**Alectra Utilities Corporation**

**EB-2022-0185**

**OEB Staff Questions**

**August 24, 2022**

Please note, Alectra Utilities Corporation is responsible for ensuring that all documents it files with the OEB, including responses to OEB staff questions and any other supporting documentation, do not include personal information (as that phrase is defined in the *Freedom of Information and Protection of Privacy Act*), unless filed in accordance with rule 9A of the OEB’s *Rules of Practice and Procedure*.

**Staff Question-1**

**Ref: Horizon Rate Zone (RZ), Enersource RZ and Guelph RZ, Rate Generator Models, Tab 12 RTSR – Historical**

In the IESO tables on Tab 12 of Horizon RZ, Enersource RZ and Guelph RZ’s Rate Generator Models, the Line Connection rate and Transformation Connection rate calculated for April 2021 (cell I22 and cell M22) do not match the corresponding Uniform Transmission Rates (UTRs) as listed on Tab 11 ($0.77 and $2.53).

1. For each of the three RZs, please confirm that the billing data entered in Tab 12 for April 2021 is correct.

i) If so, please provide an explanation of the discrepancies in UTRs as described above.

ii) If not, please make necessary updates in the Rate Generator Models.

**Staff Question-2**

**Ref: Horizon RZ, Brampton RZ, PowerStream RZ, Enersource RZ, Rate Generator Models, Billing Determinant Data in Tab 4**

It’s noted that before filing the application, Alectra Utilities had worked with OEB staff to update certain billing determinant data (RRR 2.1.5.4 and RRR 2.1.2) in Tab 4 of the Rate Generator Models of the above noted four RZs. Please confirm that the current billing determinant data shown in the four RZs’ models match the corresponding data reported for each RZ in the RRR system. If there are any discrepancies, please provide explanations.

**Staff Question-3**

**Ref: Guelph RZ, Rate Generator Model, Tab 3 Continuity Schedule, Accounts 1595 (2016) and 1595 (2017)**

In the Continuity Schedule filed for the Guelph RZ, the 2021 closing balance in Account 1595 (2016) is a credit of $2,462, and the 2021 closing balance in Account 1595 (2017) is a debit of $10,983. It’s noted that these two 1595 sub-accounts have been disposed of in previous rate proceedings.

1. Please confirm that Alectra Utilities intents to write off the above noted residual balances in Accounts 1595 (2016) and 1595 (2017). If not, why not?

**Staff Question-4**

**Ref: Enersource RZ, Renewable Generation Connection Rate Protection (RGCRP) Model, Exhibit 2 / Tab 1 / Schedule 6 / page 2**

Alectra Utilities notes in the application that Enersource filed a basic Green Energy Plan (GEA Plan) which was approved by the OEB in the 2013 cost of service proceeding. The GEA Plan identified the projects and expenditures associated with the connection of renewable generation to its system and discussed constraints on the ability to connect renewable generation.

1. Please identify the associated years of the eligible projects (and investments). Were there any eligible projects approved and placed in service in 2022 and 2021? Are there any new project(s) forecasted for 2023 in the RGCRP model calculations?
2. Please explain why the true-up amount (associated with 2022 and 2021 funding amounts) calculated for 2023 proceeding is $0.

**Staff Question-5**

**Ref: Brampton RZ, PowerStream RZ, Enersource RZ, RGCRP Models**

As noted in the application, Alectra Utilities and OEB staff updated the RGCRP models to extend the calculations for the RGCRP funding amounts for each year between 2022 to 2026. For the above noted three RZs, the next rebasing rate year as scheduled is 2027.

Chapter 2 Filing Requirements for Electricity Distribution Rate Applications – 2022 Edition for 2023 (Cost of Service) Rate Applications states that:

For distributors that are already receiving rate protection as a result of a previous application and approval (in many cases, based on a forecast of capital expenditures on qualifying connection assets), the new (current) cost of service application should include an update to include the actual costs incurred for the investments as well as a depreciation adjustment to calculate a new capital amount for input into Appendices 2-FA through 2-FC. This would generate a new up-to-date rate protection amount for the test year and beyond, which will be subject to the materiality threshold in section 2.0.8.

1. In the RGCRP models filed for the three RZs in the current application, it’s noted that Alectra Utilities updated the models to extend the calculations for 2027. Please explain Alectra Utilities’ intention for this update in this application.

**Staff Question-6**

**Ref: Street Lighting Class Bill Impacts (Horizon RZ, Brampton RZ, PowerStream RZ, and Guelph RZ), Rate Generator Models, Alectra\_APPL\_Attach 35 Analysis BillImpacts Over 10%\_20220803**

As calculated in the Rate Generator Models and stated in the Manager’s Summary (Exhibit 2 Tab 1 Schedule 9, pages 5-6), Alectra Utilities’ total bill impact in the Street Lighting rate class for the Horizon, Brampton, PowerStream and Guelph Hydro RZs exceed the OEB’s 10% threshold. Alectra Utilities notes that the primary reason for the over-the-threshold bill impacts is the disposition of LRAMVA balances from its CDM activities in 2020 and 2021. The following is a summary table of the bill impacts above 10%.

|  |  |  |
| --- | --- | --- |
| **Rate Zone** | **Rate Class** | **Total Bill Impact** |
| **Horizon RZ** | Street Lighting | 10.1% |
| **Brampton RZ** | Street Lighting | 15.6% |
| **PowerStream RZ** | Street Lighting | 11.1% |
| **Guelph RZ** | Street Lighting | 73.9% |

Alectra Utilities submits in the application that no mitigation plan is necessary for the above noted four RZs’ Street Lighting classes based on its analysis of bill impacts of over 10% (Attachment 35 of the application).

1. In Table 1 on Tab 20 of the Rate Generator Models for the four RZs in this question, please review and ensure the correct billing determinants for fixed charge are entered in column N for the Street Lighting class. Please make necessary updates to the models. As instructed in Note 2 of Tab 20 Bill Impacts, if the monthly fixed charge is applied on a per customer basis, for instance, 1 should be entered as billing determinant; if the monthly fixed charge is applied on a per-connection basis, the number of connections for a typical customer should be entered. Please note that the basis of the monthly fixed charge is indicated in the tariff.
2. As indicated in the instruction paragraph at the top of Tab 20 of the Rate Generator Model, a typical customer’s consumption and demand data must be used for the bill impact calculations. Please ensure a typical Street Lighting customer’s consumption and demand volumes (at the current level) are entered in Table 1 of Tab 20 for each of the four RZs.
3. Has Alectra Utilities communicated with the Street Lighting customers (shareholders) in the four RZs (especially Guelph RZ and Brampton RZ) regarding the proposed rate increases as of January 2023 and the resulting total bill impacts? If yes, please provide feedback from the affected shareholders. If not, please explain why Alectra Utilities has not informed the shareholders about the proposed rate increases and resulting bill impacts.
4. As set out in Tab 20 Bill Impacts of the Rate Generator Model (as well as Tab 5 in the Tariff Schedule & Bill Impact Model for rebasing applications), the bill impact analysis required in a distributor’s annual rate application, is to compare the proposed billing amounts (including individual billing component, sub-total amounts, and total bill amounts) to the current billing amounts at a fixed typical consumption/demand level (same volume data applied to both proposed and current). Therefore the results indicate that a typical customer’s bill increases or decreases as a result of only rate (and price) changes when the proposed rates are in effect. Please confirm whether Alectra Utilities proposes to follow the bill impact calculation approach set out in the OEB models for the four RZs’ Street Lighting classes. If not, please explain.
5. Please confirm whether Alectra Utilities now proposes to mitigate the bill impacts for any of the four RZs. If yes, please provide details about the mitigation plans and make necessary updates to related models. If Alectra Utilities does not propose to mitigate the bill impacts, please provide the rationale.
6. For the Guelph RZ, if there is a scenario where the total LRAMVA balance is to be disposed of over 24 months to mitigate the bill impact for the Street Lighting class, please prepare a copy of the Rate Generator Model to reflect this scenario.
7. For the Guelph RZ, if there is a scenario where the total LRAMVA balance is to be disposed of over 36 months to mitigate the bill impact for the Street Lighting class, please prepare a copy of the Rate Generator Model to reflect this scenario.
8. If Alectra Utilities still proposes to use the alternative bill impact analysis as pre-filed, please answer the following question:
	1. In the alternative bill impact analysis workform, the 2017/2018 RRR volume was applied in the “Current” section with current 2022 rates; and the 2021 RRR volume was applied in the “Proposed” section with proposed 2023 rates. Please provide a rationale for the mismatch between volume and rates in the analysis.

**Staff Question-7**

**Ref: Attachment 26, LRAMVA Workform BRZ, Summary of Changes Tab 1a**

1. There are no entries for the Summary of Changes Tab, please confirm that there are no changes to report in the workform.

**Staff Question-8**

**Ref1: Attachment 25, LRAMVA Workform PRZ, Summary of Changes Tab 1a**

**Ref2: Attachment 27, LRAMVA Workform PRZ, Summary of Changes Tab 1a**

**Ref3: Attachment 28, LRAMVA Workform ERZ, Summary of Changes Tab 1a**

**Ref4: Attachment 29, LRAMVA Workform GRZ, Summary of Changes Tab 1a**

1. The entries for the Summary of Changes indicate that the changes are in Tab 5 2015-2020, please confirm that it should state Tab 5. 2015-2027 LRAM.

**Staff Question-9**

**Ref1: Exhibit 2, Tab 1, schedule 7 Disposition of LRAMVA**

1. Alectra Utilities is not claiming an LRAM for any residential customers for the years 2020 and 2021. Please confirm that Alectra Utilities will not be claiming an LRAM in future years for residential customers for the 2020-2021 period.