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June 27, 2022

VIA RESS

Ms. Nancy Marconi
Registrar
Ontario Energy Board
2300 Yonge Street
Toronto, ON
M4P 1E4

Dear Ms. Marconi:

**Re: Niagara-on-the-Lake Hydro's 2022 Rate Adjustment Application
Vulnerable Energy Consumers Coalition (VECC) Interrogatories
Ontario Energy Board File Number: EB-2022-0158**

Please find attached the Vulnerable Energy Consumers Coalition (VECC) interrogatories for Niagara-on-the-Lake Hydro in the above-noted proceeding. This document has been sent to all registered parties to this proceeding via email.

Yours truly,

A handwritten signature in black ink, appearing to read 'W Harper', written in a cursive style.

William Harper
Consultant for VECC/PIAC

Cc: All parties to EB-2022-0158

REQUESTOR NAME	VECC
INFORMATION REQUEST ROUND:	# 1
TO:	Niagara-on-the-Lake Hydro (NOTL)
DATE:	June 24, 2022
CASE NO:	EB-2022-0158
APPLICATION NAME	2022 Rate Modification Application

VECC-1

Reference: Application, pages 4, 9 and 10

Preamble: The Application states (page 4):
“On May 2, 2022, NOTL Hydro submitted a System Impact Assessment (SIA) request to the IESO and a Connection Impact Assessment (CIA) to Hydro One requesting the availability of 80 MW of transmission line capacity on behalf of one of its customers”.

The Application also states (page 4):
“Cryptocurrency mining differs from traditional industrial infrastructure in that a new operation can be built and established within a couple of months. Our customer currently intends to be operating as soon as possible; including potentially operating this summer”.

At page 9 the Application states:
“At 20 MW, the difference between the Provincial Transmission Rates and the NOTL Hydro approved rates is \$39,182 per month or \$470,184 annually. This shortfall will accumulate in the NOTL Hydro variance accounts and would subsequently have to be recovered from all NOTL Hydro ratepayers”.

At page 10 the Application states:
“The SIA and CIA applications submitted to the IESO and Hydro One request a July 2022 in-service date”.

- a) What is the current status of the SIA request to the IESO and the CIA request to Hydro One?
- b) At this point, is the expected in-service date still July 2022?
- c) The reference on page 4 suggests that the new customer’s load could be up to 80 MW. However, the reference on page 9 suggests the customer’s load will be in the order of 20 MW. What is NOTL’s best estimate as to the new customer’s average monthly peak demand?
- d) Based on this estimate what would be the monthly revenue based on NOTL’s 2022 approved fixed and variable distribution rates? (Note: If NOTL is unable to provide an estimate in response to part (c), Please provide the monthly revenue based on a billing demand of 20 MW.

VECC-2

Reference: Application, page Exhibit 9, pages 4, 5 and 9

Preamble: The Application states (page 4):
“On May 2, 2022, NOTL Hydro submitted a System Impact Assessment (SIA) request to the IESO and a Connection Impact Assessment (CIA) to Hydro One requesting the availability of 80 MW of transmission line capacity on behalf of one of its customers”.

At page 9 the Application states:
“It is therefore expected that the cryptocurrency mining operation will operate close to operating capacity at most times. This means the NOTL Hydro peaks for the purposes of calculating the Network Service Charge and the Line Connection Service Charge as administered by the IESO will increase by the full amount of the demand of the cryptocurrency mining operation. The charge to NOTL Hydro will therefore increase by this level of demand multiplied by the respective rates”.

At page 5, the Application states:
“NOTL Hydro is only expecting one Large Use customer at any point in time but does note that the cryptocurrency mining operation has not established their corporate structure and has indicated that it may be subject to change”.

At page 9 the Application also states:
“NOTL Hydro is therefore requesting an amendment to its Large Use Service Classification Retail Transmission rates so that they match the Provincial Transmission Rates as approved by the OEB (EB-2022-0084)”.

- a) Does NOTL currently have any expectation that there will be additional new Large Use customers requesting service in 2022 or 2023 (apart from the new cryptocurrency customer)?
- b) What implications, if any, does the fact the new “cryptocurrency mining operation has not established their corporate structure” have with respect to the current Application for revised Large Use class RTSRs and changes to the Specified Customer Revenue Variance Account?
- c) Please describe how the new cryptocurrency customer will be supplied (i.e., at what point will the supply come from Hydro One/be delivered to NOTL and what NOTL facilities will be used to supply the customer?).
- d) Will NOTL incur any line or transformation losses between the point at which Hydro One measures demand for purposes of charging NOTL for Network Service and Line Connection Service and the point at which NOTL will measure the new customer’s demand for purposes of applying its Retail Transmission Service Rates?
 - i. If yes, what is the estimate percentage losses per kW of monthly peak

delivered to the new customer?

- ii. If yes, shouldn't the Provincial Transmission Rates be increased to recover these losses when determining the RTSR for the Large Use Service Classification in order to ensure all NOTL Hydro customers are treated fairly?

VECC-3

Reference: Application, page 11
EB-2018-0056, Settlement Proposal, page 9 and Appendix I

Preamble: The Application states:

"NOTL Hydro is seeking to amend this Order to instead have a general Large Use Customer Revenue Variance Account. The cryptocurrency mining operation has an even greater uncertainty as to the future level of demand. It would also be much easier to close the operation as the operating assets, the servers, are very portable and the land is leased rather than owned. Under this amended order, the 5 MW variance account would apply to each Large Use customer".

The load forecast per the EB-2018-0056 Settlement Proposal included one Large Use customer with an average monthly demand of 5 MW. Appendix I from the EB-2018-0056 Settlement Proposal set out the Draft Accounting Order for Specified Customer Revenue Variance Account and included the following statement:

"On a monthly basis the demand revenue from the Specified Customer will be reviewed and any variance from a demand of 5,000 kW will result in a journal entry in the account. Demand revenue will include any standby revenue billed due to the Specified User's behind-the-meter generation displacing demand revenue. The amount recorded will be the difference between actual revenue collected from the Specified Customer and the amount of revenue forecasted to be collected for that period, based on the approved fixed and variable rates in effect during that period".

- a) With respect to NOTL's proposed general Large Use Customer Revenue Variance Account, is it NOTL's proposal that if there was more than one Large Use customer, then the total variance to be recorded in the account would be the sum of the variances for each customer when each customer's actual revenue is compared to the monthly fixed and variable distribution revenues assuming 5 MW of demand?
 - i. If yes, why is this appropriate when the load forecast per the EB-2018-0056 Settlement only included one Large Use customer?

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