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

September 14th 2020

Dear Board Secretary:

**EB-2019-0073 – Forgone Revenue Model and Approval Request for
Implementation of OEB-Approved Rates for May 1st 2020 effective November 1st 2020.**

On April 22nd 2020, Wellington North Power Inc. (WNP) notified the Ontario Energy Board (OEB) that the utility elected to postpone the implementation of its' OEB-approved May 1st 2020 Tariff of Rates and Charges¹ until November 1st 2020. This letter is to advise the OEB that WNP has filed the Forgone Revenue Model in accordance with section "D. Administrative Process" of the OEB's *"Guidance for Electricity Distributors With Forgone Revenues Due To Postponed Rate Implementation From COVID-19"* (August 6th 2020).

WNP is seeking approval for:

1. The Forgone Revenue Rate Riders as calculated in the OEB 's COVID-19 Forgone Revenue Model and;
2. Implementation of May 1st 2020 OEB-approved rates effective November 1st 2020 with the inclusion of the Forgone Revenue Rate Riders.

Enclosed with the letter is a summary of the inputs and methodology used in completing the Forgone Revenue Model.

Yours sincerely,

Original signed by Richard Bucknall

Manager of Customer Services & Regulatory Affairs

Wellington North Power Inc.

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Submitted by e-mail to BoardSec@oeb.ca and filed on the OEB's web portal

¹ Ontario Energy Board's (OEB) Decision and Rate Order for approval of distribution rates effective May 1st 2020 (EB-2019-0073) dated April 16th 2020

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1. Impacts arising from the postponement of changes to monthly fixed service charges and variable distribution charges.

The total forgone revenue for distribution rates using the OEB's COVID-19 Forgone Revenue Model is \$20,292.77

a) Fixed Monthly Service Charges

The total forgone revenue related to Fixed Monthly Service Charges that WNP is seeking recovery for is \$15,330.92. This is determined by the number of accounts or connections for each rate class.

In the OEB's COVID-19 Forgone Revenue Model, WNP has inputted:

- The actual number of accounts or connections for each rate class for the months of May, June, July and August 2020.
- Forecasted the number of accounts or connections for September and October 2020.
- Forecasted the monthly average number of accounts or connections for the recovery period of November 2020 to April 2021.

For forecasting, WNP used the approach described below:

Rate Class	Forecast Method
Residential	Applied an increase of 0.06% to August 2020's actual number of accounts to determine September's forecasted number. Applied an increase of 0.06% to September's forecasted number to determine October's forecast. Continued with the above approach to determine November 2020 to April 2021 forecasts to calculate the average number of accounts for the recovery period. 0.06% increase per month is based on 2019 residential growth rate as illustrated in the table below.
General Service <50kW	Used an average of the actual number of accounts for May, June, July and August 2020.
General Service 50-999kW	For these rate classes, the number of accounts has been the same for the months of January to August 2020. Therefore, WNP has used the same number of accounts for the forecasted months.
General Service 1000-4999kW	
Unmetered Scattered Load	For these rate classes, the number of connections has been the same for the months of January to August 2020. Therefore, WNP has used this number of connections for the forecasted months.
Sentinel Lighting	
Streetlights	

The table below shows the number of Residential accounts in 2019 for WNP and the change per month. The monthly average increase in the number of Residential accounts was 0.06%:

	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Monthly Average
Residential Accounts	3,293	3,292	3,296	3,301	3,300	3,300	3,305	3,303	3,306	3,301	3,312	3,314	
Change per month		-0.03%	0.12%	0.15%	-0.03%	0.00%	0.15%	-0.06%	0.09%	-0.15%	0.33%	0.06%	0.06%

b) Variable Distribution Charges

The total forgone revenue related to Distribution Volumetric Rates that WNP is seeking recovery for is \$4,961.85. This is determined by the energy consumption (kWh) or demand (kW) quantity for each rate class.

In the OEB's COVID-19 Forgone Revenue Model, WNP has inputted:

- The actual kWh consumption or kW demand for each rate class as used by customers in the months of May, June and July 2020. This kWh or kW quantity has been used to bill WNP's customers.
July 2020 actual kWh consumption was 20% above June 2020. This is as expected due to increased use of air-conditioner units in July 2020. August 2020 saw cooler temperatures and it is anticipated there will be less use of air-conditioner units by our residential customers. This trend was observed in 2019 with:
 - ❖ July 2019 kWh usage being 25% higher than June 2019; and
 - ❖ August 2019 kWh usage being 16% lower than July 2019.
- Forecasted the kWh or kW quantities for the months of August, September and October 2020. At the time of filing the Forgone Revenue Model with the OEB, WNP had not billed its customers for August usage (this will be billed circa September 16th 2020).
- Forecasted the kWh or kW quantities for the recovery period of November 2020 to April 2021.

For forecasting, WNP used the approach described below:

Rate Class	Forecast Method
Residential	Multiplied the number of accounts for each month by 637 kWh. 637 kWh is the monthly average usage (not loss adjusted) for WNP's Residential customers for 2019. (WNP completed its' transition to a residential fixed charge when rates were approved for May 1 st 2019 - EB-2018-0076).
General Service <50kW	Multiplied the number of accounts for each month by 1,976 kWh. 1,976 kWh is the monthly average usage (not loss adjusted) for WNP's General Service<50kW customers for 2019.
General Service 50-999kW	Used 4,307 kW. 4,307 kW was the average total monthly kW demand for this rate class in 2019 and seems reasonable as there has been no change to the number of accounts in this rate class.
General Service 1000-4999kW	Used 8,019 kW. 8,019 kW was the average total monthly kW demand for this rate class in 2019 and seems reasonable as there has been no change to the number of accounts in this rate class.
Unmetered Scattered Load	As these rate classes are unmetered, WNP has used the actual monthly kWh or kW quantities as recorded in May, June and July 2020.
Sentinel Lighting	
Streetlights	

The table below illustrates the monthly kWh usage (metered kWh without loss) for WNP's residential customers for 2019:

	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Monthly Average
kWh	2,673,920	2,337,395	2,357,257	1,999,492	1,755,648	1,676,219	2,242,122	1,934,367	1,670,017	1,844,227	2,228,027	2,535,205	2,104,491
Residential Accounts	3,293	3,292	3,296	3,301	3,300	3,300	3,305	3,303	3,306	3,301	3,312	3,314	
Change per month		-0.03%	0.12%	0.15%	-0.03%	0.00%	0.15%	-0.06%	0.09%	-0.15%	0.33%	0.06%	0.06%
Monthly Average kWh per Customer	812	710	715	606	532	508	678	586	505	559	673	765	637

* kWh is metered and without loss

By dividing the monthly kWh usage by the number of residential accounts, the monthly kWh per customer is calculated. The monthly kWh average per customer was 637 kWh in 2019.

Applying the same method for WNP's General Service<50 customers, in 2019 the monthly kWh average per customer was 1,976 kWh as illustrated below:

	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Monthly Average
kWh	1,155,651	1,005,687	1,043,420	888,303	832,855	801,996	931,477	850,102	752,118	828,172	989,883	1,058,506	928,181
GS<50kW Accounts	463	462	462	469	471	470	471	474	473	473	476	476	470
Monthly Average kWh per Customer	2,496	2,177	2,258	1,894	1,768	1,706	1,978	1,793	1,590	1,751	2,080	2,224	1,976

* kWh is metered and without loss

The table below summarizes the actual total kW demand for WNP customers in rate classes General Service 50-999kW and General Service 1000-4999kW for all months of 2019 and the monthly average:

Rate Class		Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Monthly Average
General Service 50-999kW	kW	4,360	4,492	4,549	4,263	4,076	4,130	4,192	4,158	4,362	4,378	4,358	4,367	4,307
General Service 1000-4999kW	kW	7,896	7,693	7,822	8,046	8,163	7,972	8,137	8,283	8,312	8,226	7,889	7,792	8,019

For forecasting kW demand, WNP has used 4,307 kW per month and 8,019 kW per month for rate classes General Service 50-999kW and General Service 1000-4999kW respectively.

2. Forgone distribution revenue due to the postponement of approved Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) amounts.

WNP is not seeking recovery of forgone revenue due to the postponement of approved LRAMVA amounts.

3. Forgone distribution revenue due to the postponement of the implementation of an approved Incremental Capital Module.

WNP is not seeking recovery of forgone revenue due to the postponement of the implementation of an approved Incremental Capital Module (ICM). Subsequently, in the Forgone Revenue Model in worksheet "1. Information", WNP has inputted "No" for ICM Rate Rider.

4. Impacts arising from the postponement of the change in the microFIT monthly fixed service charge.

WNP is not seeking recovery of forgone revenue of the change in the due to the postponement of the change in the microFIT monthly fixed service charge. Subsequently, in the Forgone Revenue Model in worksheet "1. Information", WNP has inputted "No" for MicroFIT Service Charge Rate Rider.

(In its' 2016 Cost of Service rate application (EB-2015-0110), WNP received approval to charge a distributor-specific MicroFIT monthly fixed service charge of \$15.69². In its' next 2021 Cost of Service application seeking approval of rates for May 1st 2021, WNP will be applying for a distributor specific MicroFIT monthly fixed service charge supported with appropriate costs and evidence.)

² Decision and Rate Order EB-2015-0110 Wellington North Power Inc. Application for electricity distribution rates and other charges beginning May 1, 2016, issued March 31, 2016, page 20.

COVID-19 Forgone Revenue Rate Rider Model.

With respect to the worksheets of the OEB's COVID-19 Forgone Revenue Rate Rider Model:

- Information Sheet:
 - Selected the Rate Effective Date as May 1st 2020.
 - Selected the postponed implementation date to be November 1st 2020.
 - Selected the proposed recovery period to be 6 months with a sunset date of the rates riders to be April 30th 2021.
- Current Tariff Schedule – WNP has reviewed the current Tariff of Rates and Charges effective and implemented on May 1st 2019 (as per IRM application EB-2018-0076) and confirms the tariff sheet is accurate with no discrepancies.
- Billing Determinants – WNP has:
 - Number of Customers / Connections:
 - ❖ Used actual numbers for May, June, July & August 2020.
 - ❖ Provided forecasted numbers for September and October 2020 using the methodology described previously.
 - ❖ Provided forecasted numbers for the recovery period of November 2020 to April 2021.
 - Consumption and Demand:
 - ❖ Used actual billed kWh and kW quantities for May, June & July 2020.
 - ❖ Provided forecasted kWh and kW quantities for August, September and October 2020 using the methodology described previously.
 - ❖ Provided forecasted kWh and kW quantities for the recovery period of November 2020 to April 2021.
- Forgone Revenue Rate Rider – WNP confirms the calculated Rate Riders are correct.
- Regulatory Charges & TOU – WNP made no changes to this worksheet.
- Originally Approved Tariff– WNP has reviewed the OEB-approved Tariff of Rates and Charges approved for May 1st 2020 (as per IRM application EB-2019-0073) and confirms the tariff sheet is accurate with no discrepancies.
- Final Tariff Schedule – WNP has reviewed the “Final Tariff Schedule” and confirms it is complete with the inclusion of “*Rate Rider for Recovery of COVID-19 Revenue from Postponing Rate Implementation - effective from November 1, 2020 and effective until April 30, 2021*” for each rate class.
- Bill Impacts – WNP has reviewed the bill impact for each rate class and confirms the calculations are correct.