

ONTARIO ENERGY BOARD

IN THE MATTER the *Ontario Energy Board Act*, 1998, S.O. 1998, c. 15 (Schedule B);

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* for approval of its proposed distribution rates and other charges effective January 1, 2019.

Toyota Motor Manufacturing Canada Inc. (“TMMC”)

Responses to Oral Hearing Undertakings

March 18, 2019

UNDERTAKING NO. J2.1:

TO PROVIDE AN UPDATED RESPONSE TO ENERGY+ CLARIFICATION QUESTION NO. 2, CORRECTING BOTH SCHEDULE JP-5 DATED FEBRUARY 15, 2019 (REFERENCE: LINE 17 IN THE TOTAL COLUMN, PAGE 3 OF CONFIDENTIAL ENERGY+'S CROSS-EXAMINATION COMPENDIUM FOR TMMC PANEL 1) AS WELL AS THE LIVE EXCEL MODEL (REFERENCE: COLUMN D, ROWS 17 AND 37, PAGE 5 OF CONFIDENTIAL ENERGY+'S CROSS-EXAMINATION COMPENDIUM FOR TMMC PANEL 1) SO THAT:

(1) THEY ARE CONSISTENT; AND

(2) THEY ACCURATELY REFLECT THE SERVICE REVENUE REQUIREMENT AGREED TO BY THE PARTIES IN THE SETTLEMENT AGREEMENT (REFERENCE: PAGE 11 OF THE SETTLEMENT PROPOSAL, COLUMN D).

RESPONSE:

On the following pages an updated revised Schedule JP-5 is provided which accurately reflects the service revenue requirement agreed to by the parties in the Settlement Agreement.

Additionally, this updated revised Schedule JP-5 is being provided in EXCEL format by way of attachment labeled "TMMC_Response_Undertaking_J2.1".



Ontario Energy Board

2019 Cost Allocation Model

EB-2018-0028

Sheet 01 Revenue to Cost Summary Worksheet - 1 Lg Use Class/Direct Assignment

Class Revenue, Cost Analysis, and Return on Rate Base

Line	Description	Total	1 Residential	2 GS <50	3 GS> 50- 999 kW	5 GS> 1,000 - 4,999 kW	6 Large Use	7 Street Light	8 Sentinel
1	Distribution Revenue at Existing Rates	\$33,458,220	\$17,528,595	\$4,131,617	\$7,466,138	\$2,140,493	\$1,040,061	\$671,811	\$14,573
2	Miscellaneous Revenue (mi)	\$2,022,079	\$1,356,222	\$221,974	\$243,977	\$90,362	\$44,179	\$56,436	\$1,326
	Miscellaneous Revenue Input equals Output								
3	Total Revenue at Existing Rates	\$35,480,299	\$18,884,816	\$4,353,591	\$7,710,115	\$2,230,855	\$1,084,239	\$728,248	\$15,898
4	Factor required to recover deficiency (1 + D)	1.0260							
5	Distribution Revenue at Status Quo Rates	\$34,327,788	\$17,984,157	\$4,238,997	\$7,660,180	\$2,196,124	\$1,067,091	\$689,272	\$14,951
6	Miscellaneous Revenue (mi)	\$2,022,079	\$1,356,222	\$221,974	\$243,977	\$90,362	\$44,179	\$56,436	\$1,326
7	Total Revenue at Status Quo Rates	\$36,349,867	\$19,340,378	\$4,460,971	\$7,904,158	\$2,286,486	\$1,111,270	\$745,708	\$16,277
	Expenses								
8	Distribution Costs (di)	\$4,860,260	\$2,881,203	\$492,748	\$911,614	\$362,189	\$105,487	\$89,432	\$4,093
9	Customer Related Costs (cu)	\$4,893,912	\$3,864,560	\$637,560	\$290,389	\$88,329	\$4,420	\$1,531	\$181
10	General and Administration (ad)	\$8,577,377	\$5,824,152	\$980,341	\$1,067,409	\$399,003	\$177,013	\$81,951	\$3,847
11	Depreciation and Amortization (dep)	\$6,369,269	\$3,685,819	\$782,948	\$1,219,895	\$418,671	\$128,803	\$102,685	\$5,020
12	PILs (INPUT)	\$768,148	\$435,196	\$84,372	\$154,111	\$55,134	\$17,774	\$14,611	\$677
13	Interest	\$4,417,506	\$2,502,747	\$485,213	\$886,269	\$317,068	\$102,214	\$84,024	\$3,895
14	Total Expenses	\$29,886,472	\$19,193,677	\$3,463,181	\$4,529,686	\$1,640,395	\$535,710	\$374,233	\$17,713
15	Direct Allocation	\$261,268	\$0	\$0	\$0	\$0	\$119,307	\$0	\$0
16	Allocated Net Income (NI)	\$6,202,128	\$3,513,829	\$681,233	\$1,244,311	\$445,160	\$143,507	\$117,969	\$5,469
17	Revenue Requirement (includes NI)	\$36,349,867	\$22,707,506	\$4,144,414	\$5,773,997	\$2,085,555	\$798,525	\$492,203	\$23,182
	Rate Base Calculation								
	Net Assets								
18	Distribution Plant - Gross	\$197,969,948	\$113,446,110	\$22,290,145	\$39,426,250	\$14,096,687	\$4,187,697	\$3,757,144	\$172,765
19	General Plant - Gross	\$15,515,903	\$8,831,284	\$1,710,480	\$3,088,108	\$1,097,414	\$345,482	\$297,107	\$13,760
20	Accumulated Depreciation	(\$25,201,010)	(\$14,328,796)	(\$3,094,458)	(\$4,808,423)	(\$1,802,638)	(\$606,432)	(\$421,926)	(\$18,321)
21	Capital Contribution	(\$32,159,543)	(\$18,908,978)	(\$3,644,583)	(\$6,192,053)	(\$2,120,308)	(\$521,217)	(\$642,751)	(\$29,612)
22	Total Net Plant	\$156,125,298	\$89,039,620	\$17,261,585	\$31,513,883	\$11,271,155	\$3,405,530	\$2,989,573	\$138,591
23	Directly Allocated Net Fixed Assets	\$1,004,798	\$0	\$0	\$0	\$0	\$224,453	\$0	\$0
24	Working Capital	\$16,695,208	\$5,235,361.53	\$1,953,310	\$4,708,309	\$2,182,522	\$1,369,192	\$48,054	\$1,782
25	Total Rate Base	\$173,825,304	\$94,274,982	\$19,214,895	\$36,222,192	\$13,453,677	\$4,999,175	\$3,037,627	\$140,373
26	REVENUE TO EXPENSES STATUS QUO%	100.00%	85.17%	107.64%	136.89%	109.63%	139.17%	151.50%	70.21%



Ontario Energy Board

2019 Cost Allocation Mode

EB-2018-0028

Sheet 01 Revenue to Cost Summary Worksheet - 1 Lg Use Class/Direct Assignment

Class Revenue, Cost Analysis, and Return on Rate Base

Line	Description		9	10	12	13	14	15
		Total	Unmetered Scattered Load	Embedded Distributor Hydro One - CND	Embedded Distributor Waterloo North Hydro - CND	Embedded Distributor Hydro One 1 - BCP	Embedded Distributor Brantford Power BCP	Embedded Distributor Hydro One 2 - BCP
1	Distribution Revenue at Existing Rates	\$33,458,220	\$64,042	\$50,527	\$221,287	\$119,034	\$5,388	\$4,655
2	Miscellaneous Revenue (mi)	\$2,022,079	\$4,527	\$634	\$1,666	\$351	\$201	\$224
3	Total Revenue at Existing Rates	\$35,480,299	\$68,569	\$51,160	\$222,954	\$119,385	\$5,589	\$4,879
4	Factor required to recover deficiency (1 + D)	1.0260						
5	Distribution Revenue at Status Quo Rates	\$34,327,788	\$65,706	\$51,840	\$227,038	\$122,127	\$5,528	\$4,776
6	Miscellaneous Revenue (mi)	\$2,022,079	\$4,527	\$634	\$1,666	\$351	\$201	\$224
7	Total Revenue at Status Quo Rates	\$36,349,867	\$70,234	\$52,473	\$228,705	\$122,478	\$5,729	\$5,000
	Expenses							
8	Distribution Costs (di)	\$4,860,260	\$13,494	\$0	\$0	\$0	\$0	\$0
9	Customer Related Costs (cu)	\$4,893,912	\$1,388	\$2,419	\$405	\$405	\$705	\$1,620
10	General and Administration (ad)	\$8,577,377	\$13,344	\$6,040	\$17,598	\$3,502	\$1,820	\$1,358
11	Depreciation and Amortization (dep)	\$6,369,269	\$16,517	\$2,920	\$4,555	\$835	\$602	\$0
12	PILs (INPUT)	\$768,148	\$2,228	\$675	\$2,680	\$491	\$199	\$0
13	Interest	\$4,417,506	\$12,816	\$3,880	\$15,414	\$2,824	\$1,142	\$0
14	Total Expenses	\$29,886,472	\$59,788	\$15,933	\$40,652	\$8,056	\$4,467	\$2,978
15	Direct Allocation	\$261,268	\$0	\$22,095	\$95,569	\$17,510	\$6,787	\$0
16	Allocated Net Income (NI)	\$6,202,128	\$17,993	\$5,448	\$21,640	\$3,965	\$1,603	\$0
17	Revenue Requirement (includes NI)	\$36,349,867	\$77,781	\$43,476	\$157,862	\$29,531	\$12,857	\$2,978
	Rate Base Calculation							
	Net Assets							
18	Distribution Plant - Gross	\$197,969,948	\$567,987	\$21,899	\$0	\$0	\$3,263	\$0
19	General Plant - Gross	\$15,515,903	\$45,135	\$14,568	\$57,712	\$10,574	\$4,281	\$0
20	Accumulated Depreciation	(\$25,201,010)	(\$61,515)	(\$15,700)	(\$33,172)	(\$6,078)	(\$3,552)	\$0
21	Capital Contribution	(\$32,159,543)	(\$95,706)	(\$3,773)	\$0	\$0	(\$562)	\$0
22	Total Net Plant	\$156,125,298	\$455,901	\$16,994	\$24,540	\$4,496	\$3,430	\$0
23	Directly Allocated Net Fixed Assets	\$1,004,798	\$0	\$121,453	\$525,336	\$96,250	\$37,305	\$0
24	Working Capital	\$16,695,208	\$23,122	\$117,405	\$539,518	\$113,175	\$3,505	\$399,953
25	Total Rate Base	\$173,825,304	\$479,023	\$255,853	\$1,089,393	\$213,922	\$44,239	\$399,953
26	REVENUE TO EXPENSES STATUS QUO%	100.00%	90.30%	120.69%	144.88%	414.74%	44.56%	167.88%

UNDERTAKING NO. J2.2:

TO FILE AN UPDATED RESPONSE TO VECC CLARIFICATION QUESTION NO. 12.2 TO CORRECT AND RECONCILE NUMBERS (REFERENCE: SCHEDULE JP-5 VECC 12.2 AT LINE 17, PAGE 7 OF CONFIDENTIAL ENERGY+'S CROSS-EXAMINATION COMPENDIUM FOR TMMC PANEL 1; AND COLUMN D, ROW 17 OF LIVE EXCEL MODEL AT PAGE 9 OF CONFIDENTIAL ENERGY+'S CROSS-EXAMINATION COMPENDIUM FOR TMMC PANEL 1).

RESPONSE:

On the following pages is an updated response to VECC 12.2.

Additionally, this updated response is being provided in EXCEL format by way of attachment labeled "TMMC_Response_Undertaking_J2.2".



Ontario Energy Board

2019 Cost Allocation Model

EB-2018-0028

Sheet 01 Revenue to Cost Summary Worksheet - 1 Lg Use Class/Direct Assignment

Class Revenue, Cost Analysis, and Return on Rate Base

Line	Description	Total	1 Residential	2 GS <50	3 GS> 50- 999 kW	5 GS> 1,000 - 4,999 kW	6 Large Use	7 Street Light	8 Sentinel
1	Distribution Revenue at Existing Rates	\$33,458,220	\$17,528,595	\$4,131,617	\$7,466,138	\$2,140,493	\$1,040,061	\$671,811	\$14,573
2	Miscellaneous Revenue (mi)	\$2,022,079	\$1,357,571	\$222,389	\$245,251	\$91,016	\$40,472	\$56,446	\$1,326
	Miscellaneous Revenue Input equals Output								
3	Total Revenue at Existing Rates	\$35,480,299	\$18,886,165	\$4,354,006	\$7,711,389	\$2,231,509	\$1,080,533	\$728,257	\$15,899
4	Factor required to recover deficiency (1 + D)	1.0260							
5	Distribution Revenue at Status Quo Rates	\$34,327,788	\$17,984,157	\$4,238,997	\$7,660,180	\$2,196,124	\$1,067,091	\$689,272	\$14,951
6	Miscellaneous Revenue (mi)	\$2,022,079	\$1,357,571	\$222,389	\$245,251	\$91,016	\$40,472	\$56,446	\$1,326
7	Total Revenue at Status Quo Rates	\$36,349,867	\$19,341,728	\$4,461,386	\$7,905,432	\$2,287,140	\$1,107,564	\$745,718	\$16,278
	Expenses								
8	Distribution Costs (di)	\$4,860,260	\$2,894,316	\$496,784	\$924,005	\$368,553	\$69,440	\$89,526	\$4,097
9	Customer Related Costs (cu)	\$4,893,912	\$3,864,560	\$637,560	\$290,389	\$88,329	\$4,420	\$1,531	\$181
10	General and Administration (ad)	\$8,577,377	\$5,835,914	\$983,941	\$1,078,449	\$404,664	\$144,818	\$82,040	\$3,850
11	Depreciation and Amortization (dep)	\$6,376,711	\$3,703,988	\$787,998	\$1,234,578	\$426,165	\$90,602	\$102,838	\$5,032
12	PILs (INPUT)	\$768,693	\$437,561	\$85,014	\$155,976	\$56,051	\$12,476	\$14,651	\$679
13	Interest	\$4,420,641	\$2,516,348	\$488,904	\$896,994	\$322,342	\$71,749	\$84,255	\$3,904
14	Total Expenses	\$29,897,594	\$19,252,687	\$3,480,201	\$4,580,390	\$1,666,104	\$393,506	\$374,840	\$17,741
15	Direct Allocation	\$245,744	\$0	\$0	\$0	\$0	\$103,784	\$0	\$0
16	Allocated Net Income (NI)	\$6,206,530	\$3,532,924	\$686,416	\$1,259,369	\$452,565	\$100,735	\$118,293	\$5,481
17	Revenue Requirement (includes NI)	\$36,349,867	\$22,785,611	\$4,166,617	\$5,839,759	\$2,118,669	\$598,025	\$493,133	\$23,223
	Rate Base Calculation								
	Net Assets								
18	Distribution Plant - Gross	\$197,935,948	\$113,846,137	\$22,412,577	\$39,822,637	\$14,301,722	\$3,025,366	\$3,760,150	\$172,865
19	General Plant - Gross	\$15,515,903	\$8,867,916	\$1,720,645	\$3,118,731	\$1,112,649	\$251,983	\$297,680	\$13,780
20	Accumulated Depreciation	(\$25,245,338)	(\$14,456,166)	(\$3,130,315)	(\$4,913,555)	(\$1,856,300)	(\$327,017)	(\$423,008)	(\$18,397)
21	Capital Contribution	(\$31,975,089)	(\$18,800,044)	(\$3,623,018)	(\$6,157,118)	(\$2,108,504)	(\$518,304)	(\$639,181)	(\$29,448)
22	Total Net Plant	\$156,231,424	\$89,457,843	\$17,379,889	\$31,870,695	\$11,449,566	\$2,432,028	\$2,995,641	\$138,801
23	Directly Allocated Net Fixed Assets	\$898,672	\$0	\$0	\$0	\$0	\$118,327	\$0	\$0
24	Working Capital	\$16,695,208	\$5,237,227.16	\$1,953,883	\$4,710,067	\$2,183,424	\$1,364,074	\$48,068	\$1,783
25	Total Rate Base	\$173,825,304	\$94,695,070	\$19,333,772	\$36,580,762	\$13,632,990	\$3,914,428	\$3,043,709	\$140,583
26	REVENUE TO EXPENSES STATUS QUO%	100.00%	84.89%	107.07%	135.37%	107.95%	185.20%	151.22%	70.09%



Ontario Energy Board

2019 Cost Allocation Mode

EB-2018-0028

Sheet 01 Revenue to Cost Summary Worksheet - 1 Lg Use Class/Direct Assignment

Class Revenue, Cost Analysis, and Return on Rate Base

Line	Description		9	10	12	13	14	15
		Total	Unmetered Scattered Load	Embedded Distributor Hydro One - CND	Embedded Distributor Waterloo North Hydro - CND	Embedded Distributor Hydro One 1 - BCP	Embedded Distributor Brantford Power BCP	Embedded Distributor Hydro One 2 - BCP
1	Distribution Revenue at Existing Rates	\$33,458,220	\$64,042	\$50,527	\$221,287	\$119,034	\$5,388	\$4,655
2	Miscellaneous Revenue (mi)	\$2,022,079	\$4,532	\$634	\$1,666	\$351	\$201	\$224
3	Total Revenue at Existing Rates	\$35,480,299	\$68,574	\$51,160	\$222,954	\$119,385	\$5,589	\$4,879
4	Factor required to recover deficiency (1 + D)	1.0260						
5	Distribution Revenue at Status Quo Rates	\$34,327,788	\$65,706	\$51,840	\$227,038	\$122,127	\$5,528	\$4,776
6	Miscellaneous Revenue (mi)	\$2,022,079	\$4,532	\$634	\$1,666	\$351	\$201	\$224
7	Total Revenue at Status Quo Rates	\$36,349,867	\$70,238	\$52,473	\$228,705	\$122,478	\$5,729	\$5,000
	Expenses							
8	Distribution Costs (di)	\$4,860,260	\$13,539	\$0	\$0	\$0	\$0	\$0
9	Customer Related Costs (cu)	\$4,893,912	\$1,388	\$2,419	\$405	\$405	\$705	\$1,620
10	General and Administration (ad)	\$8,577,377	\$13,384	\$6,040	\$17,599	\$3,502	\$1,820	\$1,358
11	Depreciation and Amortization (dep)	\$6,376,711	\$16,591	\$2,921	\$4,561	\$836	\$602	\$0
12	PILs (INPUT)	\$768,693	\$2,238	\$675	\$2,682	\$491	\$199	\$0
13	Interest	\$4,420,641	\$12,870	\$3,882	\$15,424	\$2,826	\$1,142	\$0
14	Total Expenses	\$29,897,594	\$60,009	\$15,936	\$40,672	\$8,060	\$4,468	\$2,978
15	Direct Allocation	\$245,744	\$0	\$22,095	\$95,569	\$17,510	\$6,787	\$0
16	Allocated Net Income (NI)	\$6,206,530	\$18,069	\$5,450	\$21,656	\$3,968	\$1,604	\$0
17	Revenue Requirement (includes NI)	\$36,349,867	\$78,078	\$43,481	\$157,897	\$29,537	\$12,859	\$2,978
	Rate Base Calculation							
	Net Assets							
18	Distribution Plant - Gross	\$197,935,948	\$569,415	\$21,826	\$0	\$0	\$3,252	\$0
19	General Plant - Gross	\$15,515,903	\$45,279	\$14,580	\$57,785	\$10,587	\$4,285	\$0
20	Accumulated Depreciation	(\$25,245,338)	(\$62,018)	(\$15,707)	(\$33,215)	(\$6,085)	(\$3,555)	\$0
21	Capital Contribution	(\$31,975,089)	(\$95,175)	(\$3,739)	\$0	\$0	(\$557)	\$0
22	Total Net Plant	\$156,231,424	\$457,501	\$16,960	\$24,571	\$4,502	\$3,426	\$0
23	Directly Allocated Net Fixed Assets	\$898,672	\$0	\$121,453	\$525,336	\$96,250	\$37,305	\$0
24	Working Capital	\$16,695,208	\$23,128	\$117,405	\$539,518	\$113,175	\$3,505	\$399,953
25	Total Rate Base	\$173,825,304	\$480,630	\$255,819	\$1,089,425	\$213,927	\$44,235	\$399,953
26	REVENUE TO EXPENSES STATUS QUO%	100.00%	89.96%	120.68%	144.84%	414.65%	44.55%	167.88%

UNDERTAKING NO. J2.3:

TO FILE THE COST ITEMS IN THE DIRECT ALLOCATION MODEL.

RESPONSE:

The context of this Undertaking was for TMMC to clarify its position with respect to the disclosure of information, for rate-making purposes, in the event that the Board approves a separate TMMC rate class.

TMMC confirms that it would not object to the disclosure of the costs that would be directly assigned to TMMC in a Direct Assignment Study. These costs would include the costs of assets dedicated for use by TMMC and Energy+'s estimates of O&M costs associated with such dedicated assets.

TMMC also confirms its position articulated in JTC1.13 that it would not object to the disclosure of information on the annual billing determinants (in kW), assumed in the derivation of the rates for supplementary and standby distribution service. TMMC would, however, object to the disclosure of information that would have the effect of disclosure of or shedding light on its load profile. Accordingly, TMMC would be unable to consent to the disclosure of TMMC's interval load data and information on TMMC's monthly peak demands or TMMC's monthly energy usage.

UNDERTAKING NO. J2.4:

TO PROVIDE THE CALCULATION OF THE LARGE USER 1 PRIMARY DISTRIBUTION RATE OF \$1.964 PER KW IN SCENARIO A2, 1.964 IN SCENARIO A2.

RESPONSE:

The calculation is shown below:

2 Large Use Classes/Direct Assignment (No BD)			Amount	Billing Units
Service Charge	\$8,976.07	per Month	\$107,713	12
Volumetric Rate	\$1.965	per kW	\$119,421	60,780
Monthly Cost	\$18,928		\$227,134	
Annual Cost	\$227,134			
Increase	-\$32,079	-12.4%		
R/C Ratio			1.15	
Cost	\$40,413		\$206,108	
Other Revenue			\$9,890	
Revenue Requirement			\$227,134	