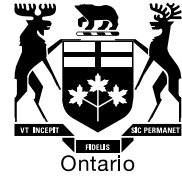


**Ontario Energy  
Board**  
P.O. Box 2319  
27th Floor  
2300 Yonge Street  
Toronto ON M4P 1E4  
Telephone: 416- 481-1967  
Facsimile: 416- 440-7656  
Toll free: 1-888-632-6273

**Commission de l'énergie  
de l'Ontario**  
C.P. 2319  
27e étage  
2300, rue Yonge  
Toronto ON M4P 1E4  
Téléphone: 416- 481-1967  
Télécopieur: 416- 440-7656  
Numéro sans frais: 1-888-632-6273



**BY E-MAIL**

February 22, 2019

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

Dear Ms. Walli:

**Re: Energy+ Inc. (Energy+)  
2019 Cost of Service Application  
OEB File Number EB-2018-0028  
OEB Staff Interrogatories to Toyota Motor Manufacturing Canada Inc.**

In accordance with Procedural Order No. 8, please find attached OEB staff's interrogatories to Toyota Motor Manufacturing Canada Inc. (TMMC) in the above noted proceeding. Energy+ and all intervenors have been copied on this filing.

TMMC's responses to interrogatories are due by March 1, 2019.

Yours truly,

*Original Signed By*

Shuo Zhang  
Advisor, Major Applications

Attach.

**OEB Staff Interrogatories to TMMC (Updated Evidence)**

**2019 Cost of Service Rate Application**

**Energy+ Inc. (Energy+)**

**EB-2018-0028**

**February 22, 2019**

**Staff-TMMC-5**

**Ref: TMMC Updated Written Evidence of Jeffry Pollock, Introduction and Summary**

Mr. Pollock stated that it is appropriate to establish a separate customer class for TMMC because there are four key differences between how TMMC and the other Large Use customer receive distribution service and the characteristics of these services. (pp. 9-10)

- a) Is Mr. Pollock aware of any precedents in other jurisdictions that a separate customer class was approved by a regulator based on similar reasons identified by Mr. Pollock for TMMC? If so, please provide these precedents.
- b) Mr. Pollock stated that the first reason to establish a separate customer class for TMMC is that it operates a load displacement generation (LDG) facility while the other large use customer does not have any LDG facilities. Please discuss whether or not a separate customer class should be established for any customer in any of the GS>50 kW and above rate classes who installs a LDG.
- c) Please describe the defining characteristic or characteristics of the new customer class for TMMC. In the future, if a new large use customer were to connect to Energy+, this description would enable a reader to understand whether the new customer should be added to the existing Large Use rate class, or the new one proposed for TMMC.
- d) Is it Mr. Pollock's evidence that all four of the identified key differences need to be present in order to justify a separate class?
- e) Should TMMC's two large use class proposal be accepted, what are TMMC's expectations of what will happen when the directly assigned assets, such as M24 and M30 feeders, need to be replaced? For example, would TMMC be responsible for the cost of the replacement assets?

**Staff-TMMC-6**

**Ref: TMMC Updated Written Evidence of Jeffry Pollock, Revised Class Cost of Service Study**

**VECC-TCQ-70**

Mr. Pollock used Energy+'s Direct Assignment Study to directly assign distribution costs to the TMMC class in Schedule JP-11. (page 13)

Mr. Pollock did not allocate any underground investment (i.e. conduit and conductors) and related expenses to TMMC. (page 17)

- a) Please compare Schedule JP-11 with the cost allocation model prepared by Energy+ as part of its responses to TMMC technical conference IR-2 part (a) and list and describe all differences between these two cost allocation models.
- b) Energy+ confirmed in VECC-TCQ-70 that there are many Energy+ customers that are solely supplied using overhead primary distribution service. Energy+ also confirmed that for purposes of allocating underground assets, the total load for each customer class is used regardless of whether overhead facilities, underground facilities or a combination of both are actually used to deliver the load. Given that TMMC is not the only customer that is solely supplied using overhead assets, please explain why TMMC should be treated differently for cost allocation purpose (i.e. In Schedule JP-11, costs in Account 1840 did not allocate to TMMC).
- c) Please provide a revised Schedule JP-11 cost allocation model in which TMMC shares the costs in Account 1840 (underground conduit).

**Staff-TMMC-7**

**Ref: TMMC Updated Written Evidence of Jeffry Pollock, Supplementary Distribution Service Rate Design**

Mr. Pollock reasons that a proposed 1.15 revenue-to-cost ratio "will provide a more than ample cushion above a purely cost-based rate to offset any additional incidental costs that the Direct Assignment Study does not account for." (page 14)

**Energy+ Inc. 2019 Cost of Service Rate Application  
OEB Staff Interrogatories to TMMC (Updated Evidence)**

- a) Please explain what range of revenue-to-cost ratios would be appropriate for this new rate class in future rebasing rate applications.

**Staff-TMMC-8****Ref: TMMC Updated Written Evidence of Jeffry Pollock, Supplementary Distribution Service Rate Design**

Mr. Pollock recommends a 1.15 revenue to cost ratio and no change in the current-OEB approved Service Charge for TMMC to reflect the OEB's policy. (page 21)

- a) Please provide Mr. Pollock's recommended revenue-to-cost ratio for all customer classes and the corresponding revenues to be collected from each class.
- b) Please also provide Mr. Pollock's recommended revenue-to-cost ratio resulting from the cost allocation model requested in Staff-TMMC-6 part c, for all customer classes and the corresponding revenues to be collected from each class.

**Staff-TMMC-9****Ref: TMMC Updated Written Evidence of Jeffry Pollock, Standby Distribution Service Rate Design**

Mr. Pollock stated that it would establish a standby contract demand of 6,900 kW (page 28).

- a) Schedule JP-16 shows the standby contract demand of 55,200 kW (rather than  $6,900 \times 12 = 82,800$  kW), please clarify whether or not the billing units in Schedule JP-16 should be 82,800 kW. If so, please revise Schedule JP-16. If not, why not.
- b) Please explain how the contract demand will be determined for a GS >1,000 to 4,999 kW customer who will own load displacement generation in 2019 but has no historical standby service demand data.
- c) Please specify Energy+'s revenues from providing supplementary distribution service to TMMC and provide supporting calculations.
- d) Please describe how the billing units for the daily volumetric rate were determined.

**Staff-TMMC-10**

**Ref: TMMC Updated Written Evidence of Jeffry Pollock, Standby Distribution Service Rate Design**

Mr. Pollock states that “the term “Standby” refers to the additional delivery service required when TMMC’s LDG sustains an outage and there is a net increase in TMMC’s peak demand as a result of the outage.” (page 25)

- a) In TMMC’s opinion, does the capability of Energy+ to provide service in the event of an outage have value whether an outage happens or not?
- b) On page 23 of the evidence Mr. Pollock states that “there is more than sufficient capacity to service TMMC’s total (Supplementary and Standby service) requirements...” and “...there are no incremental costs to provide Standby service to TMMC” Would Mr. Pollock agree that because Energy+ is having to reserve the Standby capacity for TMMC, there is lost opportunity for Energy+ to use the spare capacity on the feeders to serve other customers and therefore lost revenue? If Mr. Pollock does not agree please explain why.
- c) On page 31 of the evidence refers to a demand forgiveness provision. Please explain why the higher demand during off-peak hours should be ignored.
- d) On page 31 of the evidence refers to the Standby Contract Demand being increased if the daily demand were to exceed the Standby Contract Demand.
  - i. Please provide an illustrative example of how this would work.
  - ii. Would the Standby Contract Demand change for the following month or only for the following year?

**Staff-TMMC-11**

**Ref: TMMC Updated Written Evidence of Jeffry Pollock, Standby Distribution Service Rate Design Schedule JP-11; Schedule JP-13; Schedule JP-14**

Schedule JP-13 proposes a derivation of rates to recover a total of \$452,649 from TMMC. \$452,649 represents 115% of the allocated revenue requirement of \$393,607.

This schedule uses supplementary billing demand to determine a rate for Shared Facilities, and total primary substation billing demand to determine a rate for

**EB-2018-0028**

**Energy+ Inc. 2019 Cost of Service Rate Application  
OEB Staff Interrogatories to TMMC (Updated Evidence)**

Local Facilities. The difference between these two volumes is 82,000 kW or 6,900 kW – TMMC's proposed contract standby volume times 12.

Please confirm that if a different contract standby volume were used:

- a) The proposed Local Facilities Rate would change.
- b) The total proposed revenue from TMMC would not change
- c) If part a) or b) cannot be confirmed, please explain why not.

**Staff-TMMC-12**

**Ref: TMMC Updated Written Evidence of Jeffry Pollock, Standby Distribution Service Rate Design Schedule JP-15**

Schedule JP-15 illustrates the derivation of standby rates for the GS 50-999 kW class.

- a) Please specify the recommended distribution volumetric rate for GS 50-999 kW class and explain how the rate was determined (please specify the revenue requirement and billing units).
- b) Table 9 shows a revenue to cost ratio of 135.4% for GS 50-999 kW class, please explain why 100% revenue to cost ratio was used in Schedule JP-15 page 2.