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February 22, 2019

VIA E-MAIL

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
Toronto, ON

Dear Ms. Walli:

Re: Energy+ Inc. - 2019 COS Rate Application (EB-2018-0028)
Vulnerable Energy Consumers Coalition (VECC) Interrogatories for TMMC

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

Yours truly,

Bill Harper
Consultant for VECC/PIAC

REQUESTOR NAME: Vulnerable Energy Consumers Coalition (VECC)
INFORMATION REQUEST ROUND NO: #2
TO: Toyota Motor Manufacturing Canada Inc. (TMMC)
DATE: February 22, 2019
APPLICATION NAME: Energy+ Inc. 2019 Cost of Service Application
OEB FILE: EB-2018-0028

1.0 Reference: TMMC Updated Evidence, p. 7 (lines 8-10)

Preamble: The updated evidence states: “After further consideration, I now believe that the One Large Use Class/Partial Direct Assignment study and the rate designs derived from that study would not be consistent with the Board’s current practice and policy.”

- 1.1 Please explain why Mr. Pollock does not believe the One Large Use Class/Partial Direct Assignment study is consistent with the Board’s current practice and policy”.

**2.0 Reference: TMMC Updated Evidence, p. 9 (line 19) to p. 10 (line 2)
TMMC Updated Evidence, p. 13 (line 13)
TMMC Updated Evidence, p. 22 (lines 6-16)
TMMC Updated Evidence, Schedule JP-11, Sheet O2**

Preamble: At page 22 the updated evidence states – “I would observe that applying the OEB’s guidance would result in a maximum monthly fixed charge for TMMC of approximately \$140 per month based on the Two Large Use Classes/Direct Assignment study shown in Schedule JP-11. By contrast, the maximum monthly fixed charge for the other Large Use customer would be \$878 per month.”

- 2.1 What are the major reasons of the difference in the maximum monthly fixed charges of the two Large Use classes?
- 2.2 Please review the calculation of the maximum fixed charges as set out in Sheet O2 and confirm whether the value for TMMC includes the costs associated with the metering equipment that was directly assigned to TMMC (per page 13). If not, how would including these costs impact the value for the maximum monthly fixed charge?
- 2.3 A review of Sheet O2 indicates that while meter expense (USOA 5065) has been included in the maximum monthly fixed charge for the other Large Use customer, there are no meter expenses included for TMMC. Please confirm if this is the case and whether, in Mr. Pollock’s view, this result is appropriate.

3.0 Reference: TMMC Updated Evidence, p. 9 (lines 11-14)

Preamble: The updated evidence states: “The presence of LDG means that TMMC would have different load characteristics than the other Large Use customer, which does not have LDG.”

- 3.1 Are the results of the cost of service study (per JP-11) meant to represent the cost to serve: i) TMMC inclusive of the cost of Standby for its LDG or ii) TMMC excluding the cost of Standby for its LDG?
- 3.2 Were the load characteristics of the TMMC and the Other Large Use customer analyzed by TMMC or Mr. Pollock in order to assess whether there were differences (e.g. load factor, peak vs. off-peak usage etc.)? If yes, please provide the results of the analysis.

**4.0 Reference: TMMC Updated Evidence, p. 9 (line 5) to p. 10 (line 17)
TMMC Updated Evidence, p. 19 (line 9) to p. 20 (line 14)
2019 EnergyPlus Settlement Proposal, Tariff Schedule
Model, Tab 2.2**

Preamble: Energy+’s tariff schedule includes a description of each customer classification. The description for the current Large Use class is: “General Service refers to the supply of electrical energy to business customers, to bulk-metered residential buildings and to combined residential and business or residential and agricultural buildings. Apartment buildings that are bulk metered will be billed at the appropriate General Service rate. This classification refers to an account whose average monthly peak demand is equal to or greater than, or is forecast to be equal to or greater than, 5,000 kW. Class A and Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.”

- 4.1 Assuming a new customer, with average monthly peak demand forecast to be equal to or greater than 5,000 kW requested service from EnergyPlus, what would be the determining factors in establishing which of the two Large Use classes proposed in the TMMC Updated evidence the customer would be assigned to?
- 4.2 Please provide the proposed wording that would be included in EnergyPlus’ approved tariff schedule that would describe each of the two Large Use customer classifications proposed in the TMMC Updated Evidence.

**5.0 Reference: TMMC Updated Evidence, p. 17 (lines 5-6)
TMMC Updated Evidence, Appendix D-1, p. 47 (lines 4-7)**

Preamble: At page 17 the updated evidence states: “In allocating the primary poles, which are booked to USoA 1830-4, I removed Energy+’s LDG facility adjustment”.

Appendix D-1 states: “The dedicated distribution feeders that serve TMMC were energized long before TMMC’s LDG went into service on January 1, 2016. Prior to installing that facility, TMMC’s peak demand was as high as ■■■ MW. Accordingly, the dedicated distribution feeders are already more than adequate to deliver TMMC’s gross peak demand.”

- 5.1 If the dedicated lines and the supporting poles were designed and costs incurred so as to support TMMC’s load prior to the installation of the LDG facility, why would it not be appropriate to allocate the primary poles assuming TMMC has no LDG?

6.0 Reference: TMMC Updated Evidence, p. 13 (line13)

Preamble: The updated evidence states: “The metering equipment that is similarly dedicated to TMMC.”

- 6.1 Do the other customers served by Energy+ also have dedicated metering equipment?
- 6.2 If the answer were yes, why would it be appropriate to directly assign meter equipment costs in the case of TMMC but not the other customer classes?

**7.0 Reference: TMMC Updated Evidence, page 16 (lines 3-6)
Energy+ Application, Exhibit 1, p. 177-178
TMMC’s Response to VECC 11.2
Technical Conference Transcript, page 102**

Preamble: The updated evidence states: “Shared distribution facilities are generally used by all customers, whereas local distribution facilities serve only a specific customer or customer groups.”

- 7.1 Are “shared distribution facilities” the same as the “integrated network” referred to in the response to VECC 11.2? If not, what is the difference?
- 7.2 Are the primary poles that support the dedicated M24 and M30 Feeders “generally used by all customers”? If yes, please explain how this is the case? If not, why are they considered “shared distribution facilities”?

- 8.0 Reference: TMMC Updated Evidence, page 16 (lines 3-6)**
Energy+ Application, Exhibit 1, p. 177-178
Energy+ Application, Exhibit 8, p. 3
TMMC Updated Evidence, Schedule JP-11

Preamble: The updated evidence states: “Shared distribution facilities are generally used by all customers, whereas local distribution facilities serve only a specific customer or customer groups.”

- 8.1 Apart from the facilities directly assigned to TMMC, does Mr. Pollock consider the balance of Energy+’s distribution facilities to be “shared distribution facilities”? If not, please identify what other facilities should be considered “local distribution facilities” and how the cost allocation model provided in JP-11 treats them accordingly.
- 8.2 Given the separation of Energy+’s service area into two geographically distinct service areas (per Exhibit 1) and the definition of “shared distribution facilities” as those generally used by all customers, why is it appropriate to group the balance of the assets in USOA #1830, #1835, #1840 and #1845 and allocate them to all customers (except TMMC and Embedded Distributors) in both distinct service areas regardless of which service area they support?
- 8.3 Given the separation of Energy+’s service area into two geographically distinct service areas (per Exhibit 1) and the definition of “shared distribution facilities” as those generally used by all customers, does Mr. Pollock consider Energy+’s plans (per Exhibit 8) to harmonize the rates in its two service areas as being appropriate? If yes, why?

- 9.0 Reference: TMMC Updated Evidence, page 16 (lines 3-6)**
Energy+ Application, Exhibit 1, p. 177-178
Energy+ Application, Exhibit 8, p. 3

Preamble: The updated evidence states: “Shared distribution facilities are generally used by all customers, whereas local distribution facilities serve only a specific customer or customer groups.”

Exhibit 1 states: “Energy+ is supplied through seven high voltage transformer stations. Five of these stations are owned and operated by Hydro One Networks, one is owned and operated by Energy+ and one is jointly owned and operated by Energy+ and Brantford Power. The 35 feeders emanating from these stations supply Energy+ customers and operate at 27.6kV.”

- 9.1 Is it Mr. Pollock’s contention that, excluding the feeders used to serve TMMC, the balance of TMMC’s feeders operate as an integrated network such that any of the remaining feeders can be used to serve a specific customer? If yes, what is the basis for this

contention? If not, how can all of the remaining feeders be considered “shared distribution facilities” that are generally used by all customers?

**10.0 Reference: TMMC Updated Evidence, p. 15 (line 6) to p. 16 (line 6)
TMMC Updated Evidence, Schedules JP-11 & JP-12
Energy+ Response to VECC TCQ 74 b) & c)**

10.1 How was the 4NCP allocation factor for the TMMC Large Use class determined (Schedule JP-12)?

10.2 In establishing the 4NCP allocation factors for the TMMC Large Use class and the Other Large Use class to be used in Schedule JP-11, was the loss of diversity when moving from one Large Use class to two Large Use classes, as demonstrated in the response to VECC TCQ 74, taken into account?

**11.0 Reference: TMMC Updated Evidence, p. 12
Energy+ Response to VECC TCQ 67**

Preamble: The updated evidence states: “I did not allocate any >50 kV (Bulk) distribution costs to TMMC and to the other Large Use customer in Schedule JP-11.”

11.1 For purposes of JP-11 were the allocation factors used to allocate >50 kV (Bulk) distribution cost to the other customer classes adjusted to remove the load not served by >50 kV facilities owned by Energy+ (per VECC TCQ 67 c)? If not, why not?

11.2 With respect to Energy+’s response to VECC TCQ 67 b), since customers served from >50 KV facilities owned by Energy+ do not use the Hydro One-owned transformers, should they be excluded from the allocation of the Hydro One charges related to these transformers for purposes of determining/applying the Retail Transmission Service Rates? (

12.0 Reference: TMMC Updated Evidence, p. 12

12.1 Apart from the fact that the updated Schedule JP-5 is based on one Large Use class while Schedule JP-11 is based on two Large Use classes, please describe any other differences between the two Schedules.

12.2 Please provide an alternative CCOSS where the only change from the approach used for Schedule JP-11 is that there is only one Large Use class (not two).

13.0 Reference: TMMC Updated Evidence, p. 23 (lines 2-17)
TMMC Updated Evidence, JP-13
TMMC Updated Evidence, JP-6 Updated

- 13.1 With respect to lines 5-6, does the Distribution Volumetric Rate recover \$314,330 when applied to the Supplementary Distribution Service forecast billing demand? If yes, please provide a schedule that shows this is the case.
- 13.2 Please reconcile the billing kW values associated with TMMC in JP-6 Updated (page 1 & 4) with those in JP-13

14.0 Reference: TMMC Updated Evidence, p. 26 (line 3) to p. 27 (line 12)
TMMC Updated Evidence, p. 28 (line 10) to p. 29 (line 3)
TMMC Updated Evidence, p. 31 (lines 5-8)
TMMC Updated Evidence, Schedule JP-11, Tab E4
Energy+ Response to VECC TCQ 81
TMMC Response to VECC 18

- 14.1 Please confirm that the Daily Volumetric rate for Standby is based the primary pole costs allocated to TMMC.
- 14.2 Please confirm that this allocation is based on the 4NCP allocator and for TMMC this will represent its four highest monthly peak demands (as TMMC is the only customer in its class) – per JP-11.
- 14.3 Given that TMMC's (net load) monthly peaks can occur in the off-peak as well as the peak period (see VECC TCQ 81), why is the proposed Daily Volumetric rate for the TMMC only applied during the weekdays?
- 14.4 Please confirm that the derivation of the Daily Volumetric Rate implicitly assumes that 100% coincidence occurs between Standby load requirements and TMMC's monthly peak occurs only when Standby is required for all weekdays in the month and that the relationship is linear for Standby requirements for fewer weekdays in the month.
- 14.4.1 If not confirmed, what is the implicit assumption in the derivation regarding the number of weekdays of outage and the coincidence between Standby load and TMMC's monthly peak and what is the basis for this assumption?
- 14.4.2 If confirmed, please provide any analysis Mr. Pollock or TMMC have undertaken to support this implicit assumption?

**15.0 Reference: TMMC Updated Evidence, page 28 (lines 10-17)
TMMC Updated Evidence, page 29 (lines 15-20)**

- 15.1 It is noted that the costs of primary poles, towers and fixtures (USoA #1830-4) are allocated across all rate classes including the TMMC Large Use rate class using the 4NCP allocation factor. Given this common treatment, please explain why in the derivation of the Standby Rate applicable to TMMC the poles, towers and fixtures costs allocated to the TMMC Large Use class are considered to be a shared facility cost and used to derive the daily volumetric rate (per page 28). However, in the derivation of the Standby Rate applicable to the GS 50-999 kW class they are considered to be a local distribution facility cost (as opposed to a shared facility cost) and used to derive the contract volumetric rate.

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