

### Staff Question-1

**Reference: 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).

- a) 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.

### Response:

- 1 a) Alectra Utilities has updated the billing data in Tab 12 of the Rate Generator Model ("RGM")  
2 for the Horizon, Enersource and Guelph RZs. The updated RGM for the Horizon RZ is filed  
3 as Staff Question-1\_Attach 1\_RGM HRZ. The updated RGM for the Enersource RZ is filed as  
4 Staff Question-1\_Attach 2\_RGM ERZ. The updated RGM for the Guelph RZ is filed as Staff  
5 Question-1\_Attach 3\_RGM GRZ. In addition, Alectra Utilities has updated the RGM for the  
6 PowerStream RZ to match the corresponding UTRs in Tab 12. This is filed as Staff Question-  
7 1\_Attach 4\_RGM PRZ.

**Staff Question-2**

**Reference: 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.

**Response:**

- 1 Alectra Utilities confirms that the current billing determinant data shown in the four RZ's models
- 2 match the corresponding data reported for each RZ in the RRR system.

**Staff Question-3**

**Reference: 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.

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

**Response:**

- 1 a) Alectra Utilities confirms it intends to write off the residual balances in sub-accounts 1595
- 2 (2016) of (\$2,462) and 1595 (2017) of \$10,983.

**Staff Question-4**

**Reference: 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.

- a) 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?
- b) Please explain why the true-up amount (associated with 2022 and 2021 funding amounts) calculated for 2023 proceeding is \$0.

**Response:**

- 1 a) Alectra Utilities confirms that no new projects were approved and placed in service in 2021  
2 and 2022. Alectra Utilities does not anticipate any new projects for 2023.  
3
- 4 b) The true-up amount (associated with 2021 and 2022 funding amounts) calculated for the  
5 2023 proceeding is \$0 because no new projects were approved and placed in service in  
6 2021 and 2022. As provided in Exhibit 2, Tab 1, Schedule 6, p.2, there are no further  
7 additions anticipated over the 2022 to 2026 period, and therefore, no further true-ups are  
8 required.

## **Staff Question-5**

### **Reference: 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.

- a) 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.

### **Response:**

- 1 a) Alectra Utilities unintentionally extended the calculations for RGCRP funding amounts to  
2 2027. Therefore, Alectra Utilities has updated the RGCRP models for the Brampton RZ,  
3 PowerStream RZ and Enersource RZ by removing the 2027 calculation for the RGCRP  
4 funding amounts. The updated RGCRP Models are filed as Staff Question-5\_Attach  
5 1\_RGCRP BRZ, Staff Question-5\_Attach 2\_RCGRP PRZ and Staff Question-5\_Attach  
6 3\_RGCRP ERZ.

**Staff Question-6**

**Reference: 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
<b>Horizon RZ</b>	Street Lighting	10.1%
<b>Brampton RZ</b>	Street Lighting	15.6%
<b>PowerStream RZ</b>	Street Lighting	11.1%
<b>Guelph RZ</b>	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).

- a) 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.
- b) 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.
- c) 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.

- d) 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.
- e) 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.
- f) 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.
- g) 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.
- h) If Alectra Utilities still proposes to use the alternative bill impact analysis as pre-filed, please answer the following question:
  - i. 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.

**Response:**

- 1 a) Alectra Utilities has updated the billing determinants for the fixed charge in column N for the
- 2 Street Lighting class in Table 1 on Tab 20 of the Rate Generator Models ("RGM") for the four
- 3 RZs. Table 1 below, provides the basis for the fixed charge for the four RZs.

**Table 1 – Basis for Fixed Charge by Rate Zones**

<b>Rate Zone</b>	<b>Rate Class</b>	<b>Basis for the Monthly Fixed Charge</b>
<b>Horizon RZ</b>	Street Lighting	Per luminaire
<b>Brampton RZ</b>	Street Lighting	Per connection
<b>PowerStream RZ</b>	Street Lighting	Per luminaire
<b>Guelph RZ</b>	Street Lighting	Per luminaire

Alectra Utilities submitted an updated RGM for the Horizon (Staff Question-1\_Attach 1\_RGM HRZ), Guelph (Staff Question-1\_Attach 3\_RGM GRZ), and PowerStream (Staff Question-1\_Attach 4\_RGM PRZ) RZs in response to Staff Question-1 which includes updated billing determinants for the Street Lighting rate class. The updated billing determinants for the Street Lighting rate class for the Brampton RZ is filed as Staff Question-6\_Attach 1\_RGM BRZ. In response to parts a), b), e), f) and g) of this question, Alectra Utilities has submitted a 'Street Lighting Bill Impact Scenario Model' for the Brampton and Guelph RZs based on Tab 7 and Tab 20 of the RGM in order to assess the bill impact based on various disposition assumptions and updated billing determinants. The 'Street Lighting Bill Impact Scenario Model' for the Brampton RZ is filed as Staff Question-6\_Attach 2\_Street Lighting Bill Impact Scenario BRZ. The 'Street Lighting Bill Impact Scenario Model' for the Guelph RZ is filed as Staff Question-6\_Attach 3\_Street Lighting Bill Impact Scenario GRZ.

- b) Alectra Utilities has updated the consumption and demand data for the Street Lighting class bill impact calculation in Table 1 of Tab 20 for the four RZs. For the Brampton RZ, there is only one Street Lighting customer in the rate class. The current level of consumption and demand data for the Brampton RZ is based on the monthly average of the current billing determinants for Street Lighting class reported in Tab 4 of the Rate Generator Model. The Horizon, PowerStream and Guelph RZs have more than one customer in the Street Lighting class. Therefore, additional bill impact scenarios have been included in Tab 20 to calculate the bill impacts for the largest and smallest Street Lighting customer, based on the number of luminaires. The typical monthly average consumption and demand volumes at the current level were used to update the bill impact calculation for the Street Lighting class in the Horizon, PowerStream and Guelph RZs.



- c) Alectra Utilities will communicate with its streetlight customers to advise of the proposed increase in bill impacts. It is important to note that for many of the Street light LED conversion projects, Alectra Utilities worked closely with municipalities to provide forecasts of future bill impact savings where distribution related charges were not identified as future savings.
- d) Alectra Utilities proposes to follow the bill impact calculation approach set out in the OEB models for the four RZs' Street Lighting classes.
- e) Table 2 below, provides the updated total bill impacts for the four RZs, using the updated billing determinants for fixed and volumetric charges for the Street Lighting class.

**Table 2 – Updated Bill Impact for Street Lighting Class**

Rate Zone	Rate Class	Total Bill Impact Largest Customer	Total Bill Impact Smallest Customer
Horizon RZ	Street Lighting	9.04%	9.73%
Brampton RZ	Street Lighting	14.55%	N/A
PowerStream RZ	Street Lighting	7.83%	7.49%
Guelph RZ	Street Lighting	65.64%	71.53%

The updated Street Lighting class total bill impacts for the Horizon and PowerStream RZs are now below the OEB's 10% threshold. Therefore, Alectra Utilities submits no mitigation plan is necessary for Horizon and PowerStream RZs.

For the Brampton and Guelph RZs, Alectra Utilities has assessed the total bill impact where the LRAMVA balance for the Street Lighting rate class is disposed over 24 months. Table 3 below, includes the updated total bill impact for the Brampton and Guelph RZ's Street Lighting class based on a 24-month recovery. Alectra Utilities proposes to recover the LRAMVA balance for the Brampton RZ Street Lighting rate class over 24 months which results in bill impacts below the OEB's 10% threshold.

**Table 3 – Updated Bill Impact for Brampton and Guelph RZ Street Lighting Class - 24 months Scenario**

Rate Zone	Rate Class	Total Bill Impact Largest Customer	Total Bill Impact Smallest Customer
Brampton RZ	Street Lighting	4.89%	N/A
Guelph RZ	Street Lighting	37.65%	41.02%

- f) Table 4 below, provides the total bill impact for the Guelph RZ Street Light Class under the 24 months scenario. Under this scenario, the total bill impacts still exceed the OEB's 10% threshold.

**Table 4 – Updated Bill Impact for Guelph Street Lighting Class – 24 months Scenario**

Rate Zone	Rate Class	Total Bill Impact Largest Customer	Total Bill Impact Smallest Customer
<b>Guelph RZ – 12 months</b>	Street Lighting	65.64%	71.53%
<b>Guelph RZ – 24 months</b>	Street Lighting	37.65%	41.02%

- g) Alectra Utilities has completed a scenario where the Guelph RZ total LRAMVA balance is disposed over 36 months for the Street Lighting class. Table 5 below, provides total bill impact for Guelph RZ Street Light Class under the 36 months scenario. Under this scenario, the total bill impacts still exceed the OEB's 10% threshold.

The Chapter 3 filing requirements outline the OEB's expectations regarding the disposition of all outstanding LRAM balances. Alectra Utilities has requested disposition of 2020 and 2021 LRAMVA balances in this application. Due to the timing of completion of the Street Light CDM Retrofit program in the Guelph RZ (program commenced in October 2019 and was completed in November 2020), the 2023 application includes material CDM savings from this program for the Guelph RZ. Alectra Utilities submits that although the bill impacts under this scenario still exceed 10%, deferring the recovery of these amounts further may result in higher bill impacts in subsequent years as persistence impacts from this program for the 2022 to 2026 period will be recovered in future applications. Alectra Utilities proposes to recover the LRAMVA balance for the GRZ Street Lighting rate class over 36 months.

**Table 5 – Updated Bill Impact for Guelph Street Lighting Class – 36 months Scenario**

Rate Zone	Rate Class	Total Bill Impact Large Customer	Total Bill Impact Small Customer
<b>Guelph RZ – 12 months</b>	Street Lighting	65.64%	71.53%
<b>Guelph RZ – 24 months</b>	Street Lighting	37.65%	41.02%
<b>Guelph RZ – 36 months</b>	Street Lighting	28.32%	30.85%

- 1 h) Alectra Utilities proposes to follow the bill impact calculation approach set out in the OEB
- 2 models for the four RZs' Street Lighting classes.

**Staff Question-7**

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

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

**Response:**

- 1 a) Alectra Utilities has updated the Summary of Changes Tab in the LRAMVA workform for the  
2 Brampton RZ to document the changes made to the generic inputs in the LRAMVA  
3 Workform. The updated LRAMVA Workform is filed as Staff Question-7\_Attach 1\_LRAM  
4 BRZ.

**Staff Question-8**

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

**Reference 2: Attachment 27, LRAMVA Workform PRZ, Summary of Changes Tab 1a**

**Reference 3: Attachment 28, LRAMVA Workform ERZ, Summary of Changes Tab 1a**

**Reference 4: Attachment 29, LRAMVA Workform GRZ, Summary of Changes Tab 1a**

- a) 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.

**Response:**

- 1 a) Alectra Utilities confirms that the entries for the Summary of Changes should indicate that
- 2 the changes are in Tab 5. 2015-2027 LRAM.

**Staff Question-9**

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

- a) 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.

**Response:**

- 1 a) Alectra Utilities confirms that it will not be claiming an LRAM in future years for residential
- 2 customers for the 2020-2021 period as all of its rate zones have transitioned to a fully fixed
- 3 monthly distribution service charge for residential customers.