

ONTARIO ENERGY BOARD

IN THE MATTER OF the *Ontario Energy Board Act, 1998*, being Schedule B to the Energy Competition Act, 1998, S.O. 1998 c.15;

AND IN THE MATTER OF an application by Newmarket – Tay Power Distribution Ltd. for an Order or Orders approving or fixing a proposed schedule of adjusted distribution rates, retail transmission rates and other charges, effective May 1, 2020.

INTERROGATORIES

FROM THE

SCHOOL ENERGY COALITION

1. [Update November 11, 2019, p. 4] Attached to these interrogatories is a side-by-side comparison of the cost allocation results (Sheet O1) from the Applicant's last Board-approved CAM compared to the CAM filed in this proceeding. A live Excel version of the comparison is also filed with these interrogatories. With respect to that comparison:
 - a. Please confirm that the table accurately reflects the results in the respective CAMs, except for lines 16, 17, 28, and 37, and columns K, M and O, which are calculated amounts.
 - b. Please confirm that the calculations in lines 16, 17, 28, and 37, and columns K, M and O, are accurate.
 - c. Please provide a detailed explanation of all of the reasons why the Net Plant allocated to GS>50 customers increased by 60.60% (and 67.92% per customer), while the Net Plant allocation to Residential increased by only 18.84% (6.86% per customer), and the Net Plant allocation to GS<50 increased by only 10.49% (0.42% per customer). If any of the reasons are changes in assumptions or allocators, please provide the rationale for each such change.
 - d. Please explain why Gross Distribution Plant decreased from 2010 to 2018 for Residential and GS<50, despite increases in the number of customers, and yet increased over the same period for GS>50 despite a decline in the number of customers.
 - e. Please provide a complete calculation of the impact on the results in lines 27 and 28 of the unequal changes in allocation of Net Plant to the three general service classes as set forth above, including but not limited to allocation of interest, PILs, net income, depreciation expense and distribution expenses.
 - f. Please provide a rate base continuity schedule, in the Board's standard format, from 2010 Board

\$80.57),

- b. The fixed charge ceiling (Min. Sys. plus PLCC adjustment) increased for Residential 49% (\$9.48 to \$14.08), for GS<50 320% (\$8.71 to \$27.92), and for GS >50 252% (\$31.31 to \$110.28).
8. [Page 18] Please confirm that the Applicant is proposing to increase the distribution bill for a GS>50 interval-metered customer with 100 kW of monthly demand in the Newmarket rate zone from 2018 to 2019 by 6.7%, from \$7,188.72 annually to \$7,671.48 annually, but then reduce that amount from 2019 to 2020 by 1.2% to \$7,576.44 annually, for a combined increase over two years of \$387.72, a 5.4% increase in the annual bill.

Respectfully submitted on behalf of the School Energy Coalition this January 16, 2020.

Jay Shepherd
Counsel for the School Energy Coalition

2010 COST ALLOCATION UPDATE INFORMATION FILING
Newmarket Tay Power Distribution Ltd.
N/A
August 31, 2009

Sheet 01 Revenue to Cost Summary Worksheet - First Run

	1	2	3
	Residential	GS <50	GS-50-Regular
Rate Base Assets			
crev	\$16,203,643	\$2,810,097	\$3,655,008
mi	\$846,357	\$149,200	\$108,234
Total Revenue	\$17,050,000	\$2,959,306	\$3,763,243
Number of Customers (from Sheet 16)	32,842	2,896	402
Expenses			
di	\$1,945,600	\$340,778	\$405,402
cu	\$2,506,555	\$370,619	\$292,171
ad	\$2,829,010	\$460,439	\$454,609
SUBTOTAL OMA&A (calculated)	\$7,281,165	\$1,171,837	\$1,152,181
OMA&A per customer (calculated)	\$224.99	\$404.71	\$2,869.69
dep	\$4,434,751	\$806,863	\$775,168
INPUT	\$974,931	\$551,484	\$177,827
INT	\$1,963,169	\$358,081	\$386,043
Total Expenses	\$14,954,015	\$2,915,668	\$2,905,106
Direct Allocation	\$0	\$0	\$0
NI	\$2,395,984	\$437,027	\$471,153
Allocated Net Income (NI)	\$10,282,666	\$2,951,634	\$2,976,258
Revenue Requirement (includes NI)	\$17,050,000	\$350.52	\$7,412.95
Revenue Requirement per customer (calculated)		\$10.19	\$18.42
Rate Base Calculation			
Net Assets			
dp	\$119,248,778	\$21,757,279	\$21,603,635
gp	\$10,036,027	\$1,827,593	\$1,793,240
acc	(\$58,891,354)	(\$10,765,998)	(\$10,819,952)
dep	(\$18,410,091)	(\$3,338,003)	(\$3,338,003)
co	\$51,983,360	\$9,480,872	\$10,169,363
Total Net Plant (per customer (calculated))	\$29,422,404	\$9,480,872	\$10,169,363
Directly Allocated Net Fixed Assets	\$0	\$3,274	\$25,328
COP	\$59,548,941	\$8,120,324	\$26,826,052
OMA&A Expenses	\$7,281,165	\$1,171,837	\$1,152,181
Directly Allocated Expenses	\$0	\$0	\$0
Subtotal	\$66,830,105	\$9,292,160	\$27,978,233
Working Capital	\$10,024,516	\$1,393,824	\$4,196,735
Total Rate Base	\$62,007,876	\$10,874,696	\$14,366,098
Rate Base Input equals Output			
Equity Component of Rate Base	\$24,803,150	\$4,349,878	\$5,746,439
Net Income on Allocated Assets	\$2,395,984	\$444,698	\$1,256,137
Net Income on Direct Allocation Assets	\$0	\$0	\$0
Net Income	\$2,530,700	\$402,017	\$1,856,442
RATIOS ANALYSIS			
REVENUE TO EXPENSES %	100.00%	91.27%	143.22%
EXISTING REVENUE MINUS ALLOCATED COSTS	(\$0)	(\$1,111,989)	\$1,356,315
RETURN ON EQUITY COMPONENT OF RATE BASE	9.85%	2.73%	31.48%

2018 COST ALLOCATION UPDATE INFORMATION FILING
Newmarket Tay Power Distribution Ltd.

	1	2	3
	Residential	GS <50	GENERAL SERVICE 50 TO 4.999 KW
Rate Base Assets			
crev	\$17,363,225	\$2,986,410	\$3,508,877
mi	\$2,985,613	\$392,798	\$449,387
Total Revenue	\$20,348,837	\$3,379,208	\$3,958,264
Number of Customers (from Sheet 16.2)	32,622	3,186	384
Expenses			
di	\$1,675,539	\$3,786	\$654,688
cu	\$1,958,170	\$1,769	\$114,368
ad	\$3,705,798	\$689,380	\$825,987
SUBTOTAL OMA&A (calculated)	\$7,339,508	\$1,446,613	\$1,595,063
OMA&A per customer (calculated)	\$224.99	\$454.27	\$4,175.51
dep	\$2,862,030	\$573,226	\$783,931
INPUT	\$492,313	\$148,675	\$232,324
INT	\$1,028,676	\$310,653	\$485,436
Total Expenses	\$11,722,528	\$2,379,161	\$3,096,794
Direct Allocation	\$0	\$0	\$0
NI	\$1,661,881	\$501,877	\$784,248
Allocated Net Income (NI)	\$13,384,407	\$2,881,044	\$3,881,002
Revenue Requirement (includes NI)	\$20,348,837	\$390.28	\$10,106.76
Revenue Requirement per customer (calculated)		\$12.32	\$26.34
Rate Base Calculation			
Net Assets			
dp	\$106,157,484	\$16,106,518	\$23,436,896
gp	\$5,484,985	\$851,318	\$1,260,828
acc	(\$15,757,861)	(\$2,176,090)	(\$2,902,682)
dep	(\$33,832,328)	(\$3,479,373)	(\$5,463,355)
co	\$62,052,250	\$10,475,667	\$16,331,677
Total Net Plant (per customer (calculated))	\$62,052,250	\$10,475,667	\$16,331,677
Directly Allocated Net Fixed Assets	\$0	\$3,288	\$42,520
COP	\$80,511,036	\$11,293,070	\$33,846,364
OMA&A Expenses	\$10,405,082	\$1,346,613	\$1,595,063
Directly Allocated Expenses	\$0	\$0	\$0
Subtotal	\$90,916,118	\$12,639,682	\$35,443,627
Working Capital	\$13,637,418	\$1,895,952	\$5,316,544
Total Rate Base	\$75,688,667	\$12,371,620	\$21,648,221
Rate Base Input equals Output			
Equity Component of Rate Base	\$30,275,887	\$4,948,648	\$8,659,289
Net Income on Allocated Assets	\$2,986,756	\$990,042	\$861,480
Net Income on Direct Allocation Assets	\$0	\$0	\$0
Net Income	\$2,986,756	\$990,042	\$861,480
RATIOS ANALYSIS			
REVENUE TO EXPENSES STATUS QUO%	100.00%	116.94%	101.99%
STATUS QUO REVENUE MINUS ALLOCATED COSTS	\$0	\$488,165	\$77,243
RETURN ON EQUITY COMPONENT OF RATE BASE	9.76%	20.01%	9.85%

