

ENERGY PROBE INTERROGATORY 11

Issue 2.1 Is the methodology used to derive the proposed IESO Usage Fees and the resulting Usage Fees of \$1.227/MWh for domestic customers and \$1.0125/MWh for export customers appropriate?

INTERROGATORY

EP-11

Reference: Exhibit A, Tab 1, Schedule 1; Exhibit B, Tab 1, Schedule 1, Page 3, Table 3

Preamble: The IESO usage fees are calculated for the IESO by Elenchus using the same Elenchus model and inputs approved by the Board in the IESO's 2016 revenue requirement submission (EB-2015-0275).

- 2018 Forecast domestic and export energy volumes;
 - 2018 Total Budget by business unit and department; and
 - The cost allocation for each department.
- a) What volumes were the Interim usage fees (\$1.2402/MWh for domestic customers and \$1.0115/MWh for export) based upon?
 - b) Please provide the actual 2018 volumes for domestic, embedded generation, export and losses.
 - c) Please provide updated 2019 forecast volumes, budgets and allocations breakdowns taking into account the 2018 actuals.
 - d) Compare 2018 to 2019 and provide the underlying drivers for the changes from 2018 to 2019

RESPONSE

- a) The interim usage fees are based upon forecast 2018 volumes used in the IESO's 2018 Revenue Requirement Submission. The volumes are 133.5 TWh for domestic customers

1 and 19.8 TWh for export customers¹. The interim usage fees are the fees that were
2 approved as the 2018 usage fees.

3 b) The Actual 2018 & Forecast 2019 volumes are as follows, note the 2019 Forecast now
4 includes actuals up to the end of February 2019:

Year	Domestic (TWh)	Export (TWh)	Embedded Generation (TWh)	Losses (TWh)
2018	137.8	18.6	6.3	2.7
2019 (Forecast including February Actuals)	134.8	18.6	7.2	3.0

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6 c) Please see the table above. For the budget allocation breakdowns please see Appendix 2-
7 JC in the response to SEC Interrogatory 2, at Exhibit I, Tab 1.1, Schedule 10.02.

8 d) The changes in the two usage fees from 2018 to 2019 are due to a combination of

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- Changing weather and economic conditions;
 - Higher TWh from embedded generation in 2019;
 - Higher forecast losses in 2019; and
 - A decrease in withdrawals for domestic use.
 - Losses are allocated to each customer class based on their forecast TWh, a decrease in withdrawals for domestic use results in a reduction of losses allocated to domestic customers. Table 2 on page 3 of Exhibit B-1-1 shows how forecast 2019 losses have been allocated.
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¹ 2018 Revenue Requirement Submission EB-2018-0143, Exhibit B-1-1, page 3

HQEM INTERROGATORY 1

Issue 2.2: Is the proposed January 1, 2019 effective date for the Usage Fees appropriate?

INTERROGATORY

**2.2-HQEM-IR1. Reference: EB-2019-0002, Exhibit B, Tab1, Schedule 1, Page 2 of 8.
EB-2019-0002, Exhibit A, Tab1, Schedule 1, Jan 28, 2019
EB-2018-0143, Exhibit A, Tab1, Schedule 1, April 30, 2018
EB-2017-0150, Exhibit A, Tab1, Schedule 1, April 21, 2017
EB-2015-0275, Exhibit A, Tab1, Schedule 1, January 19, 2016
Electricity Act, 1998, section 25 (1)**

- (i) Please explain in detail how the IESO will be able to file its revenue requirement in accordance with the schedule set out in section 25(1) of the Electricity Act, 1998, and if it undertakes to do so according to the deadline of 60 days before the beginning of each fiscal year? In its 2019 revenue requirement filing, the IESO notes that the 2019 filing was made three months earlier than the previous year. If we compare this year's filing date to the previous three years, the IESO only had a similar filing date, in 2016.

Current and past revenue requirement filings IESO:

- 2019: IESO – EB-2019-0002 Exhibit A, Tab1, Schedule 1, Jan 28, 2019
- 2018: IESO – EB-2018-0143 Exhibit A, Tab1, Schedule 1, April 30, 2018
- 2017: IESO – EB-2017-0150 Exhibit A, Tab 1, Schedule 1, April 21, 2017
- 2016: IESO – EB-2015-0275 Exhibit A, Tab 1, Schedule 1, January 19, 2016

All other filings were made after January, which is why HQEM would like the IESO to explain how it will be able to file their revenue requirements sooner.

RESPONSE

Please see the response to OEB Staff Interrogatory 7, at Exhibit I, Tab 1.1, Schedule 1.07.

