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BY EMAIL

July 2, 2019

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

Dear Ms. Walli:

**Re: PUC Distribution Inc. (PUC Distribution)
Application for Rates
Ontario Energy Board File Number: EB-2018-0219**

As directed by the Ontario Energy Board (OEB) in its June 20, 2019 Partial Decision and Order, PUC Distribution filed its draft rate order on June 26, 2019. Intervenor and OEB staff were provided the opportunity to comment on the draft rate order by July 3, 2019.

OEB staff has reviewed the draft rate order as filed, and is satisfied that PUC Distribution has appropriately reflected the OEB's Partial Decision and Order in determining its distribution rates. However, OEB staff makes the following comments:

Tariff of Rates and Charges

OEB staff has reviewed the Tariff of Rates and Charges attached to the draft rate order and confirms that the rates correspond to the applicable model filed by PUC Distribution.

However, OEB staff notes that certain updates are required to PUC Distribution's Tariff of Rates and Charges. These are to account for industry wide changes that were made to all distributors' Tariff of Rates and Charges in the 2019 rate year as a result of generic orders that were part of the OEB's separate decisions, and general formatting issues.

The updates made to PUC Distribution's tariff include:

- Editing the header to note an effective date of May 1, 2019, and implementation date of July 1, 2019
- Removing the “Debt Retirement Charge” reference in all rate classes under the “Application” section
- Adding “Approved on an Interim Basis” to the Rate Rider for Disposition of Deferral/Variance Accounts (2019) – effective until April 30, 2020¹
- Adding the following two paragraphs in the “Application” section for all rate classes which are greater than 500kW:

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 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 non-RPP Class B customers.

- Updating the Non-Payment of Account Service Charges as per the OEB’s Rate Order in EB-2017-0183²
- Updating the Retail Service Charges as per the OEB’s Decision and Order in EB-2015-0304³

OEB staff has provided an updated version of the Tariff of Rates and Charges along with these comments. In its reply, PUC Distribution may wish to comment on the accuracy of the corrected tariffs.

¹ OEB letter to all rate-regulated licensed electricity distributors – “Re: OEB’s Plan to Standardize Processes to Improve Accuracy of Commodity Pass-Through Variance Accounts.” July 20, 2018

² EB-2017-0183, Non-Payment of Account Service Charges for Electricity and Natural Gas Distributors, Effective July 1, 2019, Rate Order, March 14, 2019

³ EB-2015-0304, Decision and Order, February 14, 2019

Yours truly,

Original signed by

Georgette Vlahos
Advisor, Incentive Rate-setting & Accounting

cc: All Parties to EB-2018-0219