Interest Balance $1,615). Orangeville Hydro has updated the rate generator model Continuity Schedule with the corrected values.

Staff IR-5
Ref: Rate Generator Model, Tab 3 - Continuity Schedule, column "BV"

Accounts 1588 and 1589 have material variances between the closing balances in 2017 and the balances filed in RRR as of December 31, 2017.

a) Please reconcile the differences, and break out each of the components of the difference by year explaining each of the elements within each year.

Orangeville Hydro's Response

The material variances are due to amounts that have been included in the 2016 and 2017 Principal adjustments column. The variances pertaining to account 1589 relate to adjustment amounts found on the GA workform as a result of the OEB Account 1589 RSVA Global Adjustment GA Analysis WorkForm Webinar held on July 17, 2018. Please see Table 1 below for explanations of all principal adjustments to accounts 1588 and 1589.

Table 1

		2016 1588 Energy	2016 1589 GA	2017 1588 Energy	2017 1589 GA
Principal Change as per G/L		**$ 24,096.22**	**$ 175,457.55**	**$ 32,385.89**	**$ 695,799.61**
Form 1598 Reconciliation - Energy	2016 Booked as a credit of $21,149.37 in G/L (receivable from IESO). Upon review, there was duplicate consumption data. The correct amount is a credit of $180,921.37 less $68,409 which was already claimed from the IESO (amount receivable from IESO). Correction in 2018 G/L for a difference of $91,362.53	**(91,362.53)**			
Form 1598 Reconciliation - Energy	2017 $349,314.94 recorded in G/L as a payable to IESO instead of a receivable from IESO			**(698,629.88)**	
True-up RPP vs non-RPP allocation to 1588 Energy and 1589 Global Adjustment Class B	2016 Process review revealed that this calculation should have been done. Previously calculated as $42,126.29 during 2018 IRM interrogatories based on inaccurate consumption. Correction in 2018 G/L	**(602,594.05)**	**602,594.05**		
True-up RPP vs non-RPP allocation to 1588 Energy and 1589 Global Adjustment Class B	2017 Correction in 2018 G/L.			**244,831.19**	**(244,831.19)**
Load Transfer - Jan 1/15 to Dec 31/15	Amount was included in 1588 variance, not in 1589. Not included in Rate Generator continuity as it was not included in prior year	91,211.06	(91,211.06)		
Load Transfer - Jan 1/16 to Feb 6/17	Load transfer occurred in 2016, but was originally included in 2017 variance.		**(130,953.33)**		**130,953.33**
Unbilled revenue	Remove prior year end unbilled to actual revenue differences. Not included in continuity as it was not included in prior year		200,827.00		**182,770.00**
Unbilled revenue	Add current year end unbilled to actual revenue differences		**(182,770.00)**		**69,270.00**
Adjustments to Principal Balances on Rate Generator Continuity (bolded items)		**(693,956.58)**	**288,870.72**	**(453,798.69)**	**138,162.14**

Staff IR-6
Ref: Account 1595 Workform, Tab "1595 2016", Step 3

OEB staff notes that there is a material RRR variance (%) for the General Service 50 to 4,999 kW classification in Step 3. The variance is calculated as the difference between the "Billed consumption (kWh/kW) that the rider was applied against" and the "Billed consumption (kWh/kW) per RRR filings)".

a) Please explain the large variance between the billed consumption and the RRR filings.

Orangeville Hydro's Response

Orangeville Hydro has revised the 1595 Workform to correct the billed consumption to correspond with the RRR filings as the calculations in the Workform are based on a full calendar year of consumption.

b) If the reason for 'a' is input error, please update the Account 1595 Workform.

Orangeville Hydro's Response

Orangeville Hydro confirms the 1595 Workform has been updated.

Staff IR-7
Ref: Account 1595 Workform, Tab "1595 2016"

OEB staff notes that Orangeville Hydro was approved for disposition of its Account 1589 and had a corresponding rate rider for the 2016 rate year. Although the Collections/Returns Variance (%) for Account 1589 did not exceed 10%, the distributor is still required to complete steps 2 and 3 for all rate riders applicable to the 1595 recovery period.

a) Please complete steps 2 and 3 for "Rate rider – RSVA – Global Adjustment."

Orangeville Hydro's Response

Orangeville Hydro has completed the steps 2 and 3 for "Rate rider – RSVA – Global Adjustment."

Staff IR-8
Ref: Rate Generator Model, Tabs 6.1a - GA Allocation and 6.2a - CBR_B Allocation

OEB staff has done calculations for the kWh's entered in respective input cells in Tabs 6.1a GA Allocation and 6.2a CBR-B Allocation. Please review the table provided by OEB staff to calculate amounts to be input into these tables and confirm if Orangeville Hydro agrees with OEB staff's calculation. If Orangeville Hydro agrees, please make the necessary corrections to the Rate Generator Model.

Tab 6.1a GA Allocation

Allocation of total Non-RPP Consumption (kWh) between Current Class B and Class A/B Transition Customers		Total	2017
Total Non-RPP Class B Consumption for Years During Balance Accumulation (Non-RPP Consumption LESS WMP Consumption and Consumption for Class A customers who were Class A for partial or full year)	A	98,715,046	98,715,046
Transition Customers' Class B Consumption (i.e. full year or partial year)	B	23,318,225	23,318,225
Transition Customers' Portion of Total Consumption	C=B/A	**23.62%**	

Tab 6.2a CBR B_Allocation

Allocation of total Consumption (kWh) between Class B and Class A/B Transition Customers		Total	2017
Total Class B Consumption for Years During Balance Accumulation (Total Consumption LESS WMP Consumption and Consumption for Class A customers who were Class A for partial or full year)	A	98,715,046	98,715,046
Transition Customers' Class B Consumption (i.e. full year or partial year)	B	23,318,225	23,318,225
Transition Customers' Portion of Total Consumption	C=B/A	23.62%	75,396,820

Table 1 – Reconciliation of Values for Tabs 6.1a and 6.2a

Orangeville Hydro				
Total metered volume Excl WMP	A		244,388,937	Source I23 of tab 4. Billing Det. for Def-Var
Non-RPP excl WMP	B		126,922,322	Source C23 of tab 6.1 GA
Class A Full year	C		-	Source E23 of tab 6.1 GA
Class A Full Part year:				
While Class A	D	23,111,573		=+F-E
While Class B	E	23,318,225		Source D21 of tab 6.1a GA Allocation
	F		46,429,799	Source G23 of tab 6.1 GA
Total non-RPP excl WMP and full year volumes for class A customers who were class A for the full year, and the class A volumes who were class A part year	G= +B-C-D		103,810,749	Input in D20 of tab 6.1a GA Allocation
Total Class B Customers excl WMP and Full year volumes for customers who were class A for full year, and the class A customers who were class A part year	H=+A-C-D		221,277,364	Input in D20 of tab 6.2a CBR_B Allocation

Orangeville Hydro's Response

Orangeville Hydro agrees with the methodology of the calculations suggested by the OEB. The values have been updated for the table provided by the OEB, as it was identified that the Class A part year amount was including losses, where it should have been without losses. The table has been updated below. The values in cell D20 in Tab 6.1a GA Allocation and cell D20 in Tab 6.2a CBR-B Allocation have been updated.

Orangeville Hydro				
Total metered volume Excl WMP	A		244,388,937	Source I23 of tab 4. Billing Det. For Def-Var
Non-RPP excl WMP	B		126,922,322	Source C23 of Tab 6.1 GA
Class A Full Year	C		0	Source E23 of Tab 6.1 GA
Class A Full Part Year:				
While Class A	D	22,177,188.00		F-E
While Class B	E	22,426,087.00		Source D21 of tab 6.1a GA Allocation
	F		44,603,275.00	Source G23 of Tab 6.1 GA
Total non-RPP excl WMP and full year volumns for Class A customers who were class A for the full year, and the class A volumes who were class A part year	G=B-C-D		104,745,134.00	Input D20 of Tab 6.1a GA Allocation
Total Class B Customers excl WMP and Full year volumes for customers who were class A for full year, and the class A customers who were class A part year	H=A-C-D		222,211,749.00	Input D20 of tab 6.2a CBDR_B Allocation

Staff IR-9
Ref: Rate Generator Model, Tabs 6 - Class A Consumption Data and 6.1a - GA Allocation

OEB staff notes that there was an error in the Rate Generator model. In Tab 6 - Class A Consumption Data under item 1, it says "Please select the Year the Account 1580 CBR Class B was Last Disposed." This is a typo and should say instead "Please select the Year the Account 1589 GA was Last Disposed." OEB staff has provided a revised Rate Generator model with the correct year of 2015 selected in cell C14.

a) Please complete the additional columns generated for Transition Customers' consumption for 2016 in Tab 6.

Orangeville Hydro's Response

Orangeville Hydro has updated the additional columns generated in Tab 6 - Class A Consumption Data. Please be advised that a calculation error was discovered in the 2017 consumption data, and the values for 2017 have also been updated to correct this error.

b) Orangeville Hydro did not have any Class A customers in 2016; therefore, the kWh's to be entered in the newly generated 2016 column in Tab 6.1a should be the Total Metered Non-RPP 2016 Consumption excluding WMP amount in the 2018 Rate Generator model. The consumption amount in the 2018 Rate Generator Model is

124,366,491 kWh. Please confirm if Orangeville Hydro agrees with the consumption data and complete the 2016 year consumption data in Tab 6.1a.

Tab 6.1a GA Allocation

Allocation of total Non-RPP Consumption (kWh) between Current Class B and Class A/B Transition Customers		Total	2017	2016
Total Non-RPP Class B Consumption for Years During Balance Accumulation (Non-RPP Consumption LESS WMP Consumption and Consumption for Class A customers who were Class A for partial or full year)	A	98,715,046	98,715,046	
Transition Customers' Class B Consumption (i.e. full year or partial year)	B	23,318,225	23,318,225	-
Transition Customers' Portion of Total Consumption	C=B/A	**23.62%**		

Orangeville Hydro's Response

Orangeville Hydro agrees with the consumption amount of 124,366,490 kWh being updated to cell E20 in Tab 6.1a GA Allocation.

Staff IR-10
Ref: Manager's Summary – Deferral and Variance Accounts Table 5 , Rate Generator Model, Tab 3 – Continuity Schedule

a) Orangeville Hydro is requesting disposition of a credit balance of $1,103,191 in Account 1588. This balance appears to be excessive (based on 12,233 customers, works out to over $90 per customer). As Account 1588 is designed to reflect only the amounts related to unaccounted for energy, after all true-ups for RPP settlements have been recorded in the GL, please explain why Orangeville Hydro has such a material balance in Account 1588.

Orangeville Hydro's Response

As shown in the response to Staff IR-5a), the reason for the large increase in the variance account 1588 balance is due to the adjustments to the account, specifically the true up for RPP and Non-RPP allocation based on actual consumption for 2016 of $-602,594.05 and 2017 of $244,831.19, as well as an adjustment to the year end true up of the actual GA rate amount of $91,362.53.

Staff IR-11
Ref: Manager's Summary – Deferral and Variance Accounts Table 7, Rate Generator Model, Tab 3 – Continuity Schedule

Table 7 provides the amount in Orangeville Hydro's Global Adjustment (GA) balance that pertains to Class A customers, and is currently unresolved with the IESO.

a) Please explain the reasons for the administrative error with respect to incorrect filings with the IESO, and detail what transpired causing this error.

Orangeville Hydro's Response

Class A customers were new to Orangeville Hydro in 2017. It was Orangeville Hydro's responsibility to notify the IESO of any Class A customers by July 1, 2017, and unfortunately this email notification was not completed by Orangeville Hydro. Therefore as of July 1, 2017, Orangeville Hydro had 5 customers who opted in as Class A and were billed Global Adjustment on a Class A basis based on their unique peak demand factor. For August and September Form 1598 IESO submissions, Orangeville Hydro submitted the Class A billed data which was consumed in July and August. For these months, the IESO was unaware that Orangeville Hydro had any Class A customers, and therefore billed Orangeville Hydro as if these 5 customers were Class B customers. After the September Form 1598 submission, the IESO contacted Orangeville Hydro on September 15, 2017 to advise that they did not have the appropriate information regarding Class A customers. At that time, Orangeville Hydro provided the necessary information to the IESO. Orangeville Hydro received a response on August 24, 2018 after repeated requests for an answer stating: "…the IESO has thoroughly reviewed the matter regarding the Class A retroactivity due to the administrative error during the 2017 Class A opt-in notices and we will not be making retroactive adjustments on the basis of the reported licenced distributor administrative errors for prior periods. " Orangeville Hydro does not agree with this response but felt the next option was to include it in our IRM for approval.

b) Please explain what Orangeville Hydro's plans are if the request for the recovery of the GA balance pertaining to the Class A customers is not approved.

Orangeville Hydro's Response

Historically, Orangeville Hydro has been able to work with the IESO on resolving data corrections and true-ups. Based on historical experience, it was expected that this error would be able to be corrected by the IESO. This is the first situation in recent history where Orangeville Hydro has been unable to find an acceptable solution with the IESO.

If the request for the recovery of the GA balance pertaining to the Class A customers through this IRM is not approved, Orangeville Hydro would request the OEB (or OEB staff) to provide their opinion on the situation as well as an explanation as to why the request was not approved. Orangeville Hydro hopes that the opinion and detailed explanation would provide insight on the IESO's actions on the item thus far.

It is important to Orangeville Hydro to minimize any negative impact to the customers, regardless of their class, while still minimizing any financial instability that this may create for the utility.

If the request is not approved and remains unresolved, Orangeville Hydro will need to obtain direction from legal counsel to determine our options. As previously mentioned, this is the first time in recent history that Orangeville Hydro and the IESO have been unable to find an acceptable solution regarding data corrections or true-ups. The unresolved balance is significant relative to Orangeville Hydro's expected net income. It is also significant relative to the monthly bills of the five Class A customers that are directly related to the balance.

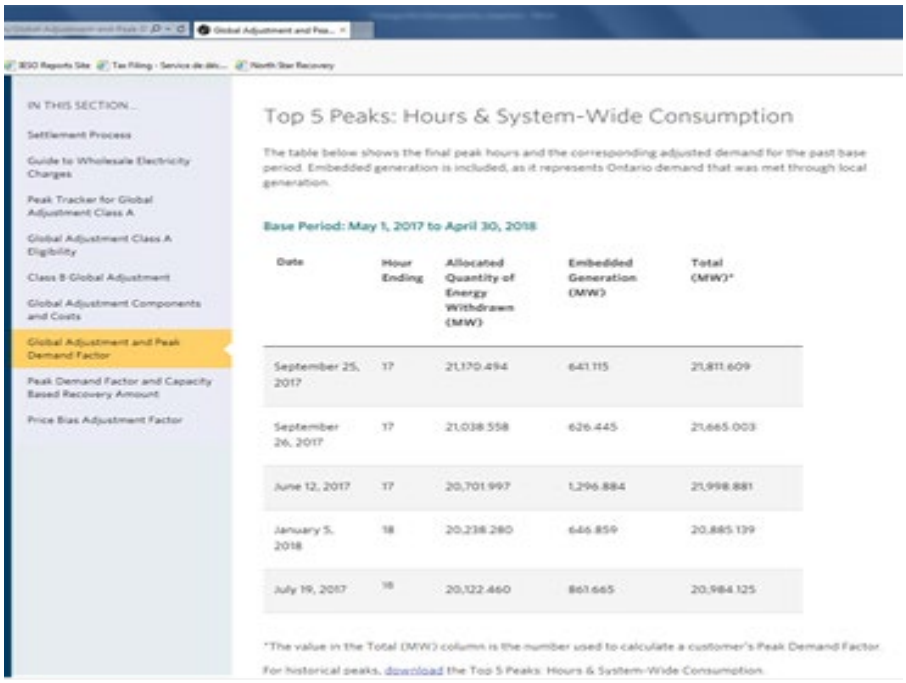
c) Page 11 of 30 of Orangeville Hydro's managers summary states that the five Class A customers were charged Class A GA charges for July and August 2017 based on the peak demand factor (PDF) of 0.00023917.
   i. Please provide a copy of the source of the PDF used to bill the five Class A customers.

Orangeville Hydro Response

All five of Orangeville Hydro's Class A customers were billed their own unique peak demand factor based on their contribution to the provincial peak demands. The provincial peak demands were obtained from the IESO website. Please see Table 2 below. The IESO website link is: http://www.ieso.ca/en/Sector-Participants/Settlements/Global-Adjustment-and-Peak-Demand-Factor

Table 2

Top 5 Peaks: Hours & System-Wide Consumption (Base Period: May 1, 2016 to April 30, 2017)				
Date	Hour Ending	Allocated Quantity of Energy Withdrawn (MW)	Embedded Generation (MW)	Total (MW)*
Wednesday, August 10, 2016	18	22,636.692	572.321	23,209.013
Wednesday, September 07, 2016	17	22,526.876	635.985	23,162.861
Thursday, August 11, 2016	17	22,317.771	789.884	23,107.655
Wednesday, July 13, 2016	18	22,188.464	753.156	22,941.620
Friday, August 12, 2016	17	21,904.371	765.541	22,669.912
*The value in the Total (MW) column is the number used to calculate a customer's Peak Demand Factor.				



IN THIS SECTION...

Settlement Process

Guide to Wholesale Electricity Charges

Peak Tracker for Global Adjustment Class A

Global Adjustment Class A Eligibility

Class B Global Adjustment

Global Adjustment Components and Costs

Global Adjustment and Peak Demand Factor

Peak Demand Factor and Capacity Based Recovery Amount

Price Bias Adjustment Factor

Top 5 Peaks: Hours & System-Wide Consumption

The table below shows the final peak hours and the corresponding adjusted demand for the past base period. Embedded generation is included, as it represents Ontario demand that was met through local generation.

Base Period: May 1, 2017 to April 30, 2018

Date	Hour Ending	Allocated Quantity of Energy Withdrawn (MW)	Embedded Generation (MW)	Total (MW)*
September 25, 2017	17	21,170.494	641.115	21,811.609
September 26, 2017	17	21,038.558	626.445	21,665.003
June 12, 2017	17	20,701.997	1,296.884	21,998.881
January 5, 2018	18	20,238.280	646.859	20,885.139
July 19, 2017	18	20,122.460	861.665	20,984.125

*The value in the Total (MW) column is the number used to calculate a customer's Peak Demand Factor.

For historical peaks, download the Top 5 Peaks: Hours & System-Wide Consumption.

Orangeville Hydro obtained the actual hourly consumption data as measured by an interval meter for the five Class A customers from Utilismart. The interval data for each provincial peak demand hour was derived using the customer's average hourly demand. The customer's average hourly demand was calculated by adding the intervals from that specific hour and dividing it by the number of intervals. The average was calculated in kilowatts and then converted to megawatts. The customers PDF was calculated by dividing the customers total MW's by Ontario's total MW's for the top five hours of peak demand over the base period.
Please find attached a copy of the calculation used to determine Orangeville Hydro's Class A customers' unique peak demand factor in Table 3. The total of all 5 Class A customers equals the peak demand factor of 0.00023917 for Orangeville Hydro.

ii. Please confirm whether or not each customer was invoiced the same peak demand factor. If each customer was billed the same PDF, please explain why when each customer should have its own unique PDF factor based on their contribution to the provincial peak demands. If each customer was billed its own unique PDF factor, please explain how the PDF's were determined.

Orangeville Hydro's Response

Each customer was billed their own unique peak demand factor. This factor was determined based on their contribution to the provincial peak demands. Please refer to Table 3 for the calculation of all five Class A customers unique peak demand factor.

Please note the customer numbers (Customer 1, 2, etc) do not necessarily align with the Class A customer data in the Rate Generator model.

Table 3

ICI				
Account Number:	Customer 1			
Peak	**Day**	**Hour Ending**	**Ontario Demand MW**	**Customer Demand MW**
Peak 1	Aug 10 16	18	23,209.013	1.44180000
Peak 2	Sept 7 16	17	23,162.861	1.27440000
Peak 3	Aug 11 16	17	23,107.655	1.44860000
Peak 4	July 13 16	18	22,941.620	1.20300000
Peak 5	Aug 12 16	17	22,669.912	1.49680000
		Total	115,091.061	6.86460000
Customer's Peak Demand Factor Total (PDF) divided by Ontario Demand MW = GA				
GA Result	0.00005964			

ICI				
Account Number:	Customer 2			
Peak	**Day**	**Hour Ending**	**Ontario Demand MW**	**Customer Demand MW**
Peak 1	Aug 10 16	18	23,209.013	0.51287000
Peak 2	Sept 7 16	17	23,162.861	0.49841600
Peak 3	Aug 11 16	17	23,107.655	0.50754170
Peak 4	July 13 16	18	22,941.620	0.42026600
Peak 5	Aug 12 16	17	22,669.912	0.49904170
		Total	115,091.061	2.43813540
Customer's Peak Demand Factor Total (PDF) divided by Ontario Demand MW = GA				
GA Result	0.00002118			

ICI				
Account Number:	Customer 3			
Peak	**Day**	**Hour Ending**	**Ontario Demand MW**	**Customer Demand MW**
Peak 1	Aug 10 16	18	23,209.013	1.96722000
Peak 2	Sept 7 16	17	23,162.861	1.92532500
Peak 3	Aug 11 16	17	23,107.655	1.89500000
Peak 4	July 13 16	18	22,941.620	2.29852500
Peak 5	Aug 12 16	17	22,669.912	1.58542500
		Total	115,091.061	9.67149500
Customer's Peak Demand Factor Total (PDF) divided by Ontario Demand MW = GA				
GA Result	0.00008403			

ICI				
Account Number:	Customer 4			
Peak	**Day**	**Hour Ending**	**Ontario Demand MW**	**Customer Demand MW**
Peak 1	Aug 10 16	18	23,209.013	0.11030000
Peak 2	Sept 7 16	17	23,162.861	0.14240000
Peak 3	Aug 11 16	17	23,107.655	0.60900000
Peak 4	July 13 16	18	22,941.620	0.52740000
Peak 5	Aug 12 16	17	22,669.912	0.11670000
		Total	115,091.061	1.50580000
Customer's Peak Demand Factor Total (PDF) divided by Ontario Demand MW = GA				
GA Result	0.00001308			

ICI				
Account Number:	Customer 5			
Peak	**Day**	**Hour Ending**	**Ontario Demand MW**	**Customer Demand MW**
Peak 1	Aug 10 16	18	23,209.013	1.42685000
Peak 2	Sept 7 16	17	23,162.861	1.30797500
Peak 3	Aug 11 16	17	23,107.655	1.47553300
Peak 4	July 13 16	18	22,941.620	1.36045000
Peak 5	Aug 12 16	17	22,669.912	1.47376700
		Total	115,091.061	7.04457500
Customer's Peak Demand Factor Total (PDF) divided by Ontario Demand MW = GA				
GA Result	0.00006121			

iii. Please provide the PDF used by Orangeville Hydro to bill its five Class A customers commencing September 2017.

Orangeville Hydro's Response

Please see Table 4 below to find the unique peak demand factor used to bill our five Class A customers commencing in July 2017. Table 5 below shows the calculation for the overall Orangeville Hydro peak demand factor of 0.00023917.

Table 4

ICI	
May 1, 2016 to April 30, 2017	
Peak	**Customer Demand MW**
Customer 1	0.00005964
Customer 2	0.00002118
Customer 3	0.00008403
Customer 4	0.00001308
Customer 5	0.00006121
Total	0.00023917

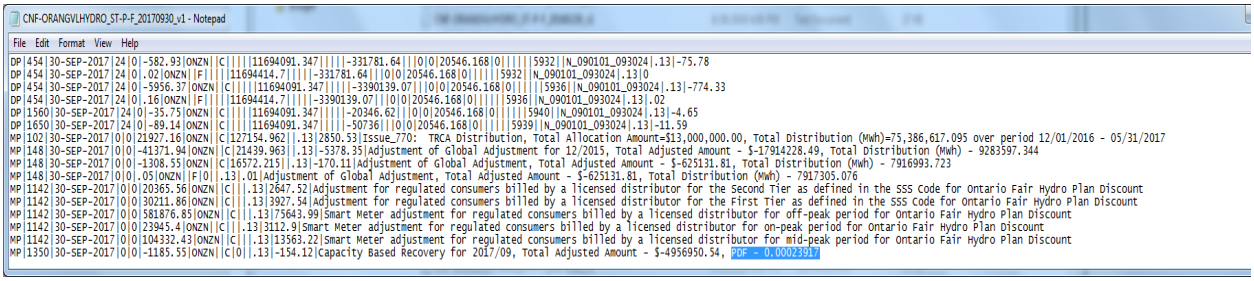
Table 5

ICI				
Account Number:	Orangeville Hydro			
Peak	**Day**	**Hour Ending**	**Ontario Demand MW**	**Customer Demand MW**
Peak 1	Aug 10 16	18	23,209.013	5.45904000
Peak 2	Sept 7 16	17	23,162.861	5.14851600
Peak 3	Aug 11 16	17	23,107.655	5.93567470
Peak 4	July 13 16	18	22,941.620	5.80964100
Peak 5	Aug 12 16	17	22,669.912	5.17173370
		Total	115,091.061	27.52460540
Customer's Peak Demand Factor Total (PDF) divide by Ontario Demand MW = GA				
GA Result	0.00023917			

iv. Please provide a copy of the IESO report which provides Orangeville Hydro's PDF.

Orangeville Hydro's Response

There is no report sent to Orangeville Hydro from the IESO, Orangeville Hydro downloads the final IESO statement from the IESO website. Orangeville Hydro provides the peak demand for each Class A customer, and the IESO calculates the peak demand factor. This report shows the peak demand factor as shown below as 0.00023917 for 2017. The first month it appeared on our preliminary statement was September 30, 2017, as this was the first month they were aware of our Class A customers.


CNF-ORANGVLHYDRO_ST-P-F_20170930_v1 - Notepad

File Edit Format View Help

DP|454|30-SEP-2017|24|0|-582.93|ONZN||C||||11694091.347|||||-331781.64|||0|0|20546.168|0|||||5932||N_090101_093024|.13|-75.78
DP|454|30-SEP-2017|24|0|.02|ONZN||F||||11694414.7|||||-331781.64|||0|0|20546.168|0|||||5932||N_090101_093024|.13|0
DP|454|30-SEP-2017|24|0|-5956.37|ONZN||C||||11694091.347|||||-3390139.07|||0|0|20546.168|0|||||5936||N_090101_093024|.13|-774.33
DP|454|30-SEP-2017|24|0|.16|ONZN||F||||11694414.7|||||-3390139.07|||0|0|20546.168|0|||||5936||N_090101_093024|.13|.02
DP|1560|30-SEP-2017|24|0|-35.75|ONZN||C||||11694091.347|||||-20346.62|||0|0|20546.168|0|||||5940||N_090101_093024|.13|-4.65
DP|1650|30-SEP-2017|24|0|-89.14|ONZN||C||||11694091.347|||||-50736|||0|0|20546.168|0|||||5939||N_090101_093024|.13|-11.59
MP|102|30-SEP-2017|0|0|21927.16|ONZN||C|127154.962||.13|2850.53|Issue_770: TRCA Distribution, Total Allocation Amount=$13,000,000.00, Total Distribution (MWh)=75,386,617.095 over period 12/01/2016 - 05/31/2017
MP|148|30-SEP-2017|0|0|-41371.94|ONZN||C|21439.963||.13|-5378.35|Adjustment of Global Adjustment for 12/2015, Total Adjusted Amount - $-17914228.49, Total Distribution (MWh) - 9283597.344
MP|148|30-SEP-2017|0|0|-1308.55|ONZN||C|16572.215||.13|-170.11|Adjustment of Global Adjustment, Total Adjusted Amount - $-625131.81, Total Distribution (MWh) - 7916993.723
MP|148|30-SEP-2017|0|0|.05|ONZN||F|0||.13|.01|Adjustment of Global Adjustment, Total Adjusted Amount - $-625131.81, Total Distribution (MWh) - 7917305.076
MP|1142|30-SEP-2017|0|0|20365.56|ONZN||C|||.13|2647.52|Adjustment for regulated consumers billed by a licensed distributor for the Second Tier as defined in the SSS Code for Ontario Fair Hydro Plan Discount
MP|1142|30-SEP-2017|0|0|30211.86|ONZN||C|||.13|3927.54|Adjustment for regulated consumers billed by a licensed distributor for the First Tier as defined in the SSS Code for Ontario Fair Hydro Plan Discount
MP|1142|30-SEP-2017|0|0|581876.85|ONZN||C|||.13|75643.99|Smart Meter adjustment for regulated consumers billed by a licensed distributor for off-peak period for Ontario Fair Hydro Plan Discount
MP|1142|30-SEP-2017|0|0|23945.4|ONZN||C|||.13|3112.9|Smart Meter adjustment for regulated consumers billed by a licensed distributor for on-peak period for Ontario Fair Hydro Plan Discount
MP|1142|30-SEP-2017|0|0|104332.43|ONZN||C|||.13|13563.22|Smart Meter adjustment for regulated consumers billed by a licensed distributor for mid-peak period for Ontario Fair Hydro Plan Discount
MP|1350|30-SEP-2017|0|0|-1185.55|ONZN||C|0||.13|-154.12|Capacity Based Recovery for 2017/09, Total Adjusted Amount - $-4956950.54, PDF - 0.00023917

d) If the PDF billed by Orangeville Hydro to its five Class A customers for GA, in July and August of 2017, were different from what Orangeville Hydro started billing its Class A customers in September 2017, please quantify the aggregate difference for the Class A customers, for July and August 2017.

Orangeville Hydro's Response

The PDF billed by Orangeville Hydro to our five Class customer for GA, in July and August of 2017 was not different from what Orangeville Hydro billed its Class A customers in September 2017 so there is no aggregate difference to be calculated.

e) Please explain what the impact on Orangeville's Regulatory Rate of Return would be if this request is not approved for recovery from Orangeville Hydro's customers.

Orangeville Hydro's Response

If the request to recover the Class A error is not approved, the regulatory rate of return would be decreased significantly from 10.6% to 6.98%. 6.98% is still within the 3% dead band from the deemed Regulatory Return on Equity (ROE) of 9.36% but is a 3.62% decrease from Orangeville Hydro's 2017 Regulatory ROE of 10.6%. This would represent a significant deterioration in the financial results of Orangeville Hydro and as a result Orangeville Hydro would not be kept whole.

Staff IR-12
Ref: GA Analysis Workform - Tab "GA 2017"

In section 2.1.5.4. of the RRR Filing Guide[4], the OEB provides the following instructions for Table 5:

"There is a new Table 5 for the reporting of the aggregate consumption and demand for Class A customers (as defined in O. Reg. 429/04). The volumes reported in this section are for those customers during the time they were classified as Class A customers."

OEB staff notes that Orangeville Hydro's Non-RPP Class A kWh consumption for 2017 is 23,243,911 according to the most recent 2018 RRR filings. The GA Analysis Workform filed in this application is based on the 2017 RRR filing data and currently says 46,742,886. Based on the consumption data provided in the Rate Generator model, OEB staff believes the 46,742,886 to be made in error. OEB staff has provided an updated GA Analysis Workform.

[4] RRR Filing Guide – For Electricity Distributors' Reporting and Record Keeping Requirements (RRR), (March 2018)

a) Please confirm if the Non-RPP Class A kWh consumption and Non-RPP Class B kWh consumption for 2017 in the updated GA Analysis Workform is correct.

Orangeville Hydro's Response

The Class A kWh consumption amount of 24,243,911 in the GA Workform originally included losses. The correct amount for this value is 22,177,188.

b) If Orangeville Hydro confirms a) to be correct, please contact OEB Licensing & Performance Reporting staff to revise any incorrect RRR data as necessary.

Orangeville Hydro's Response

Orangeville Hydro will contact OEB Licensing & Performance Reporting staff to revise the incorrect RRR data.

Staff IR-13
Ref: Rate Generator Model Tab 3 – Continuity Schedule, GA Analysis Workform, Manager's Summary Table 6

a) GA Workform for 2016: Under Note 5 – Reconciling Items, Orangeville Hydro has shown a debit of $91,211 regarding item 3a.
   i) Did Orangeville show this amount as a credit on the Continuity Schedule for year 2015 under "Principal Adjustments" in its 2017 proceeding?
   ii) If 'no' to part i), please remove this amount from the 2016 principal adjustments on the continuity schedule (Tab 3 of the Rate Generator Model).

Orangeville Hydro's Response

i) Orangeville Hydro confirms that this amount was not shown as a credit on the Continuity Schedule for year 2015 under "Principal Adjustments" in its 2017 proceeding.
ii) Orangeville Hydro confirms that this amount has been removed from the 2016 principal adjustments on the continuity schedule (Tab 3 of the Rate Generator Model).

b) Orangeville Hydro has unresolved difference of over 1% in both 2016 and 2017 GA Workform. Please explain the difference.

Orangeville Hydro's Response

Orangeville Hydro has submitted the GA Workform with the adjustments included that are believed to be correct based on OEB guidance. Unfortunately the unresolved difference is still over 1% in both 2016 and 2017. The variances and explanations are all included in the response to Staff IR-5 and in the GA Workform.

c) Orangeville Hydro has not shown any amounts for unbilled under Note 5 for 2016 or 2017. Please explain and make the necessary corrections to the GA Workform for 2016 and 2017 as well as "principal adjustments" for 2016 and 2017 Continuity Schedule.

Orangeville Hydro's Response

Orangeville Hydro has updated the GA Workform to include unbilled adjustments in Note 5. These amounts have also been included in the Rate Generator Model Continuity Schedule.

d) Orangeville Hydro's calculated loss factor under Note 4 of the GA Workform is 1.3169 in 2017 which is substantially higher than the approved loss factor. If Orangeville Hydro confirms Staff IR-12 a) to be correct, please confirm if Orangeville Hydro accepts the new calculated loss factor of 1.0184 to be correct. Otherwise, please explain the loss factor of 1.3169.

Orangeville Hydro's Response

Orangeville Hydro accepts the new loss factor of 1.0184 to be a correct calculation.

Staff IR-14
Ref: Manager's Summary – Orangeville Hydro's Settlement Process (pp 14-30)

a) On page 14 (lines 19-20), Orangeville Hydro stated that it uses GA 1st estimate for billed and unbilled for non-RPP Class B customers. However, on page 15 (lines 18-20), it stated:

"Unbilled revenue was estimated for 2016 and 2017 using the prior year's monthly billed data, and the GA rate used was based on an estimated value. Effective July 2017, the 1st estimate GA was used for unbilled revenue."

i) Does Orangeville Hydro mean that unbilled revenue was estimated based on monthly billed data and not monthly consumption data? Please explain.

Orangeville Hydro's Response

Orangeville Hydro calculates unbilled revenue based on the prior **month's** monthly **billed** data.

ii) Please clarify what is meant by "GA rate used was based on an estimated value". This is not consistent with the statement on page 14 where it states that 1st estimate is used.

Orangeville Hydro's Response

For the unbilled calculation, until June 2017, the GA rate was calculated as an average of: (a calculated value of consumption posted to global adjustment billing system statistic codes/total dollars posted to GA billing system statistic codes) + (a calculated value of CT 148/total kWhs for the month). As of July 2017, the process was modified and the first estimate was used to calculate the unbilled revenue. GA 1st estimate was used for billing purposes.

b) On page 16 (lines 1-2), it states that Orangeville uses 1st estimate GA rate for RPP settlement with the IESO.
   i) Is RPP settlement trued-up for actual GA rate subsequent to the initial RPP settlement?

Orangeville Hydro's Response

Yes, Orangeville Hydro trues up the RPP settlement at actual GA rate subsequent to the initial RPP settlement for TOU prices on a monthly basis.

ii) Does Orangeville true-up for actual RPP consumption and actual GA rate for each Time-of-Use and Tiered prices?

Orangeville Hydro's Response

Orangeville Hydro trues up for actual RPP consumption and actual GA rate on an annual basis for Tiered and TOU prices. Orangeville Hydro trues up for actual GA rate on a monthly basis for TOU prices only.

iii) Please provide a description of this process, including what data is used.

Orangeville Hydro's Response

For the monthly settlement true up of actual Global Adjustment, Orangeville Hydro uses the prior month billed consumption and calculates what the claim would be using the actual GA rate. The difference between this amount and the amount claimed the

previous month using 1st estimate GA rate is included with the current month claim to the IESO. This is completed for TOU prices.

d) On page 17, Orangeville Hydro has provided the following description with respect to embedded generation:

> *"Orangeville Hydro retrieves a report detailing kWh generated by all its embedded generators from Utilismart on a monthly basis which outlines the generation amounts on an hourly basis. The resultant generation by hour is multiplied by the hourly electricity cost invoiced by the IESO.*
>
> *The difference between the total cost invoiced by the IESO and the amounts paid to generators (various actual contract prices) is then submitted to the IESO for recovery."*

i) Please describe how the entries for payments to the embedded generators are recorded in Orangeville Hydro's general ledger?

Orangeville Hydro's Response

Orangeville Hydro posts a reversing accrual entry to the prior month to a sub-account of 4705 Cost of Power for both the amount billed in the billing system, as well as the amount submitted to the IESO. These amounts are then reversed in the next month, and the actual amounts billed and settled with the IESO are posted.

ii) Does Orangeville Hydro report the embedded generation quantities to the IESO as part of its online data submission for the purpose of GA CT 148?

Orangeville Hydro's Response

Orangeville Hydro reports embedded generation to the IESO on the Feed-In Tariff Program - LDC & Embedded LDC report, reporting the total on and off peak kWh generated as well as the difference between the generation cost at HOEP and the contract cost for the customer.

iii) Please confirm that Orangeville Hydro calculate the market energy cost based on the hourly HOEP prices in its settlement calculations. If not how does Orangeville Hydro calculate the cost invoiced by the IESO for embedded generators.

Orangeville Hydro's Response

Orangeville Hydro utilizes Utilismart Settlement Manager to provide a summary of each microFIT and FIT customer, showing the total monthly consumption, the monthly cost at HOEP as well as at the customers fixed contract price. The difference between these two amounts is the amount submitted during the monthly settlement process described above with the IESO.

e) On page 18, Orangeville Hydro stated:

> *"The purpose of the Form 1598 Energy Reconciliation is to reconcile the customer billings at RPP pricing versus the WAP pricing and generating the actual claim amount on a month to month basis. The actual claim amount is then compared to the claim that was submitted to the IESO each month."*

i) Please clarify whether it is "customer billings" in the month or it is customer consumption for the month that is settled and trued-up.

Orangeville Hydro's Response

The customer actual consumption for the month is settled and trued up on the annual reconciliation.

f) Below is an excerpt from the Manager's Summary:

Table 8 - Example of Comparison of IESO Monthly Submissions to Harris NorthStar Data

	IESO Monthly Submissions				Summary Sheet (Harris vs Spot Price Sheet)				Variance: IESO Submissions LESS Spot Price Sheet		
Settlement Period Month (Consumption)											
	RPP				RPP				RPP		
January	From Monthly IESO 1598 submissions										
	Totals		Payment to IESO	Payments from IESO	GA						
	1st Tier	$		$3,412.74	0.08677	RPP				RPP	
		kWh		631,899		Totals		Payment to IESO	Payments from IESO	GA	Totals		Variance
	2nd Tier	$	-$5,543.92			1st Tier	$		$494.93	0.08227	1st Tier	$	-$2,917.81
		kWh	443,809				kWh		568,579			kWh	-63,320
						2nd Tier	$	-$9,438.85			2nd Tier	$	-$3,894.93
							kWh	549,937				kWh	106,128
										$92,020.28			
			Positive value = Payment from IESO	$ 1,918,204.23				Positive value = Payment from IESO					Positive value = Payment from IESO
	January		Negative Value = Payment to IESO			January		Negative Value = Payment to IESO			January		Negative Value = Payment to IESO

i) Please explain what these numbers are.

Orangeville Hydro's Response

The amount of $1,918,204.23 highlighted in orange is the amount of CT 148 Class B Global Adjustment Settlement Amount from the January IESO physical invoice. The

amount of $92,020.28 represents the sum total of the adjusted RPP consumption for the period multiplied by the final GA rate for the period.

ii) Where are these numbers included in this application?

Orangeville Hydro's Response

These amounts are not used for the reconciliation process, they are for information only.

g) On page 21, line 3, Orangeville Hydro has used the word 'billed" when referring to the basis for allocating CT 148 ("billed kWh data from RPP vs non-RPP customers as outlined previously"). Please clarify if this means the kWh consumed in the month or billed in the month.

Orangeville Hydro's Response

For the true up process, Orangeville Hydro compares the allocation of CT 148 into Accounts 1588 and 1589 on a monthly basis based on the previous months billed kWh data from RPP and non-RPP customers. The billed data from the previous month is used to obtain the percentage allocation of RPP and non-RPP kWh to allocate CT148. This allocation using billed data is compared to the actual allocation of CT 148 between RPP and Non-RPP customers using actual consumption for the month.

h) On page 21, lines 11-13, Orangeville Hydro has described that total kWh are calculated by dividing the CT 753 amount by the RRA rate. Please indicate where on Table 10 on page 22 this amount is shown.

Orangeville Hydro's Response

The total kWh calculated by dividing the CT 753 amount by the RRA rate is shown in the column in the top table, labeled "Total kWh (IESO bill)", which corresponds to AQEW.

i) On page 22, Table 10 – True-up RPP vs non-RPP allocation to 1588 Energy and 1589 GA, there are two Tables.
   i) What is the source of the data provided?

Orangeville Hydro's Response

A. Top Table. The top table corresponds to **Submitted** data to the IESO via the Online Portal. For the purposes of the IESO submission, OHL submits a pro-rated percentage split of RPP kWh and non-RPP kWh based on the prior month's billed data, which does not correspond to the prior month's actual consumption. For example, the IESO submission on July 2, 2017 for June 2017 would pro-rate the billings of June, which may correspond to May 2017 consumption.
   - The "RPP kWh" column's data is the total kWh that were submitted on the forms "Regulated Price Plan vs. Market Price – Variance for Conventional" for 2-Tier RPP, and "Regulated Price Plan vs. Market Price – Variance for Smart Meters" for RPP TOU. As mentioned above, this is submitted based on prior month's billed data.
   - The "Non-RPP kWh" column's data is calculated by using "Total kWh (IESO bill)" less "Class A kWh" less "RPP kWh"
   - The "Class A kWh" column's data is actual consumption for our Class A customers.
   - The "Total without Class A kWh" column's data is "Total kWh (IESO bill)" less "Class A kWh".
   - The "Power $" represents the $ split of CT 148 Global adjustment Class B based on the percentage of "RPP kWh" vs "non-RPP kWh" on the left of the table. This amount is booked to Account 4705 in the general ledger.
   - The "GA $" represents the $ split of CT 148 Global adjustment Class B based on the percentage of "RPP kWh" vs "non-RPP kWh" on the left of the table. This amount is booked to Account 4707 in the general ledger.

B. Bottom Table. The bottom table corresponds to **Revised** data based on actual consumption during the month.
   - The "Final RPP kWh" column is the sum of the RPP 2-Tier and RPP TOU actual consumption data during the month.
   - The "Final Non RPP kWh" is the "Total kWh without Class A" less "Final RPP kWh".
   - The "Total kWh without Class A" comes from the top table.
   - The "Power $" represents the $ split of CT 148 Global adjustment Class B based on the percentage of "Final RPP kWh" to "Total KWh without Class A" on the left of the table. For June 2017, this would be $2,399,641.90 x 8,046,211.89 / 20,262,976.19 = $952,872.22. This is the amount that should have been booked to Account 4705 in the general ledger.

- The "GA $" represents the $ split of CT 148 Global adjustment Class B based on the percentage of "Final Non RPP kWh" to "Total KWh without Class A" on the left of the table. For June 2017, this would be $2,399,641.90 x 12,216,764.30 / 20,262,976.19 = $1,446,769.68. This is the amount that should have been booked to Account 4707 in the general ledger.

C. Variance to be posted. This line represents the difference between the total Power $ posted to 4705 based on estimated submitted data of $11,706,795.70 and the Power $ that should have been posted to 4705 of $11,951,626.89. The entry in the general ledger, for all of 2017, is a debit of $244,831.19 to 4705 Power and a credit of $244,831.19 to 4707 GA. This is to correct the allocation between RPP and non-RPP customers.

ii) How was the consumption data determined in the top part of Table 10 vs the bottom part of the same Table?

Orangeville Hydro's Response

The top table corresponds to Submitted billed data to the IESO via the Online Portal. For the purposes of the IESO submission, OHL submits a pro-rated percentage split of RPP kWh and non-RPP kWh based on the prior month's billed data, which does not correspond to the prior month's actual consumption.

The bottom table corresponds to actual consumption data during the month.

j) On page 23, line 2-3, Orangeville Hydro states:

"Orangeville Hydro splits the Global Adjustment Settlement Amounts charged by the IESO between RPP and non-RPP by using the billed percentage of RPP and Non-RPP…"

Please confirm whether or not Orangeville Hydro True's up the calendar month consumption for the percentage of RPP for each TOU or 2 Tier price, and non-RPP.

Orangeville Hydro's Response

On a monthly basis, Orangeville Hydro trues up the billed data for the previous month from 1st GA estimate to Actual GA on the following month's IESO submission for TOU only.

On a yearly basis, Orangeville Hydro trues up to actual calendar month consumption data (Form 1598 Energy Reconciliation) for TOU, 2 Tier Price and Non RPP.

Staff IR-15
Ref: Rate Generator Model, Tab 9 Shared Tax – Rate Rider

The "Re-based Distribution Volumetric Rate kW" value entered for the "Sentinel Lighting Service Classification" is 2.1718. OEB staff notes that the approved "Distribution Volumetric Rate" for Sentinel Lighting in Orangeville Hydro's last Cost of Service Rate Order is 12.1718.

a) Please confirm the correct value for the re-based distribution volumetric rate for Sentinel Lighting and update the rate generator model as necessary.

Orangeville Hydro's Response

Orangeville Hydro agrees that the correct value for the re-based distribution volumetric rate for Sentinel Lighting should be 12.1718 and has updated the rate generator model.

Staff IR-16
Ref: Tab 2 of LRAMVA Workform

2010 Interrogatory Responses to VECC, Question 51 a (table) filed Dec. 29, 2009

Orangeville Hydro applied for disposition of a debit balance of $144,109 in lost revenues associated with new CDM program savings between 2013 and 2017 and carrying charges.

In Orangeville Hydro's 2010 interrogatory responses to VECC submitted in the 2010 COS application, it appears a CDM manual adjustment of 787,775 kWh (loss adjusted) was approved to be applied against the 2010 load forecast.

In Tab 2 of the model, the 2014 LRAMVA threshold approved in the 2014 COS is applied as forecast savings against actual savings that occurred in 2013. The 2014 LRAMVA threshold would be expected to be applied from 2014 onwards, while the previously approved threshold from the 2010 COS would persist until the next rebasing.

a) Please discuss why Orangeville Hydro did not use the LRAMVA threshold of 787,775 kWh approved in its 2010 CoS application to calculate lost revenue amounts in 2013.

Orangeville Hydro's Response

Orangeville Hydro agrees with Staff that it should have used an LRAMVA threshold of 787,775 kWh approved in its 2010 CoS to calculate lost revenue amounts in 2013. Orangeville Hydro has filed an updated LRAMVA Workform.

b) If you agree that the approved LRAMVA threshold from 2010 should be used as forecast savings in 2013, please revise Table 2-a of the LRAMVA model.

Orangeville Hydro's Response

Table 2-a. of the LRAMVA model has been revised in the updated LRAMVA Workform to reflect the LRAMVA Threshold of 787,775 kWh approved in its 2010 CoS application from EB-2009-0272 Orangeville_IRR_VECC_20091224, page 12 (table reproduced below). Table 2-c. has also been updated to reflect the change for the 2013 year forecast amount. Table A-2 of Tab 1-a. Summary of Changes has also been updated to show the changes made in the LRAMVA model.

CDM manual adjustments

Non Loss adjusted	Residential	GS<50	Total
2009	-342,000	-410,560	-752,560
2010	-342,000	-410,560	-752,560

Loss adjusted	Residential	GS<50	Total
2009	-355,885	-427,229	-783,114
2010	-358,003	-429,771	-787,775

Loss factor used	Residential	GS<50	
2009	1.0406	1.0406	
2010	1.0468	1.0468	

Staff IR-17
Ref: Tab 5 of LRAMVA Workform

The 2015 and 2016 business retrofit program includes a relatively large portion of savings attributable to streetlighting customers.

a) Please explain and show how the allocation of savings was determined:
   - 12% of 2015 Equipment Replacement Incentive Initiative (ERII) savings to GS<50 kW, 51% of ERII savings to GS 50-4999 kW, and 36% of ERII savings to Streetlighting.

Orangeville Hydro's Response

The allocation of savings for the 2015 Equipment Replacement Initiative (ERII) between different customer classes is included in the submitted file: OHL_LRAM_2015 projects list. For each ERII project finished, the customer class was determined. The allocation of savings was based on the customer class percentage of Gross Verified Incremental First Year Energy Savings at the End-User Level (kWh). The large portion of savings attributable to street lighting customers is due to the high adoption by municipalities of street lighting projects in the period 2014-2016 as the Save on Energy Legacy framework and extension year ended in December 2015, with high incentives for street lighting projects offered through the Retrofit Prescriptive Exterior Lighting worksheets. In addition, RealTerm Energy and Local Authority Services (LAS) played an important role in driving electricity savings from exterior lighting projects as they worked closely with the municipalities to kick start their exterior lighting retrofits and take advantage of the high level incentives available at the time, before the anticipated start date of the new incentive worksheets under the Conservation First Framework, which offered lower incentives. Both the Town of Orangeville and the Town of Grand Valley completed large street lighting projects in 2015 with the assistance of both RealTerm Energy and LAS.

Orangeville Hydro Limited
Equipment Replacement Incentive

	Address	Project #	Project	Gross Verified Incremental First Year Energy Savings at the End-User Level (kWh)	Customer C	Other
1		201500438-142586		16,553	GS<50	Unit 1
2		201500548-148184		78,943	GS<50	
3		201504785-135011		92,816	GS<50	
4		201504786-152044		8,694	GS<50	
5		201505364-135609		22,533	GS<50	
6		201509982-139344		1,995	GS<50	
7		201510771-140934		7,301	GS<50	
8		201512690-139172		20,801	GS>50	
9		201513581-115671		663	GS<50	
10		201515808-139224		12,899	GS>50	
11		201516141-115670		1,060	GS<50	
12		201517153-151239		3,919	GS<50	
13		201517542-142067		13,140	GS<50	
14		201517543-126030		454,166	GS>50	
15		201517544-147597		743,286	GS>50	
16		201517869-135534		35,766	GS>50	
17		201518689-134275		2,641	GS<50	
18		201519942-151161		3,409	GS<50	
19		201521344-149802		13,544	GS<50	
20		201522783-146246		14,719	GS<50	
21		201523183-133064		18,288	GS>50	
22		201523202-142146		28,063	GS>50	
23		201523949-138268		3,147	GS<50	
24		201524122-134217		966,522	SL	
25		201524429-137183		79,134	GS>50	
26		201524430-144348		102,147	GS>50	
27		201524853-144034		96,658	SL	
28		201525388-124877		9,740	GS>50	
29		201526068-141363		16,655	GS<50	
				2,869,200		
			Verified	2,869,200		
				0		
		2015 True-up		57,065.33	GS<50	
				415.17	GS<50	
				664.27	GS<50	
				58,144.77		
				2,927,344.78		

Summary

Customer Class	Gross Verified Incremental First Year Energy Savings at the End-User Level (kWh)	As a %
GS<50	359,876.31	12.29%
GS>50	1,504,288.10	51.39%
SL	1,063,180.37	36.32%
	2,927,344.78	100.00%

- 40% of 2016 retrofit program savings to GS<50 kW, 15% of retrofit program savings to GS 50-4999 kW, and 45% of retrofit program savings to Streetlighting.

Orangeville Hydro's Response

The allocation of savings for the 2016 retrofit program between different customer classes is included in the submitted file: OHL_LRAM_2016 projects list. For each retrofit project finished, the customer class was determined. The allocation of savings was based on the customer class percentage of Gross First Year Energy (kWh). The Town of Orangeville completed the remainder of their street lighting project for the

decorative streetlights in 2016, again with the assistance of both RealTerm Energy and LAS, which is why the Gross Verified Incremental First Year Energy Savings is significantly lower than 2015.

Project #	Applicant	Gross First Year SavingsEnergy (kWh)	
2016 Results			
		13,613.36	GS<50
		88,106.71	SL
		9,246.00	GS>50
		8,927.65	GS>50
		12,334.63	GS>50
		59,968.16	GS<50
		4,797.90	GS<50
		219.31	GS<50
		197,213.71	
	Verified	253,034.89	

Customer Class	Gross First Year SavingsEnergy (kWh)	As a %
GS<50	78,598.73	39.85%
GS>50	30,508.28	15.47%
SL	88,106.71	44.68%
	197,213.71	100.00%

Staff IR-18
Ref: Tab 6 of LRAMVA Workform

It appears that projected interest on the lost revenue amounts were calculated up to September 2018.

a) Please update Table 6 with the most recently approved OEB prescribed interest in order to calculate carrying charges projected to May 1, 2019.

Orangeville Hydro's Response

Table 6 has been updated with the most recently approved OEB prescribed interest rate in order to calculate carrying charges projected to May 1, 2019. OHL has filed an updated LRAMVA Workform.

Staff IR-19

If Orangeville Hydro made any changes to the LRAMVA Workform as a result of its responses to these LRAMVA questions, please file an updated LRAMVA Workform.

Please confirm any changes to the LRAMVA Workform in response to these LRAMVA questions in "Table A-2. Updates to LRAMVA Disposition (Tab 2)".

Orangeville Hydro's Response

OHL has filed an updated LRAMVA Workform. All changes to the LRAMVA Workform have been reflected in "Table A-2. Updates to LRAMVA Disposition (Tab 2)".

The table below represents a new LRAM claim amount of $185,790, a $41,681 increase over the previously submitted claim of $144,109. The Rate Generator Model has been updated with this new claim amount in Tab 3. Continuity Schedule and Tab 5. Allocating Def-Var Balances.

Customer Class	Billing Unit	Principal ($)	Carrying Charges ($)	Total LRAMVA ($)
Residential	kWh	$85,692	$4,142	$89,835
GS<50 kW	kWh	$78,182	$4,399	$82,581
GS>50 to 4,999 kW	kW	-$15,419	-$978	-$16,397
USL	kWh	$0	$0	$0
Sentinel Lighting	kW	$0	$0	$0
Street Lighting	kW	$28,454	$1,317	$29,771
Total		**$176,909**	**$8,881**	**$185,790**