

**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

April 25, 2019

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

Dear Ms. Walli:

**Re: Niagara-on-the-Lake Hydro Inc. (NOTL Hydro)
2019 Cost of Service Application
OEB File Number EB-2018-0056
OEB Staff Submission on the Draft Rate Order**

In accordance with the Decision and Order issued on April 11, 2019, please find attached OEB staff's submission on the draft rate order for NOTL Hydro's 2019 cost of service application.

NOTL Hydro and all intervenors have been copied on this filing.

Yours truly,

Original Signed By

Tina Li
Project Advisor, Major Applications

Encl.

2019 ELECTRICITY DISTRIBUTION RATES
Niagara-on-the-Lake Hydro Inc.

EB-2018-0056

OEB STAFF SUBMISSION

April 25, 2019

Introduction

Niagara-on-the-Lake Hydro Inc. (NOTL Hydro) filed a complete application with the Ontario Energy Board (OEB) on August 23, 2018 under section 78 of the *Ontario Energy Board Act, 1998*, seeking approval for changes to the rates that NOTL Hydro charges for electricity distribution to be effective May 1, 2019.

NOTL Hydro and intervenors participated in a settlement conference and filed a partial settlement proposal with the OEB on January 10, 2019. The OEB accepted the partial settlement proposal in its decision issued on February 8, 2019. The OEB issued a Decision and Order on April 11, 2019 making findings on the six unsettled issues. The OEB directed NOTL Hydro to file a draft rate order (DRO) with customer rates impacts and detailed supporting calculations of final rates in the DRO.

On April 17, 2019, NOTL Hydro filed a DRO with supporting appendices and models.

On April 23, 2019, the OEB issued an updated Decision and Order with a typographic error corrected. NOTL Hydro refiled the DRO with the relevant updated appendices and models, reflecting the correction of the error, on April 24, 2019.

OEB staff has reviewed the DRO, appendices and models and provides the following submissions.

Submission

OEB staff notes that the OEB approved NOTL Hydro's proposed retail transmission charges for the Large Use rate class in the Decision and Order and stated that: 1) the definition of "renewable energy" should be the same as that used in 2019 Uniform Transmission Rates (UTRs) and 2) that gross load billing be applicable only to generation capacity installed after October 30, 1998, consistent with the UTRs.¹

In the 2019 Tariff Schedule and Bill Impact Model, OEB staff did not find any wording regarding the retail transmission charges in the Large Use rate class.

In its argument in chief, NOTL Hydro proposed the following wording for the retail transmission charges for the Large Use class be included on the tariff.²

The Billing Demand for Line and Transformation Connection Services and Low

¹ Decision and Order, Page 19

² Argument in Chief, Page 23

Voltage Services is defined as the Non-Coincident Peak demand (MW) in any hour of the month. The customer demand in any hour is the sum of (a) the loss adjusted demand supplied from the distribution system plus (b) the demand that is supplied by embedded generation installed after October 1998, which have installed capacity of 2MW or more for renewable generation and 1 MW or higher for non-renewable generation. The term renewable generation refers to a facility that generates electricity from the following sources: wind, solar, Biomass, Bio-oil, Bio-gas, landfill gas, or water. The demand supplied by embedded generation will not be adjusted for losses.

OEB staff submits that NOTL Hydro should also include the wording in accordance with the OEB's directions in the Decision and Order for the retail transmission charges for the Large Use rate class' tariff.

OEB staff submits that NOTL Hydro has correctly updated the relevant appendices, models and tariff reflecting the findings of the Decision and Order except for the following:

Tariff Schedule and Bill Impact Model:

- Time of Use RPP Price on Tab 18 Regulatory Charges does not reflect the updated RPP prices effective on May 1, 2019³

2019 Tariff of Rates:

- The references to the Debt Retirement Charge in all rate classes should be deleted
- The following rate or charges showing \$0.0000 should be deleted:
 - Distribution Volumetric Rate for Residential rate class
 - Collection of account charge – no disconnection
 - Install/remove load control device – during regular hours
 - Install/remove load control device – after regular hours
- The Specific Charge for Bell Canada access to the power poles - \$/pole/year is \$0.00. It was \$18.36 until the existing joint agreement is terminated. If the agreement is terminated, NOTL Hydro needs to delete the charge rather than show it as \$0.00. If the agreement is not terminated, NOTL Hydro needs to include the charge of \$18.36
- Global Adjustment Rate Rider and Group 1 Deferral/Variance Accounts Rate Rider for all rate classes should include "Approved on Interim Basis" after the

³ Issued by the OEB on April 17, 2019

rate riders' description

- Rate Rider for Disposition of Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) (2019) for Residential class should be four decimal points, i.e. \$0.2077, which is consistent with the value in the Deferral and Variance Account continuity schedule
- No Standby Charge Rate Classification is shown on the final tariff of rates despite the standby charge being settled in NOTL Hydro's partial settlement proposal⁴
- The Large Use class should be moved to follow the General Service 50 to 4999 kW class
- In the Retail Service Charges section, NOTL Hydro should add the charge for Notice of switch letter charge of \$2.00, per letter (unless NOTL Hydro has opted out of applying the charge) as per the OEB's Decision and Order in the matter of Energy Retail Charges effective May 1, 2019⁵
- Two paragraphs should be added in the General Service 50 to 4999 kW class and Large User class before the paragraph stating "It should be noted that this schedule does not list any charges, assessments, or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Global Adjustment and the HST" as follows:
 - If included in the following listing of monthly rates and charges, the rate rider for the disposition of WMS - Sub-account CBR Class B is not applicable to wholesale market participants (WMP), customers that transitioned between Class A and Class B during the variance account accumulation period, or to customers that were in Class A for the entire period. Customers who transitioned are to be charged or refunded their share of the variance disposed through customer specific billing adjustments. This rate rider is to be consistently applied for the entire period to the sunset date of the rate rider. In addition, this rate rider is applicable to all new Class B customers.
 - If included in the following listing of monthly rates and charges, the rate rider for the disposition of Global Adjustment is only applicable to non-RPP Class B customers. It is not applicable to WMP, customers that transitioned between Class A and Class B during the variance account accumulation period, or to customers that were in Class A for the entire period. Customers who transitioned are to be charged or refunded their share of the variance disposed through customer specific billing adjustments. This rate rider is to be consistently applied for the entire

⁴ NOTL Hydro's partial settlement proposal, January 10, 2019

⁵ EB-2015-0304, issued on February 14, 2019

period to the sunset date of the rate rider. In addition, this rate rider is applicable to all new non-RPP Class B customers.

OEB staff reviewed the updated appendices and models incorporating the updated Decision and Order and submits that NOTL Hydro has properly updated the relevant appendices and models to reflect the updated Decision and Order.

All of which is respectfully submitted