

## **ONTARIO ENERGY BOARD**

**IN THE MATTER OF** the *Ontario Energy Board Act, 1998*,  
S.O. 1998, c. 15, Sched. B, as amended;

**AND IN THE MATTER OF** an application to the Ontario  
Energy Board by Energy+ Inc. pursuant to Section 78 of the  
*Ontario Energy Board Act, 1998* for approval of just and  
reasonable rates and other charges effective January 1, 2019.

**EB-2018-0028**

**Clarification Questions on TMMC Updated Evidence**

**to**

**Toyota Motor Manufacturing Canada Inc. (TMMC)**

**from**

**Energy+ Inc.**

**February 22, 2019**

### **EnergyPlus Clarification Question 1**

Reference: TMMC Updated Evidence Filed: 2019-02-15  
Page 8 of 73  
Schedule JP-11  
Unredacted\_TMMC\_TCQ\_Updated\_IRR\_EnergyPlus\_TC-2\_Schedule  
JP-11\_20190215password protected.xlsx

Questions:

- (a) In tab "I9 Direct Allocation" of the excel model, please confirm if the amounts for account 2105 (Accumulated Amortization) and 5705 (Amortization Expense) include the estimates for Poles, Towers and Fixtures as provided in Energy+ Response to TMMC TCQ-IR-2(d).
- (b) If the answer to part (a) is yes, please confirm whether the amounts should have been removed, consistent with the removal of account 1830 from the direct allocation tab. If necessary, please provide an update to the evidence, including the excel model.

## **EnergyPlus Clarification Question 2**

Reference:        TMMC Updated Evidence Filed: 2019-02-15  
                     Pages 36 & 37 of 73  
                     Schedule JP-5 Update  
  
                     Excel file named:  
                     "Unredacted\_TMMC\_TCQ\_Updated\_IRR\_EnergyPlus\_TC-  
                     2\_Schedule JP-5\_20190215 password protected"

### Questions:

- (a) The figures presented in Schedule JP-5 on page 36 of the updated evidence are inconsistent with the same schedule from the supporting Excel model. Please update the evidence to ensure that Schedule JP-5 and the Excel model are consistent and provide the updated evidence.

### **EnergyPlus Clarification Question 3**

Reference: TMMC Updated Evidence Filed: 2019-02-15  
Page 38 of 73  
Schedule JP-6 Update Page 1 of 4, Line 8, 9 and 10

Background: Computation of Primary Substation Volumetric Rate and Primary Distribution Volumetric Rate

Schedule JP-6 presents Feeder Costs of \$98,919 (line 8, col) and Pole, Towers & Fixtures of \$110,250 (line 9, col 1). These two figures add to \$209,169. The cost used for the Primary Substation Volumetric rate is \$190,877 (line 10, col 1), which is inconsistent with the sum of the components identified.

This difference has a downstream impact on the calculation of the Primary Distribution Volumetric Rate (line 11, col 1).

Questions:

- (a) Please explain the discrepancy between the total of the Feeder Costs and Poles, Towers, & Fixtures (\$209,169) and the total cost used to calculate the Primary Substation Volumetric Rate (\$190,877).
- (b) Based on the response to part a), and if required, please make any corrections and provide updates to the evidence, including any revisions to the excel models.

**EnergyPlus Clarification Question 4**

Reference: TMMC Updated Evidence Filed: 2019-02-15

Page 39 of 73

Schedule JP-6 Update Page 2 of 4

Background: Computation of Demand Related Costs

Questions:

- (a) Please explain why the General & Administrative, Total Large Use Class costs (line 3, col 1) does not equal the General & Administrative, Customer Related Costs (line 3, col 2) plus General & Administrative, Total Demand Related Costs (line 3, col 3).
- (b) Based on the response to part a), and if required, please make any corrections and provide updates to the evidence.

### **EnergyPlus Clarification Question 5**

Reference: TMMC Updated Evidence Filed: 2019-02-15  
Schedule JP-13, Page 1 of 2, Line 8, Col 1

Background: Supplementary Distribution Service Rate Design

The Shared Facilities Cost is \$50,102 (line 8, col 1). This cost is consistent with the value in Excel model

“Unredacted\_TMMC\_TCQ\_Updated\_IRR\_EnergyPlus\_TC-2\_Schedule JP-11\_20190215password protected”, on tab O2.2 Primary Cost PLCC Adj, cell S113.

In the Excel model, the value of \$50,102 appears to be an equity return computation on the Shared Facilities Cost (i.e. shared poles). The total of the Shared Facilities Cost is provided on tab O2.2 Primary Cost PLCC Adj, cell S114 which is \$163,948. This amount includes depreciation, OM&A, PILs, debt return and equity return on the Shared Facilities Cost.

Questions:

- (a) Please explain why the value in Schedule JP-13, Page 1 of 2, Line 8, Col 1 is \$50,102 and not \$163,948.
- (b) Based on the response to part a), and if required, please make any corrections and provide updates to the evidence.

**EnergyPlus Clarification Question 6**

Reference: TMMC Updated Evidence Filed: 2019-02-15  
Schedule JP-15, Page 2 of 3.

Questions:

- (a) Please provide the data source that supports the information in the TMMC Updated Evidence Filed: 2019-02-15, Schedule JP-15, Page 2 of 3 (i.e. the Local Distribution Costs GS 50-999 kW Customer Class).

### **EnergyPlus Clarification Question 7**

Reference: TMMC Updated Evidence Filed: 2019-02-15

Page 32 of 73

Preamble: Q. WOULD APPLYING YOUR RECOMMENDED TMMC STANDBY DISTRIBUTION SERVICE RATE RESULT IN ADDITIONAL REVENUES FOR ENERGY+?

A. Yes. Schedule JP-16 is an update of my original Schedule JP-9. It quantifies the revenues that would be derived from implementing my recommended TMMC Standby Distribution service rate during the test year. As discussed in my original written evidence, any revenues derived from the Daily Volumetric Rate should be used to offset Energy+'s test-year revenue requirement. The revenues from the Contract Volumetric Rate were already accounted for in my recommended TMMC rate design for Supplementary Distribution service (Schedule JP-13).

Questions:

- (a) Energy+ notes that the distribution revenue and the miscellaneous revenue of \$2,022,079 included in the TMMC proposed Cost Allocation Study and summarized in Schedule JP-11 agrees to the amounts in the Energy+ Cost Allocation Study included with the Settlement Proposal. Please confirm whether or not the Daily Volumetric Rate Revenue has been included in the TMMC proposed Cost Allocation Model.
- (b) Based on the response to part a), would TMMC propose that the incremental revenues resulting from the Daily Volumetric Rate be allocated to all rate classes since they are based on the Shared Facilities Cost?

### **EnergyPlus Clarification Question 8**

Reference: TMMC Updated Evidence Filed: 2019-02-15  
Page 28 of 73  
Schedule JP-16

Preamble: The Daily Volumetric Rate would apply when the customer uses Standby Distribution service; that is, when the customer establishes a higher monthly peak demand while it is also experiencing a generator outage. The customer would have to notify Energy+ when an outage occurs and when the LDG has been fully restored. The daily demand would be the difference between the monthly peak demand established during an outage and the previously established monthly peak demand.

Questions:

- (a) With respect to the Daily Volumetric Rate, please confirm:
- i. The billing units used in Schedule JP-16 were generated using the methodology and computation as outlined in Schedule JP-7 Revised, dated 2018-10-24.
  - ii. Please confirm that the annual incremental revenue attributable to the Daily Volumetric Rate based on the TMMC proposal and methodology is [REDACTED].
- (b) Has TMMC included in its proposed Cost Allocation Study an estimate for the incremental costs associated with implementing and administering the Daily Volumetric Rate for all customer classes subject to Standby? If not, why not?
- (c) Using the Daily Volumetric Methodology, how would you propose that Energy+ forecast the daily demand units that would apply for all customer classes with LDG in the test year and all forward looking years?

### **EnergyPlus Clarification Question 9**

Reference:        TMMC Updated Evidence Filed: 2019-02-15  
                         Schedule JP-5 Update  
                         Schedule JP-6 Update  
                         Schedule JP-8 Update  
                         Schedule JP-9 Update  
                         VECC Interrogatories for TMMC: 2019-02-22  
                         Question 12.2

Questions:

- (a) Using the results from VECC IRQ2 12.2, please prepare and file updates to the following schedules and file the CCOSS model in Excel format:
- Schedule JP-5
  - Schedule JP-6
  - Schedule JP-8
  - Schedule JP-9

### **EnergyPlus Clarification Question 10**

Reference: TMMC Updated Evidence Filed: 2019-02-15  
Schedule JP-13 Page 1 of 2  
Schedule JP-14 Page 1 of 1  
Response to EnergyPlus-TC7 f)

Questions:

(a) Please provide an updated Response to EnergyPlus-TC7 part f) for each of the following:

- i. Schedule JP-5 – TMMC One Large Use Class
- ii. Schedule JP-11 – TMMC Two Large Use Classes
- iii. Response to EnergyPlus Clarification Question 9 – One Large Use Class

EnergyPlus-TC7 part f) provides a bill impact table using illustrative demand volume billing determinants and applicable rates to show how the Energy+ billing system would charge the various rates proposed in each of the above scenarios to both Large Use customers.

(b) For each of scenarios in part a) include the cost of standby service in the bill impact table using illustrative billing determinants and applicable rates based on the information in TMMC Updated Evidence Filed: 2019-02-15, Page 42 of 73, Schedule JP-8 Update Page 1 or 1.

If any updates or corrections are made to the evidence as part of the Responses to Clarification Questions on TMMC Updated Evidence, please use the updated evidence in preparing the response to a) and b) above, otherwise use the evidence as filed on February 15, 2019.

### **EnergyPlus Clarification Question 11**

Reference: TMMC Updated Evidence Filed: 2019-02-15  
Schedule JP-11

Background: Energy+ has prepared and summarized the estimated bill impacts of the TMMC cost allocation proposal based on Schedule JP-11 in Appendix A for all customer classes. Energy+ has added this scenario to the table provided in Response to Technical Conference SEC-11. The summary is attached in Excel format with the file name: "EnergyPlus\_TMMC\_Clarification\_Questions\_Appendix\_A.xlsx".

In preparing the estimated distribution rates and bill impacts using the scenario from Schedule JP-11, Energy+ has used its rate design model for all rate classes, with the exception of the proposed two Large Use rate classes, which are based on Schedule JP-11.

Questions:

- (a) Based on the information contained in Appendix A, please comment on the impacts of the proposal from Schedule JP-11 on the residential, and other customer classes.