

**Grimsby Power Inc.
EB-2022-0035**

Please note, Grimsby Power Inc. (GPI) 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: (1) EB-2021-0027, 2022 Cost Allocation Model, Tab I6.1
(2) Rate Generator Model, Tab 9 – Shared Tax Rate Rider

Preamble:

Table 1 below is an excerpt from the OEB-approved Cost Allocation Model from GPI's 2022 Cost of Service Application:

Table 1: OEB-approved 2022 Cost Allocation Model – kWh and kW Forecast from

Rate Class	Forecast kWh	Forecast kW
Residential	98,232,382	
General Service Less than 50 kW	22,769,981	
General Service 50 to 4,999 kW	79,247,803	224,689
Unmetered Scattered Load	311,198	
Street Light	751,790	2,087
Embedded Distributor	58,660,344	190,745

Table 2 below is an excerpt from Tab 9 of the Rate Generator Model:

Table 2: Rate Generator Model - Re-based kWh and kW

Rate Class	Re-based Billed kWh	Re-based Billed kW
Residential	102,142,031	
General Service Less than 50 kW	23,676,226	
General Service 50 to 4,999 kW	82,401,866	223,982

Rate Class	Re-based Billed kWh	Re-based Billed kW
Unmetered Scattered Load	323,584	
Street Light	781,711	2,087
Embedded Distributor	58,660,344	166,110

Question:

- a) The re-based billed kWh and kW values in Table 2 above should align with values from the OEB-approved 2022 Cost of Service application in Table 1 above. Please explain the discrepancy and, if applicable, revise the Rate Generator Model.

GPI Response

- a) The discrepancy is line losses. The figures were entered with line losses as the description was “billed kWh”. Grimsby Power has revised tab 9 of the Rate Generator Model to align with the load forecast from GPI’s OEB approved 2022 Cost Allocation model (figures in Table 1 above).

Tab 9. Shared Tax-Rate Rider – Before Quantity Changes (with Losses)

Rate Class		Re-based Billed Customers or Connections	Re-based Billed kWh	Re-based Billed kW	Re-based Service Charge	Re-based Distribution Volumetric Rate kWh	Re-based Distribution Volumetric Rate kW	Service Charge Revenue	Distribution Volumetric Rate Revenue kWh	Distribution Volumetric Rate Revenue kW	Revenue Requirement from Rates	Service Charge % Revenue	Distribution Volumetric Rate % Revenue kWh	Distribution Volumetric Rate % Revenue kW	Total % Revenue
RESIDENTIAL SERVICE CLASSIFICATION	kWh	11,153	102,142,031	0	30.08	0.0000	0.0000	4,025,787	0	0	4,025,787	100.0%	0.0%	0.0%	63.08%
GENERAL SERVICE LESS THAN 50 kW SERVICE CLASSIFICATION	kWh	845	23,676,226	0	26.39	0.0211	0.0000	267,595	499,568	0	767,163	34.9%	65.1%	0.0%	12.02%
GENERAL SERVICE 50 to 4,999 kW SERVICE CLASSIFICATION	kW	96	82,401,866	223,982	219.11	0.0000	3.4050	252,415	0	762,660	1,015,075	24.9%	0.0%	75.1%	15.90%
UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION	kWh	60	323,584	0	15.03	0.0094	0.0000	10,822	3,042	0	13,863	78.1%	21.9%	0.0%	0.22%
STREET LIGHTING SERVICE CLASSIFICATION	kW	2,730	781,711	2,087	2.50	0.0000	6.2475	81,900	0	13,039	94,939	86.3%	0.0%	13.7%	1.48%
EMBEDDED DISTRIBUTOR SERVICE CLASSIFICATION	kW	1	58,660,344	166,110	17333.83	0.0000	1.5510	208,006	0	257,637	465,643	44.7%	0.0%	55.3%	7.30%
Total		14,885	267,985,762	392,180				4,846,524	502,610	1,033,336	6,382,469				100.0%

Tab 9. Shared Tax-Rate Rider – After Quantity Changes (without Losses)

Rate Class		Re-based Billed Customers or Connections	Re-based Billed kWh	Re-based Billed kW	Re-based Service Charge	Re-based Distribution Volumetric Rate kWh	Re-based Distribution Volumetric Rate kW	Service Charge Revenue	Distribution Volumetric Rate Revenue kWh	Distribution Volumetric Rate Revenue kW	Revenue Requirement from Rates	Service Charge % Revenue	Distribution Volumetric Rate % Revenue kWh	Distribution Volumetric Rate % Revenue kW	Total % Revenue
RESIDENTIAL SERVICE CLASSIFICATION	kWh	11,153	98,232,382	0	30.08	0.0000	0.0000	4,025,787	0	0	4,025,787	100.0%	0.0%	0.0%	62.87%
GENERAL SERVICE LESS THAN 50 kW SERVICE CLASSIFICATION	kWh	845	22,769,981	0	26.39	0.0211	0.0000	267,595	480,447	0	748,041	35.8%	64.2%	0.0%	11.68%
GENERAL SERVICE 50 to 4,999 kW SERVICE CLASSIFICATION	kW	96	79,247,803	224,689	219.11	0.0000	3.4050	252,415	0	765,066	1,017,481	24.8%	0.0%	75.2%	15.89%
UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION	kWh	60	311,198	0	15.03	0.0094	0.0000	10,822	2,925	0	13,747	78.7%	21.3%	0.0%	0.21%
STREET LIGHTING SERVICE CLASSIFICATION	kW	2,730	751,790	2,087	2.50	0.0000	6.2475	81,900	0	13,039	94,939	86.3%	0.0%	13.7%	1.48%
EMBEDDED DISTRIBUTOR SERVICE CLASSIFICATION	kW	1	58,660,344	190,745	17333.83	0.0000	1.5510	208,006	0	295,845	503,851	41.3%	0.0%	58.7%	7.87%
Total		14,885	259,973,498	417,521				4,846,524	483,372	1,073,950	6,403,846				100.0%

Due to the change in quantities, the total percentage of revenue used to allocate the tax savings per rate class changes slightly for all rate classes. However, the the rate rider only changes for the Street Lighting and Embedded Distributor rate class. Below are two tables showing the change in rate riders before and after the change in billed quantities.

Tab 9. Shared-Tax Rate Rider – Rate Riders Before Quantity Changes

Rate Class		Total kWh (most recent RRR filing)	Total kW (most recent RRR filing)	Allocation of Tax Savings by Rate Class	Distribution Rate Rider	
RESIDENTIAL SERVICE CLASSIFICATION	kWh	102,801,909		-9,130	-0.07	\$/customer
GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION	kWh	19,588,496		-1,740	-0.0001	kWh
GENERAL SERVICE 50 to 4,999 kW SERVICE CLASSIFICATION	kW	76,929,016	207,356	-2,302	-0.0111	kW
UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION	kWh	324,561		-31	-0.0001	kWh
STREET LIGHTING SERVICE CLASSIFICATION	kW	737,790	2,051	-215	-0.1050	kW
EMBEDDED DISTRIBUTOR SERVICE CLASSIFICATION	kW	65,940,211	164,986	-1,056	-0.0064	kW
Total		266,321,983	374,393	-\$14,474		

Tab 9. Shared-Tax Rate Rider – Rate Rider After Quantity Changes

Rate Class		Total kWh (most recent RRR filing)	Total kW (most recent RRR filing)	Allocation of Tax Savings by Rate Class	Distribution Rate Rider	
RESIDENTIAL SERVICE CLASSIFICATION	kWh	102,801,909		-9,099	-0.07	\$/customer
GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION	kWh	19,588,496		-1,691	-0.0001	kWh
GENERAL SERVICE 50 to 4,999 kW SERVICE CLASSIFICATION	kW	76,929,016	207,356	-2,300	-0.0111	kW
UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION	kWh	324,561		-31	-0.0001	kWh
STREET LIGHTING SERVICE CLASSIFICATION	kW	737,790	2,051	-215	-0.1046	kW
EMBEDDED DISTRIBUTOR SERVICE CLASSIFICATION	kW	65,940,211	164,986	-1,139	-0.0069	kW
Total		266,321,983	374,393	-\$14,474		

Staff Question-2

Ref: (1) Manager's Summary, pages 17-18

The 2021 CDM Guidelines (section 8) require distributors filing an application for 2023 rates to seek disposition of all outstanding LRAMVA balances related to previously established thresholds, including approval of LRAM-eligible amounts in future years (arising from persisting savings) until a distributor's next rebasing application, unless a distributor does not have complete information on eligible savings.

Questions:

- a) Please confirm if GPI is seeking disposition of all outstanding LRAMVA balances and whether the LRAMVA will have a zero balance if disposition is approved.
- b) Please confirm that GPI will not be seeking to dispose of any balance in the LRAMVA due to LRAM-eligible CDM activities funded by the IESO through the Conservation First Framework or Interim Framework in a future year's application.
- c) If not confirmed, please explain why a request for disposition was not submitted as part of this application.

GPI Response

- a) GPI confirms that it is seeking disposition of all outstanding LRAMVA balances and the LRAMVA balance will be zero if this disposition is approved.
- b) GPI confirms that it is not seeking to dispose of any balance in the LRAMVA due to CDM activities funded by the IESO in a future year application.
- c) GPI confirmed in response to b).

Staff Question-3

Ref: (1) Manager's Summary
(2) LRAMVA Workform, Tab 1
(3) CDM Guidelines, Section 8

In the first reference in the Manager's Summary, GPI states that "GPI is will not seek any further disposition of the LRAMVA for any year beyond 2021." In the second reference in the LRAMVA Workform, for the period of new LRAMVA in this application, GPI input 2021-2027.

The 2021 CDM Guidelines (section 8) require distributors filing an application for 2023 rates to seek disposition of all outstanding LRAMVA balances related to previously established thresholds, including approval of LRAM-eligible amounts in future years (arising from persisting savings) until a distributor's next rebasing application, unless a distributor does not have complete information on eligible savings.

Questions:

- a) Please confirm that GPI's LRAMVA claim is only for persisting savings into 2021 for the 2015-2019 program years.
- b) If confirmed, please update cell H16 of the LRAMVA workform to reflect the actual years being claimed in this application.

GPI Response

- a) GPI confirms that its LRAMVA claim is only for persisting savings into 2021 from 2015-2019 program years.
- b) GPI has updated cell H16 in tab 1.LRAMVA Summary to reflect that GPI is only claiming persisting savings from 2015-2019 program years.

Staff Question-4

Ref: (1) LRAMVA Workform, Tab 2

Question:

- a) Please update table 2-B in Tab 2 in the LRAMVA Workform with the source of the 2012 LRAMVA threshold shown in table 2-C (line 48).

GPI Response

- a) GPI has updated table 2-B in Tab 2 with the correct 2012 LRAMVA threshold. The threshold approved in 2012 is as per the table below from EB-2015-0072 IR Responses page 266 of 373.

2012 Approved Load Forecast			
	Appendix C of 2012 Approved Settlement Agreement (A)	Column A plus 1.552 GWh at the Purchased Level for CDM as per Page 18 of Settlement Agreement (B)	CDM Adjustment at the billed level (C) = (B) - (A)
Residential - kWh	94,590,900	95,463,586	872,686
GS < 50 - kWh	18,707,282	18,879,874	172,591
GS > 50 - kW	191,455	192,657	1,202
- kWh	69,874,994	70,313,629	438,635
Streetlights - kW	4,403	4,403	-
- kWh	1,578,145	1,578,145	-
Unmetered Scattered Load - kWh	355,293	355,293	-
Total Consumption - kWh	185,106,615	186,590,528	1,483,913
Total Demand - kW	195,858	197,060	1,202
Loss Factor			1.0459
2012 Purchased Level CDM = 7,760,000 times 20%			1,552,000

The LRAMVA amount requested is not affected by changing the 2012 threshold amount in Tab 2.

Staff Question-5

Ref: (1) LRAMVA Workform, Tab 6

The OEB has recently published its prescribed interest rate for deferral and variance account balances for Q4.

Questions:

- a) Please update the carrying charges for Q4 and the monthly rate for Q3 and Q4 in 2022.
- b) Please update the IRM Model to reflect the updated total balance and carrying charges for the LRAMVA.

GPI Response

- a) GPI has updated the carrying charges for Q4 and the Q3 and Q4 monthly rate for 2022 on LRAMVA Tab 6.
- b) There is a \$336 increase to interest due to the updated Q3 and Q4 monthly carrying charges. The total claim for LRAMVA increased to \$23,366 from \$23,030. GPI updated the IRM model Tab 3. Continuity Schedule cell BQ46 to include the additional \$336 of interest.