



Hydro One Networks Inc.

483 Bay Street
7th Floor South Tower
Toronto, Ontario M5G 2P5
HydroOne.com

Kathleen Burke

Director, Applications Delivery
T 416-770-0592
Kathleen.Burke@HydroOne.com

BY EMAIL AND RESS

October 4, 2022

Ms. Nancy Marconi
Registrar
Ontario Energy Board
Suite 2700, 2300 Yonge Street
P.O. Box 2319
Toronto, ON M4P 1E4

Dear Ms. Marconi,

EB-2022-0190 - B2M Limited Partnership (B2M LP) - Application for 2023 Transmission Revenue Requirement - Responses to OEB Staff Questions

Hydro One Networks Inc., on behalf of B2M Limited Partnership (B2M LP), is submitting responses to OEB Staff Questions.

An electronic copy of the responses has been submitted using the Board's Regulatory Electronic Submission System.

Sincerely,

A handwritten signature in black ink that reads "Kathleen Burke". The signature is written in a cursive style.

Kathleen Burke

1 **OEB STAFF INTERROGATORY - 01**

2
3 **Reference:**

4 Exhibit A-4-1, Pages 3, 5, 6 and 7

5
6 **Interrogatory:**

7 B2M LP notes that at the time of filing its Application, the OEB had not yet released the
8 inflation factor applicable for revenue requirement applications beginning January 1, 2023.
9 B2M LP states that it will file an update to the revenue requirement calculation for 2023
10 rates once that inflation factor is released.

11
12 Please confirm that B2M LP will also update the following tables from its pre-filed evidence
13 once the new inflation factor is released:

14
15 Table 1 – 2023 Custom Revenue Cap Index (RCI) by Component (%)

16 Table 2 - 2023 Base Revenue Requirement

17 Table 3 - 2023 Rates Revenue Requirement by Rate Pool

18 Table 5 - Average Bill Impacts on Transmission and Distribution-Connected
19 Customers

20 Table 6 - 2023 Total Bill Impacts for Distribution-Connected Customers

21
22 **Response:**

23 Confirmed.

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OEB STAFF INTERROGATORY - 02

Reference:

Exhibit A-4-1, Page 5

Interrogatory:

B2M LP in Table 4 provides the Commodity, Wholesale Market Service Charges, Wholesale Transmission Charges and Distribution Service Charges.

- a) Please provide the supporting calculations for the Distribution Service Charges component, showing how it reconciles with the source data.
- b) Please confirm that, in addition to updating its application for the 2023 inflation factor, B2M LP will update the Distribution Service Charges value using information for the 2021 year (provided this is available at that time).

Response:

- a) The table below provides the supporting calculations for the Distribution Service Charge component:

Parameter	Calculation	Value	2020 Yearbook of Electricity Distributors Reference
Revenues from Service – Distribution (\$)	A	3,897,073,729	pg 8 of 130
Total kWh Delivered (excluding losses) (kWh)	B	128,165,623,290	pg 11 of 130
Total kWh Delivered on Long-Term Load Transfer (kWh)	C	7,317,485	pg 11 of 130
Distribution Service Charge (\$/kWh)	$D=A/(B+C)$	0.0304	
Distribution Service Charge (¢/kWh)	$E=D/100$	3.04	

- b) No, B2M LP is not planning to update values that are not related to B2M LP’s proposed revenue requirement when the 2023 inflation factor is updated for the following reasons:
 1. This will ensure that the impact of the inflation factor update is isolated and accurately reflected in the bill impact tables; and
 2. The impact of updating the Distribution Service Charge values is not expected to be material.

1 B2M LP notes that this approach is consistent with prior transmission applications and
2 is similar to the way that bill impacts are presented in distribution rate applications
3 where factors outside the approvals requested by the Applicant (e.g. electricity prices)
4 are held constant so that the bill impacts reflect only the changes sought by the
5 Applicant.

1 **OEB STAFF INTERROGATORY - 03**

2
3 **Reference:**

4 Exhibit A-4-1, Page 7

5
6 **Interrogatory:**

7 B2M LP in Table 6 provides the RTSR included in 2021 R1 Customer's Bill, Estimated
8 2022 Monthly RTSR, Estimated 2023 Monthly RTSR, 2023 increase in Monthly Bill and
9 the 2023 increase as a % of the Total Bill for Typical Medium Density (HONI R1)
10 Residential Customer Consuming 750 kWh per Month and Typical General Service
11 Energy less than 50 kW (HONI GSe < 50kW) Customer Consuming 2,000 kWh per Month.

12
13 a) Please provide the supporting calculations for:

- 14 i. Total Bill as of July 1, 2022
15 ii. Estimated 2022 Monthly RTSR, to three decimal places
16 iii. Estimated 2023 Monthly RTSR, to three decimal places

17
18 b) Please confirm that, in addition to updating its application for the 2023 inflation factor,
19 B2M LP will update the Total Bill value to include any updates to time-of-use
20 commodity prices, the Ontario Energy Rebate, and the Smart Metering Entity charge¹.

21
22 **Response:**

23 a) The requested supporting calculations to Table 6 are provided below.

- 24 i. The total monthly bill as of July 1, 2022 for a R1 customer consuming 750 kWh per
25 month and for a GSe<50kW customer consuming 2,000 kWh per month are
26 provided in Table 1 and Table 2 respectively.

¹ EB-2022-0137, the OEB approved a Smart Metering Charge of \$0.42 for the 2023-2027 period.

1 **Table 1 - Total monthly bill for a R1 customer consuming 750 kWh per month**
 2 **(July 1, 2022)**

	Unit	Volume*	Rate (\$/unit)	Total Charge (\$)
TOU-Off Peak	kWh	480	0.082	39.36
TOU-Mid Peak	kWh	135	0.113	15.26
TOU-On Peak	kWh	135	0.170	22.95
Sub-Total: Energy (RPP TOU)				77.57
Service Charge		1	56.06	56.06
Base Rate Adjustment to Recover Past Tax Amounts		1	1.56	1.56
Distribution Volumetric Charge	kWh	750	0.0100	7.50
Fair Hydro Plan - Distribution Rate Protection Savings				-27.04
Sub-Total: Distribution (excluding pass through)				38.08
Smart Metering Entity Charge		1	0.43	0.43
Line Losses on Cost of Power (based on TOU prices)	kWh	57	0.1034	5.89
Sub-Total: Distribution (based on TOU prices)				44.40
Retail Transmission Rate - Network Service Rate	kWh	807	0.0103	8.31
Retail Transmission Rate - Line and Transformation Connection Service Rate	kWh	807	0.0076	6.13
Sub-Total: Retail Transmission				14.45
Sub-Total: Delivery (based on TOU prices)				58.85
Wholesale Market Service Rate (WMS) - not including CBR	kWh	807	0.0030	2.42
Capacity Based Recovery (CBR) - Applicable for Class B Customers	kWh	807	0.0004	0.32
Rural Rate Protection Charge	kWh	807	0.0005	0.40
Standard Supply Service - Administration Charge (if applicable)		1	0.25	0.25
Sub-Total: Regulatory				3.40
Total Electricity Charge on TOU (before HST)				139.81
HST			13%	18.18
Total Electricity Charge on TOU (including HST)				157.99
Ontario Electricity Rebate (OER)			-17%	-23.77
Total Amount on TOU				134.22

* Volume for Retail Transmission and Regulatory charges are uplifted for line losses.

1 **Table 2 - Total monthly bill for a GSe<50kW customer consuming 2,000 kWh**
 2 **per month (July 1, 2022)**

	Unit	Volume*	Rate (\$/unit)	Total Charge (\$)
TOU-Off Peak	kWh	1,280	0.082	104.96
TOU-Mid Peak	kWh	360	0.113	40.68
TOU-On Peak	kWh	360	0.170	61.20
Sub-Total: Energy (RPP TOU)				206.84
Service Charge		1	34.13	34.13
Base Rate Adjustment to Recover Past Tax Amounts		1	1.11	1.11
Distribution Volumetric Charge	kWh	2,000	0.0680	136.00
Base Rate Adjustment to Recover Past Tax Amounts	kWh	2,000	0.0022	4.40
Sub-Total: Distribution (excluding pass through)				175.64
Smart Metering Entity Charge		1	0.43	0.43
Line Losses on Cost of Power (based on TOU prices)	kWh	192	0.1034	19.86
Sub-Total: Distribution (based on TOU prices)				195.93
Retail Transmission Rate - Network Service Rate	kWh	2,192	0.0081	17.76
Retail Transmission Rate - Line and Transformation Connection Service Rate	kWh	2,192	0.0059	12.93
Sub-Total: Retail Transmission				30.69
Sub-Total: Delivery (based on TOU prices)				226.61
Wholesale Market Service Rate (WMS) - not including CBR	kWh	2,192	0.0030	6.58
Capacity Based Recovery (CBR) - Applicable for Class B Customers	kWh	2,192	0.0004	0.88
Rural Rate Protection Charge	kWh	2,192	0.0005	1.10
Standard Supply Service - Administration Charge (if applicable)		1	0.25	0.25
Sub-Total: Regulatory				8.80
Total Electricity Charge on TOU (before HST)				442.25
HST			13%	57.49
Total Electricity Charge on TOU (including HST)				499.75
Ontario Electricity Rebate (OER)			-17%	-75.18
Total Amount on TOU				424.56

* Volume for Retail Transmission and Regulatory charges are uplifted for line losses.

1 ii. & iii. The estimated 2022 and 2023 Monthly RTSR charges are provided in Table 3
 2 below.
 3

4 **Table 3 - Derivation of Estimated 2022 and 2023 Monthly RTSR Charges**

	Calculation	2021	2022	2023
B2MLP's Rates Revenue Requirement ^(Note 1)	A	\$35,062,648	\$33,652,083	\$34,291,472
% Change in B2MLP's Rates Revenue Requirement	B		-4.0%	1.9%
B2MLP's 2022 Revenue Requirement as % of Total 2022 UTR Network Revenue Requirement ^(Note 2)	C		2.577%	2.577%
B2MLP's Net Impact on UTR Network Rates	D=B*C		-0.104%	0.049%
	Calculation	Typical Medium Density Residential (HONI R1) Customer Consuming 750 kWh per Month	Typical General Service Energy less than 50 kW (HONI GSe < 50kW) Customer Consuming 2,000 kWh per Month	
Approved 2022 RTSR Network ^(Note 3)	E		\$8.312	\$17.755
Approved 2022 RTSR Connection ^(Note 3)	F		\$6.133	\$12.933
RTSR included in Customer's 2022 Bill (Based on July 1, 2021 UTR) ^(Note 3)	G=E+F		\$14.445	\$30.688
Estimated Change in 2022 RTSR Network ^(Note 4,5)	H=E*D ₂₀₂₂		\$(0.009)	\$(0.018)
Estimated 2022 Monthly Total RTSR charges	I=G+H		\$14.437	\$30.670
Estimated Change in 2023 RTSR Network ^(Note 4,5)	J=(E+H)*D ₂₀₂₃		\$0.0041	\$0.009
Estimate 2023 Monthly Total RTSR charges	K=J+I		\$14.441	\$30.678

Notes:

1. Based on the 2021 Rates Revenue Requirement as per the 2021 UTR Decision and Rate Order in EB-2021-0176, dated June 24, 2021; the 2022 Rates Revenue Requirement as per the 2022 UTR Decision and Rate Order in EB-2022-0084 dated April 7, 2022; and the 2023 Rates Revenue Requirement as per Table 3, in Exhibit A-4-1 of B2MLP's Application for 2023 Transmission Revenue Requirement EB-2022-0190, dated August 5, 2022.
2. Based on the approved Total 2022 UTR Network Revenue Requirement of \$1,306,086,218 as per the 2022 UTR Decision and Rate Order in EB-2022-0084, dated April 7, 2022.
3. Based on HONI's 2022 distribution rates (effective January 1, 2022) as per the Decision and Order in EB-2021-0032, dated December 14, 2021. Details on 2022 RTSR are also provided above in Table 1 (for HONI R1 Customer) and Table 2 (for HONI GSe <50kW customer), respectively.
4. B2MLP's rates revenue requirement is wholly allocated to the Network rate pool. Subsequently, B2MLP's rates revenue requirement impacts RTSR-N, and not RTSR-C.
5. The Estimated Change in RTSR-N for 2022 is based on B2MLP's approved 2022 rates revenue requirement; and for 2023 is based on B2MLP's proposed 2023 rates revenue requirement.

- 1 b) No, B2M LP is not planning to update the Total Bill value to include any updates to
- 2 time-of-use commodity prices, the Ontario Energy Rebate, or the Smart Metering
- 3 Entity charge; similar to the rationale provided in B2M LP's response to Exhibit I-01-
- 4 02 part b) for the Distribution Service Charge value.

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