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BY EMAIL

April 5, 2021

Jeff Klassen
Niagara-on-the-Lake Hydro Inc.
PO Box 460
8 Henegan Road
Niagara-on-the-Lake ON L0S 1T0
jklassen@notlhydro.com

Dear Mr. Klassen:

Re: EB-2020-0042 Application for 2021 Rates

The Ontario Energy Board (OEB) issued a Decision and Rate Order and a Draft Tariff of Rates and Charges in the above-noted proceeding on March 25, 2021. Included with that issuance were several models, including the OEB's Rate Generator Model. On March 26, 2021, in its comments on the Decision and Rate Order and Tariff of Rates and Charges, Niagara-on-the-Lake Hydro Inc. (Niagara-on-the-Lake Hydro) raised several issues for the OEB's consideration with respect to the Rate General Model:

1. Rate Generator Model - Tab 3
 - a. The value in cell BF43 \$185,900 and the value in cell BK43 is \$6,785 for a total of \$192,685 consistent with Niagara-on-the-Lake Hydro's original claim
 - b. Niagara-on-the-Lake Hydro believes these values should be \$151,878 in cell BF43 and \$6,336 in cell BK43 for a total of \$158,214 to reflect the revised Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) submission

The Rate Generator Model has been updated for this item. This change has no impact on the Tariff of Rates and Charges attached as Schedule A to the OEB's Decision and Rate Order.

2. Rate Generator Model - Tab 4
 - a. The value in cell C27 is (\$53,538)
 - b. Niagara-on-the-Lake Hydro believes this value should be (\$88,009)

The change made to the Rate Generator Model in response to issue 1, noted above, automatically resolves the discrepancy noted in issue 2. This change has no effect on the Tariff of Rates and Charges attached as Schedule A to the OEB's Decision and Rate Order.

3. Rate Generator Model - Tab 20
 - a. The Retail Transmission Service Rates (RTSR) for the Large Use customer class are not included in cells F272 and F273 for current approved rates and cell I272 and I273 for proposed rates which impacts the bill impact calculation for this rate class
 - b. Niagara-on-the-Lake Hydro believes the values in those cells should be
 - i. F272 – \$3.1394
 - ii. F273 – \$1.2861
 - iii. I272 – \$3.3707
 - iv. I273 – \$0.9244

Cell M33 of Tab 20 of the Rate Generator Model to Demand – Interval has been updated. This change automatically resolves the other discrepancies noted above and has no effect on the Tariff of Rates and Charges attached as Schedule A to the OEB's Decision and Rate Order.

4. Niagara-on-the-Lake Hydro noted that the Lost Revenue Adjustment Mechanism rate rider approved in its 2019 Cost of Service application¹ for residential customers was a fixed rate rider and the rate proposed in this application is a variable rate rider. Niagara-on-the-Lake Hydro was not able to adjust the Rate Generator Model to calculate a fixed rate rider for residential customers. Niagara-on-the-Lake Hydro is indifferent as to whether the rate rider is fixed or variable.

The Filing Requirements for Electricity Distribution Rate Applications, Chapter 3 - Incentive Rate-Setting Applications (Filing Requirements) state:

Distributors are expected to propose a fully fixed rate design for new charges applicable to the residential class provided that those charges are specifically related to the distribution of electricity. Pass-through costs (e.g. transmission rates, Low Voltage charges, and Group 1 deferral and variance accounts) and

¹ EB-2018-0056

LRAMVA amounts are to continue to be recovered as variable charges because they predominantly relate to energy charges. Previously approved distribution-specific charges or rate riders on a distributor's tariff should remain unchanged until they expire, even if they were declared interim.²

Consistent with the relevant section of the Filing Requirements, the OEB will maintain the Lost Revenue Adjustment Mechanism rate rider for residential customers as a variable charge.

As the comments provided by Niagara-on-the-Lake Hydro do not identify any inaccuracies or information missing from the Tariff of Rates and Charges attached as Schedule "A" to the previous Decision and Rate Order dated March 25, 2021, that previous Decision and Rate Order will be considered final.

Any questions relating to this letter should be directed to Kelli Benincasa at Kelli.Benincasa@oeb.ca or at 416-440-7624. The OEB's toll-free number is 1-888-632-6273.

Yours truly,

Original Signed By

Christine E. Long
Registrar

² *Filing Requirements for Electricity Distribution Rate Applications, Chapter 3 - Incentive Rate-Setting Applications, Page 8*