



Newmarket-Tay Power Distribution Ltd.

January 24, 2022

Interrogatory Responses for Newmarket- Tay Rate Zone and Midland Rate Zone

EB-2021-0044

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INTERROGATORIES OF ONTARIO ENERGY BOARD STAFF

BOARD STAFF IR - 1

Staff Question-1

Ref: Newmarket-Tay Rate Zone (RZ) - Rate Generator Model, Tab 20 Bill Impacts, Changes in Retail Transmission Service Rates (RTSRs)

As shown in Newmarket-Tay RZ's Rate Generator Model as filed – Tab 20 Bill Impacts, the increase in the RTSRs would result in an increase in the RTSR – Network charge for about 11% (for all rate classes), and an increase in the RTSR – Connection charge for about 9.5% (before the 2022 UTRs and Hydro One RTSRs got updated). These bill impacts in the RTSR charges are considered relatively high. As flagged in Tab 20 of the model, Newmarket-Tay Power is required to discuss the reasoning for the change in RTSRs. Please provide this information.

RESPONSE

The RTSR rates are set via Hydro One. Newmarket-Tay Power (NT Power) has confirmed the values input on Tab 12. RTSR – Historical Wholesale, in the IRM Rate Generator Model are correct. The rates that are calculated on Tab 12, also match the pre-populated rates on Tab 11. RTSR – UTRs & Sub-Tx. The variance on the bill impacts are therefore out of the control of NT Power and are a result of rates pre-populated in the IRM Rate Generator Model.

NT Power did not include an explanation in the Manager's Summary as the IRM Checklist stated for section 3.2.4 "No action required at filing – model completed with the most recent uniform transmission rates (UTRs) approved by the OEB"

BOARD STAFF IR - 2

Staff Question-2

Ref: Newmarket-Tay RZ, Rate Generator Model, Tab 3 Continuity Schedule, Accounts 1580, 1588 and 1589

OEB staff noted that there are discrepancies in the 2019 closing balances in Accounts 1580 (control account), 1588 and 1589 between Newmarket-Tay RZ's current Rate Generator Model and the final Rate Generator Model issued with the 2021 Decision and Rate Order (EB-2020-0041). The discrepancies are summarized below:

	2022 Application		2021 Application (final IRM Model)	
	2019 Closing Principal (\$)	2019 Closing Interest (\$)	2019 Closing Principal (\$)	2019 Closing Interest (\$)
Account 1580 (control account)	(255,867)	No discrepancy	(254,483)	No discrepancy
Account 1588	1,085,588	119,058	907,098	113,557
Account 1589	(1,082,946)	8,469	(933,395)	13,319

The 2019 year-end Group 1 balances were approved for disposition on final basis in the 2021 proceeding.

- Please provide explanation for the discrepancies noted in the table above.
- Please update the balance(s) in the continuity schedule for 2022 rates if necessary.

RESPONSE

- NT Power has reviewed the above noted variances and provides the following explanations along with an updated IRM Rate Generator Model:

Account #1580 principal variance of (\$1,384)

The above noted variance resulted from the exclusion of one account balance in the 2022 IRM model in the 2019 adjustment column cell AV23. The account balance was included in the transaction debit/credit column of 2020 in cell BD223. The continuity schedule has been updated to reflect the correct 2019 closing balance and the adjustment is noted in the 2020 principal balance adjustment column of the continuity schedule.

Account #1589 principal variance of \$149,550 and interest variance of \$4,850

The above noted variance resulted from adjustments noted in the Newmarket-Tay RZ 2021 IRM (EB-2020-0041).

An adjustment outlined in Board Staff IR-14 in the amount of \$149,550 plus interest of \$4,850 was outstanding in the 2020 accounting records and will be adjusted in the 2021 accounting records for both the principal and interest differential.

The continuity schedule has been updated to reflect the correct 2019 and 2020 closing balances. The variance to the 2020 RRR balance will be corrected when the entry is recorded in the 2021 accounting records.

Account #1588 principal variance of \$178,490 and interest variance of \$5,501

The above noted variance resulted from adjustments noted in the Newmarket-Tay RZ 2021 IRM (EB-2020-0041).

An adjustment outlined in Board Staff IR-14 in the amount of \$149,550 plus interest of \$4,850 was outstanding in the 2020 accounting records and will be adjusted in the 2021 accounting records for both the principal and interest differential.

In addition, an adjustment of \$28,940 plus interest of \$650 was incorrectly included in the 2020 fiscal period and not included in the December, 2019 closing balances.

The continuity schedule has been updated to reflect the correct 2019 and 2020 closing balances. The adjustment for \$28,940 plus interest has been included in the 2019 closing balance and the 2020 principal balance adjustment column of the continuity schedule. The variance to the 2020 RRR balance will be corrected when the entry is recorded in the 2021 accounting records.

BOARD STAFF IR - 3

Staff Question-3

Ref: Newmarket-Tay RZ, Rate Generator Model, Tab 6.2a CBR B_Allocation

As indicated in Tab 6 and Tab 6.2a, 2019 was the year of the balance that Account CBR Class B was last disposed of. Therefore, in the first table in Tab 6.2a, only the 2020 consumption amounts (column D) should be included in the allocation calculations. The Rate Generator Model should not have presented the columns E to H for 2019 back to 2016 in this table. OEB staff has removed the input that Newmarket-Tay Power entered for 2019 and 2018, and removed the columns for 2019 to 2016 in the table. The CBR Class B rate rider and transition customer amounts have been updated accordingly. Please review and confirm this update.

RESPONSE

NT Power confirms the update noted above.

BOARD STAFF IR - 4

Staff Question-4

Ref: Newmarket-Tay RZ, Rate Generator Model, Tab 8 STS – Tax Change

In Tab 8 of the Rate Generator Model, Newmarket-Tay Power entered 28.3% as the Combined Effective Tax Rate in cell H36. It's noted that this tax rate was provided as 28.25% in the final model issued with the Newmarket-Tay Power's 2021 Decision and Rate Order (EB-2020-0041). The difference in this tax rate will affect the share tax amount to be allocated to customers.

- a) Please review the Revenue Requirement Work Form approved in the 2010 cost of service application and confirm the accurate combined effective tax rate.
- b) Please provide the supporting reference for the accurate value and update the tax rate in Tab 8 if necessary.

RESPONSE

- a) NT Power has reviewed the Revenue Requirement Work Form approved in the 2010 Cost of Service Application and confirms the combined effective tax rate is 28.25%
- b) NT Power has updated Tab 8 of the Newmarket-Tay Rate Zone Rate Generator Model to reflect the revised tax rate of 28.25%. The shared tax savings rate rider has been reduced to \$41,095 because of this change.

BOARD STAFF IR – 5

Staff Question-5

Ref 1: Midland RZ, Manager's Summary page 18,

Ref 2: Rate Generator Model, Tab 3 Continuity Schedule, Account 1595 (2017)

Ref 3: 1595 Workform – Account 1595 (2017)

On page 18 of the Midland RZ's Manager's Summary, Newmarket-Tay Power noted:

Share Tax Savings 2012-2016 approved in previous applications provide for principal balances of (\$5,108) and interest of (\$798). These balances were grouped with Account 1595 (2017) in Tab 3 Continuity Schedule and separately in the RRR filing.. These shared tax savings balances from 2012 to 2016 have not been included in any previous Account 1595 dispositions to date due to the small balances. NT Power would request final disposition of these balances included in Account 1595 (2017).

- a) OEB staff noted that 2013 was the year for cost of service application for the Midland RZ, thus there should not be any share tax amount approved for 2013. Please provide a breakdown of the total principal (a credit of \$5,108) into the amounts approved in each year's decision with the associated interest, using the following table format:

	Share Tax – Principal (\$) (OEB-approved)	Share Tax – Interest (\$)
2016 (EB-2015-0088)		
2014 (EB-2013-0151)		
2013 (EB-2012-0147) COS year	-	-
2012 (EB-2011-0182)		
Total		

Please provide the supporting reference (document name, page #, filing date, etc.) for the principal amounts entered in the table for 2015, 2014 and 2012.

- b) If the total share tax amounts pertaining to 2012 to 2016 provided in part a) are different than the amounts included in the Manager's Summary, please update the 1595 Workform and Tab 3 of the Rate Generator Model accordingly.
- c) Please confirm in each year of 2017 to 2021, the share tax amounts approved for disposition were recorded in the associated 1595 Account for that year.

Following the filing requirements, Newmarket-Tay Power should make sure, the share tax amount approved in each year's application should be recorded in the associated 1595 Account if it does not produce a rate rider at the fourth decimal place.

RESPONSE

- a) The table below provides the supporting reference for the principal and interest amounts

Rate Year	Share Tax – Principal (\$) (OEB-approved)	Share Tax – Interest (\$)	Reference Documentation
2010 (EB-2009-0236)	(1,231.00)	(185.80)	OEB Decision And Order (EB-2009-0236), dated March 17, 2011, page 5
2011 (EB-2010-0099)	(2,447.00)	(354.40)	OEB Decision And Order (EB-2010-0099), dated March 31, 2010, page 4
2012 (EB-2011-0182)	(2,447.00)	(334.40)	OEB Decision And Order (EB-2011-0182), dated April 4, 2012, page 4
2016 (EB-2015-0088)	1,017.00	76.60	OEB Decision And Order (EB-2015-0088), dated March 17, 2016, page 5
Total	(5,108.00)	(798.00)	

- b) The total share amounts are relating to 2010 to 2016 and agree to the amounts noted in the Managers Summary. The Managers Summary should read “These shared tax savings balances from 2010 to 2016 have not been included in any previous Account 1595 dispositions to date due to the small balances.” NT Power is requesting the refund balances to be approved for disposition in this proceeding.
- c) NT Power – MRZ confirms the 2017 to 2021 shared tax amounts are included in the associated 1595 accounts for each year.

BOARD STAFF IR – 6

Staff Question-6

Ref: Midland RZ, LRAMVA Workform, Tab 1

Please complete Section B Current LRAMVA Application on Tab 1 of the filed Midland RZ LRAMVA Workform.

RESPONSE

NT Power has completed Section B of the Midland RZ LRAMVA Workform and has resubmitted the file.

BOARD STAFF IR - 7

Staff Question-7

Ref 1: Midland RZ, Manager's Summary, Section 3.2.6.1

Ref 2: Midland RZ, LRAMVA Workform, Tab 4

In the Midland RZ Manager's Summary, it is stated that NT Power is seeking disposition of prior year savings persistence from 2013 to 2019 programs. However, the Midland RZ LRAMVA Workform indicates that there are no persisting savings allocated to 2013 offerings. Please confirm whether Newmarket-Tay Power is seeking prior year savings persistence attributable to 2013 offerings.

RESPONSE

NT Power confirms it is not seeking disposition of prior year savings persistence attributable to 2013 offerings.

NT Power is seeking disposition of prior year program persistence for the year 2020.

BOARD STAFF IR - 8

Staff Question-8

Ref: Midland RZ, LRAMVA Workform, Tab 5

Newmarket-Tay Power is claiming persisting savings from the Midland RZ 2017 Save on Energy Coupon program. However, the net energy and net peak demand savings values could not be tied back to any of the filed evidence. Please identify the document and cell reference(s) for the net energy and net peak demand savings being claimed for the Midland RZ 2017 Save on Energy Coupon program.

RESPONSE

In the Midland RZ LRAMVA Workform, Tab 5, NT Power is claiming 2,656,230 kWh's and 180 KW attributed to the Save on Energy Coupon program (cells G471 and R471 respectively).

The kWh figures are provided in the "NTPower_MRZ_2017FinalResultsReport_20111025" under tab "LDC Savings Persistence" cells CL433 (2,330,946 kWh) and CL412 (325,284 kWh). The savings in cell CL412 are attributed to the Save on Energy Instant Discount Program which was combined with the Save on Energy Coupon Program in this filing.

The KW figures are provided in the "NTPower_MRZ_2017FinalResultsReport_20111025" under tab "LDC Savings Persistence" cells DY433 (158 KW) and DY434 (22 KW). The savings in cell DY434 of 22KW are attributed to the Save on Energy Instant Discount Program which was combined with the Save on Energy Coupon Program in this filing.

BOARD STAFF IR - 9

Staff Question-9

Ref: Newmarket-Tay RZ, LRAMVA Workform, Tab 4

Newmarket-Tay Power is claiming persisting savings from the Newmarket-Tay RZ 2011 adjustment to the Home Assistance program. However, the net energy and net peak demand savings values could not be tied back to any of the filed evidence. Please identify the document and cell reference(s) for the net energy and net peak demand savings being claimed for the Newmarket-Tay RZ 2011 adjustment to the Home Assistance program.

RESPONSE

In the Newmarket-Tay RZ LRAMVA Workform, Tab 4, NT Power is claiming 964 kWh's attributed to the Home Assistance program, in cell M92. NT Power is not claiming net peak demand savings for this program.

The kWh figure of 964 kWh's is provided in the submitted file named "NTPower_NTRZ_IESOPersistence2014_20211025" under tab "2014" in cell BB15.

BOARD STAFF IR - 10

Staff Question-10

Ref 1: Newmarket-Tay RZ, LRAMVA Workform, Tab 5

Ref 2: Midland RZ, LRAMVA Workform, Tab 5

Ref 3: Newmarket-Tay RZ, Manager's Summary, Section 3.2.6.1

Ref 4: Midland RZ, Manager's Summary, Section 3.2.6.1

- (a) Newmarket-Tay Power is claiming energy and net demand savings for offerings either persisting or installed from 2019 and 2020, respectively, in both the Newmarket-Tay and Midland RZs. However, all net energy and net peak demand savings values for 2019 and 2020 could not be tied back to any of the filed evidence. Please identify the document and cell reference(s) for all net energy and net peak demand savings values for 2019 and 2020 being claimed.
- (b) In the Manager's Summary for both the Newmarket-Tay and Midland RZs, Newmarket-Tay Power has stated the following:

The Participation and Cost Report for the period of April, 2019 has been submitted. NT Power utilized the final Participation & Cost Report from the IESO for the period ending April 15, 2019 year to date kWh value then divided this by four and multiplied by twelve to get the approximate total year savings.

The intention of the LRAMVA is to claim actual lost revenues and not estimates. Please update the filed evidence to reflect actual lost revenues based on the final Participation & Cost Report from the IESO and/or other project-level files, with the most recent IESO net-to-gross factor applied.

RESPONSE

- (a) NT Power confirms claiming energy and net demand savings for offerings either persistence or installed from 2019 and 2020 in both the Newmarket-Tay and Midland RZs.

Midland RZ

The net energy and peak demand savings values for 2019 pertaining to the Midland RZ can be found in the submission file "NTPower_IRR_MRZ_Projects_2019_Net Energy Savings_20220124". The Save ON Energy Retrofit and Small Business Lighting program data can be found on Tab "2019 Net Verified KW" in cells E5 & F5 and cells E6 & F6

respectively. The Save ON Energy Heating and Cooling program data can be found in the file named "NTPower_MRZ_2019April_Participation and Cost Report_20211125" on Tab "LDC Progress" in cell BQ6. The value in this cell has been averaged to for a full year.

The net energy and peak demand savings values for 2020 pertaining to the Midland RZ can be found in the file "NTPower_IRR_MRZ_Projects_2020_Net Energy Savings_20220124". The Save ON Energy Retrofit program data can be found on Tab "2020 Net Verified KW" in cells E4 & F4.

Newmarket-Tay RZ

The net energy savings values for 2019 pertaining to the Newmarket-Tay RZ for the Instant Savings Local Program and the Save ON Energy High Performance New Construction Program can be found in the file "NTPower_IRR_NTRZ_Projects_2019_Net Energy Savings_20220124" on tab "2019 Net Verified KW" in cells F4 and F7 respectively.

The Save ON Energy Heating and Cooling and the Retrofit program data for 2019 can be found in the file named "NTPower_NTRZ_2019April_Participation and Cost Report_20211025" on Tab "LDC Progress" in cells BQ 6 and BQ15 respectively. The values in these cells have been averaged to for a full year.

The net energy and peak demand savings values for 2020 pertaining to the Newmarket-Tay RZ can be found in the file "NTPower_IRR_NTRZ_Projects_2020_Net Energy Savings_20220124". The Save ON Energy Retrofit program data can be found on Tab "2020 Net Verified KW". The Save ON Energy Heating and Cooling, Retrofit and Home Assistance program data can be found in cells B3 & C3, B5 & C5 and B6 and C6 respectively.

NT Power has updated the NTRZ LRAMVA model as an error was found in Tab 5 cell E924 and P924. The kWh consumption of 322,460 claimed for the Instant Savings Local Program was included under KW demand (cell P924) instead of kWh consumption in cell E924. NT Power has submitted a revised NTRZ LRAMVA model because of this finding, however there is no change to the LRAM being claimed as this program is 100% allocated to the residential class.

- (b) The LRAMVA historically has been based on the Final Verified Annual Results published by the IESO. Following the Ministry of Energy, Northern Development and Mines' decision on March 20, 2019, to conclude the Conservation First Framework (CFF) led the IESO not issuing the annual verified report format which were used historically.

The net energy savings is based on the Participation and Cost Report provided as of April 15, 2019, for both the Newmarket-Tay and Midland rate zones. NT Power used the Detailed Project Level Savings file as provided by the IESO for the Net Demand Savings by program applying the outlined IESO saving calculation methodology and applicable reference table metrics with the conservative assumption that persistence for 2019 would be equal to 2018 current year savings. These same assumptions were utilized in NT Power's 2021 IRM filing which was approved for disposition.

BOARD STAFF IR – 11

Staff Question-11

Please file an updated LRAMVA Workform, Rate Generator Model, and Manager's Summary for the Newmarket-Tay and Midland RZs, should any updates be required as a result of responses to OEB staff questions.

RESPONSE

NT Power has filed the following revised models resulting from updates to OEB staff questions:

1. NTPower_IRR_NTRZ_2022_IRM_Rate-Generator-Model_20220124 (updated from Board Staff IR - #2 & #4)
2. NTPower_IRR_MRZ_2022_LRAMVA_20220124 (updated from Board Staff IR – 6)
3. NTPower_IRR_NTRZ_2022_LRAMVA_20220124 (updated from Board Staff IR - 11)
4. NTPower_IRR_MRZ_Projects_2019_Net Energy Savings_20220124 (submitted per Board Staff IR-11)
5. NTPower_IRR_MRZ_Projects_2020_Net Energy Savings_20220124 (submitted per Board Staff IR-11)
6. NTPower_IRR_NTRZ_Projects_Net Energy Savings_2019_20220124 (submitted per Board Staff IR-11)
7. NTPower_IRR_NTRZ_Projects_Net Energy Savings_2020_20220124 (submitted per Board Staff IR-11)
8. NTPower_IRR_2011-2014 LDC Savings Persistence