

**IN THE MATTER OF** the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15, Sched. B, as amended (the “Act”);

**AND IN THE MATTER OF** an Application by GrandBridge Energy Inc. under Section 78 of the Act for an order approving just and reasonable rates and other charges for electricity distribution to be effective July 1, 2023.

**DRAFT RATE ORDER**  
**GRANDBRIDGE ENERGY INC.**  
**EB-2022-0305**

**JUNE 22, 2023**

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## A. INTRODUCTION

1. GrandBridge Energy Inc. (“GBE”) filed an application on February 2, 2023, with the Ontario Energy Board (“OEB”) under Section 78 of the Ontario Energy Board Act, 1998, as amended, (“OEB Act”) seeking an Order or Orders approving or fixing just and reasonable rates and other charges for electricity distribution to be effective January 1, 2023 (the “Application”). The Board assigned file number EB-2022-0305 to the Application.
2. In accordance with the OEB’s Procedural Order No.1 dated February 28, 2023, OEB Staff filed written submissions on April 26, 2023, and GBE filed its reply submission on May 10, 2023. GBE’s filed an amended reply submission on May 11, 2023.
3. On June 6, 2023, the OEB issued its Decision and Order (“Decision”). In its Decision, the OEB made the following findings:
  - Group 1 Deferral and Variance Accounts – The OEB approved the disposition of an adjusted debit balance of \$402,271 as of December 31, 2021, including interest projected to December 31, 2022, for Group 1 accounts on a final basis. The OEB denied the proposed principal adjustments to Account 1589 and Account 1580, Sub-account CBR Class B. The OEB also denied the proposed principal adjustment to Account 1595 (2018) but approved a partial recovery of the Account 1595 (2018) balance. The OEB approved disposition of the balances in Account 1595 (2018) with a reduction of \$44,000, or approximately 10% of the principal adjustment. The OEB also disallowed recover of \$34,000 in interest costs.
  - Rate Rider Calculations for Account 1595 (2018) – The OEB approved disposition of the principal adjustment in Account 1595 (2018) of \$407,594. The balance is to be recovered from non-RPP Class B and non-WMP Class B customers. Customers who were added to the non-RPP and non-RPP Class

after the incorrect Account 1580, Sub-account CBR Class B and Account 1589 were disposed on a final basis will be excluded from the billing determinants in calculating the rate rider. More specifically:

- Customers of GBE that transitioned into non-RPP/non-WMP Class B since 2022 will be excluded from the recovery.
  - Customers of GBE that were new since 2022 will be excluded from the recovery.
4. GBE submits this DRO, which incorporates the findings of the Decision and Order on June 15, 2023. Included in this DRO are the following Appendices:
    - Appendix A - Draft Tariff of Rates and Charges
    - Appendix B - Bill Impacts
  5. Also included as part of this DRO are the following “live” Excel workbooks:
    - 2023 IRM Rate Generator Model
    - 2023 GA Analysis Workform Model
    - 2023 1595 Rate Rider Calculation Model
    - 2023 Tariff and Bill Impacts Model
  6. The DRO has been prepared on the basis that GBE’s new rates will be effective and implemented on July 1, 2023. To adhere to the implementation timelines, an approved Rate Order would be required no later than July 20, 2023, to allow sufficient time for GBE to update its Customer Information Systems for the new rates.
  7. In the event that the July 1, 2023, implementation date is not possible, GBE requests an implementation date of August 1, 2023, and the rates to be in effect from August 1, 2023 to August 1, 2024.

**B. BILL IMPACTS**

13. Table 1: Summary of Bill Impacts provides a summary of bill impacts arising from the Decision and Order. The total bill amounts have been compared to both the 2022 Approved rates and the 2023 Approved rates from the Phase 1 application. Appendix A contains a draft Tariff of Rates and Charges Schedule, and Appendix B contains Detailed Bill Impacts for all rate classes.

**Table 1: Summary of Bill Impacts**

GBE(E+) Rate Zone - Rate Class	kWh	kW	Total Bill			
			2022 Approved	2023 Proposed (Phase 2)	\$ Change	% Impact
Residential	750		\$ 119.69	\$ 122.28	\$ 2.59	2.2%
GS<50 kW	2,000		\$ 284.58	\$ 290.62	\$ 6.04	2.1%
GS> 50 to 999 kW	20,000	60	\$ 3,335.62	\$ 3,235.97	\$ (99.65)	-3.0%
GS> 1,000 to 4,999 kW	800,000	2,000	\$ 119,100.47	\$ 115,080.04	\$ (4,020.43)	-3.4%
Large Use	6,600,000	16,000	\$ 926,178.15	\$ 945,976.69	\$ 19,798.54	2.1%
Unmetered Scattered Load	100		\$ 20.01	\$ 20.04	\$ 0.03	0.2%
Street Lighting	400,000	700	\$ 65,569.56	\$ 63,686.33	\$ (1,883.22)	-2.9%
Sentinel Lighting	10,000	29	\$ 2,464.11	\$ 2,529.55	\$ 65.44	2.7%
Embedded Distributor - Hydro One CND	1,382,000	2,574	\$ 189,874.75	\$ 181,876.81	\$ (7,997.94)	-4.2%
Embedded Distributor - Waterloo North Hydro		8,280	\$ 76,692.47	\$ 78,871.57	\$ 2,179.11	2.8%
Embedded Distributor - Brantford	50,000	27	\$ 6,576.18	\$ 6,306.84	\$ (269.34)	-4.1%
Embedded Distributor - Hydro One #1	1,300,000	2,340	\$ 175,208.79	\$ 167,592.56	\$ (7,616.23)	-4.3%
Embedded Distributor - Hydro One #2	1,990,000	4,050	\$ 239,501.44	\$ 226,952.10	\$ (12,549.34)	-5.2%

GBE(E+) Rate Zone - Rate Class	kWh	kW	Total Bill			
			2023 Approved (Phase 1)	2023 Proposed (Phase 2)	\$ Change	% Impact
Residential	750		\$ 120.84	\$ 122.28	\$ 1.44	1.2%
GS<50 kW	2,000		\$ 286.77	\$ 290.62	\$ 3.85	1.3%
GS> 50 to 999 kW	20,000	60	\$ 3,318.82	\$ 3,235.97	\$ (82.86)	-2.5%
GS> 1,000 to 4,999 kW	800,000	2,000	\$ 118,180.76	\$ 115,080.04	\$ (3,100.72)	-2.6%
Large Use	6,600,000	16,000	\$ 929,012.22	\$ 945,976.69	\$ 16,964.46	1.8%
Unmetered Scattered Load	100		\$ 20.31	\$ 20.04	\$ (0.26)	-1.3%
Street Lighting	400,000	700	\$ 66,729.73	\$ 63,686.33	\$ (3,043.39)	-4.6%
Sentinel Lighting	10,000	29	\$ 2,512.31	\$ 2,529.55	\$ 17.24	0.7%
Embedded Distributor - Hydro One CND	1,382,000	2,574	\$ 187,773.70	\$ 181,876.81	\$ (5,896.89)	-3.1%
Embedded Distributor - Waterloo North Hydro		8,280	\$ 78,767.72	\$ 78,871.57	\$ 103.86	0.1%
Embedded Distributor - Brantford	50,000	27	\$ 6,500.19	\$ 6,306.84	\$ (193.35)	-3.0%
Embedded Distributor - Hydro One #1	1,300,000	2,340	\$ 173,210.69	\$ 167,592.56	\$ (5,618.13)	-3.2%
Embedded Distributor - Hydro One #2	1,990,000	4,050	\$ 235,879.99	\$ 226,952.10	\$ (8,927.89)	-3.8%

## C. SUMMARY OF CHANGES

14. The Draft Rate Order is presented in order of the issues, with the Board's Decision on those issues included, as well as GBE's response and action taken on the Decision.

### C.1 Group 1 Deferral and Variance Accounts

#### ***Board Findings***

17. *"The OEB approves the disposition of an adjusted debit balance of \$402,271 as of December 31, 2021, including interest projected to December 31, 2022, for Group 1 accounts on a final basis."*<sup>1</sup>
18. *"The OEB denies the proposed principal adjustments to Account 1589 and Account 1580, Sub-account CBR Class B. The OEB also denies the proposed principal adjustment to Account 1595 (2018) but approves a partial recovery of the Account 1595 (2018) balance and a different cost allocation compared to the disposition proposed by GrandBridge."*<sup>2</sup>
19. *"Further, from the perspective of the individual customer, the cost of the error correction should not exceed the credit received in error. Based on these considerations, the OEB finds that a reduction of the principal balance in Account 1595 (2018) by \$44,000, or approximately 10%, is reasonable."*<sup>3</sup>
20. *"The OEB will also disallow recovery from customers of the \$34,000 in interest costs to prevent the utility from earning interest on its own error."*<sup>4</sup>

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<sup>1</sup> Decision and Order, page 10.

<sup>2</sup> Decision and Order, page 8.

<sup>3</sup> Decision and Order, page 8.

<sup>4</sup> Decision and Order, page 8.

**Response**

21. GBE has updated the 2023 IRM Rate Generator Model (“IRM Model”) to reflect the changes required to Group 1 Deferral and Variance accounts resulting from the OEB’s Decision and Order.
22. The following changes have been made in tab “3. Continuity Schedule” of the IRM Model:
  - removed the proposed principal adjustments in 2018 and 2019 for Account 1589 totaling \$402,586;
  - removed the proposed principal adjustments in 2018 and 2019 for Account 1580, Subaccount CBR Class B totaling \$49,008;
  - removed the proposed principal adjustments in 2018 and 2019 for Account 1595 (2018) totaling (\$451,494);
  - included a principal adjustment in 2021 for Account 1595 (2018) to reflect the reduction in approved principal balance of (\$44,000); and
  - included a principal adjustment in 2021 for Account 1595 (2018) to reflect approved reduction in interest costs of (\$34,000).
23. With the above listed changes, the balances for disposition align with the figures presented in Table 2 of the OEB’s Decision and Order. GBE has also updated the GA Analysis Workform to reflect the removal of the proposed principal adjustments to Account 1589.
24. Tables 2 to 6 below provide the supporting calculations for the Global Adjustment, CBR Class B and Deferral and Variance Accounts rate riders. The allocation of the Account 1595 (2018) balances and rate riders for the principal adjustment of \$407,594 are addressed in the following section.

**Table 2: GA Allocation and Class A/B Transition Customer Rate Riders**

Allocation of total Non-RPP Consumption (kWh) between Current Class B and Class A/B Transition Customers

		Total	2021
Non-RPP Consumption Less WMP Consumption	A	891,691,871	891,691,871
Less Class A Consumption for Partial Year Class A Customers	B	28,461,561	28,461,561
Less Consumption for Full Year Class A Customers	C	326,663,545	326,663,545
<b>Total Class B Consumption for Years During Balance Accumulation</b>	<b>D = A-B-C</b>	<b>536,566,765</b>	<b>536,566,765</b>
All Class B Consumption for Transition Customers	E	27,245,128	27,245,128
<b>Transition Customers' Portion of Total Consumption</b>	<b>F = E/D</b>	<b>5.08%</b>	

Allocation of Total GA Balance \$

Total GA Balance	G	-\$	2,435,207
Transition Customers Portion of GA Balance	H=F*G	-\$	123,652
GA Balance to be disposed to Current Class B Customers through Rate Rider	I=G-H	-\$	2,311,555

Allocation of GA Balances to Class A/B Transition Customers

# of Class A/B Transition Customers	11					
Customer	Total Metered Consumption (kWh) for Transition Customers During the Period When They Were Class B Customers	Metered Consumption (kWh) for Transition Customers During the Period When They Were Class B Customers in 2021	% of kWh	Customer Specific GA Allocation for the Period When They Were Class B customers	Monthly Equal Payments	
Customer 1	2,322,716	2,322,716	8.53%	-\$	10,542	-\$ 878
Customer 2	3,142,301	3,142,301	11.53%	-\$	14,261	-\$ 1,188
Customer 3	7,671,711	7,671,711	28.16%	-\$	34,818	-\$ 2,902
Customer 4	2,222,226	2,222,226	8.16%	-\$	10,086	-\$ 840
Customer 5	1,956,227	1,956,227	7.18%	-\$	8,878	-\$ 740
Customer 6	607,369	607,369	2.23%	-\$	2,757	-\$ 230
Customer 7	1,385,144	1,385,144	5.08%	-\$	6,286	-\$ 524
Customer 8	1,029,112	1,029,112	3.78%	-\$	4,671	-\$ 389
Customer 9	4,094,235	4,094,235	15.03%	-\$	18,582	-\$ 1,548
Customer 10	1,776,850	1,776,850	6.52%	-\$	8,064	-\$ 672
Customer 11	1,037,237	1,037,237	3.81%	-\$	4,707	-\$ 392
Total	27,245,128	27,245,128	100.00%	-\$	123,652	

**Table 3: GA Rate Riders for Class B Customers**

	Total Metered Non-RPP 2021 Consumption excluding WMP	Total Metered 2021 Consumption for Class A Customers that were Class A for the entire period GA balance accumulated	Total Metered 2021 Consumption for Customers that Transitioned Between Class A and B during the period GA balance accumulated	Non-RPP Metered 2021 Consumption for Current Class B Customers (Non-RPP Consumption excluding WMP, Class A and Transition Customers' Consumption)	% of total kWh	Total GA \$ allocated to Current Class B Customers	GA Rate Rider
	kWh	kWh	kWh	kWh			
RESIDENTIAL SERVICE CLASSIFICATION	6,803,349	0	0	6,803,349	1.3%	(\$30,877)	(\$0.0045) kWh
GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION	26,130,430	0	0	26,130,430	5.1%	(\$118,993)	(\$0.0045) kWh
GENERAL SERVICE 50 TO 999 KW SERVICE CLASSIFICATION	404,363,335	62,888,049	10,999,436	330,475,850	64.9%	(\$1,499,864)	(\$0.0045) kWh
GENERAL SERVICE 1,000 TO 4,999 KW SERVICE CLASSIFICATION	214,462,116	118,507,513	44,707,252	50,847,341	10.0%	(\$230,771)	(\$0.0045) kWh
LARGE USE SERVICE CLASSIFICATION	144,867,973	144,867,973	0	0	0.0%	\$0	\$0.0000
UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION	209,748	0	0	209,748	0.0%	(\$952)	(\$0.0045) kWh
STREET LIGHTING SERVICE CLASSIFICATION	5,450,990	0	0	5,450,990	1.1%	(\$24,799)	(\$0.0045) kWh
SENTINEL LIGHTING SERVICE CLASSIFICATION	0	0	0	0	0.0%	\$0	\$0.0000
ONE CND	13,957,220	0	0	13,957,220	2.7%	(\$63,145)	(\$0.0045) kWh
WATERLOO	0	0	0	0	0.0%	\$0	\$0.0000
BRANTFORD	289,051	0	0	289,051	0.1%	(\$1,312)	(\$0.0045) kWh
ONE #1	14,308,386	0	0	14,308,386	2.8%	(\$64,484)	(\$0.0045) kWh
ONE #2	60,949,173	0	0	60,949,173	12.0%	(\$276,619)	(\$0.0045) kWh
<b>Total</b>	<b>891,691,871</b>	<b>326,663,545</b>	<b>55,706,688</b>	<b>509,321,638</b>	<b>100.0%</b>	<b>(\$2,311,556)</b>	



### Table 4: CBR Class B Allocation and Class A/B Transition Customer Rate Riders

Allocation of Total Consumption (kWh) between Current Class B and Class A/B Transition Customers

		Total	2021
Total Consumption Less WMP Consumption	A	1,639,486,239	1,639,486,239
Customers	B	28,461,561	28,461,561
Less Consumption for Full Year Class A Customers	C	326,663,545	326,663,545
<b>Total Class B Consumption for Years During Balance Accumulation</b>	<b>D = A-B-C</b>	<b>1,284,361,133</b>	<b>1,284,361,133</b>
All Class B Consumption for Transition Customers	E	27,245,128	27,245,128
<b>Transition Customers' Portion of Total Consumption</b>	<b>F = E/D</b>	<b>2.12%</b>	

Allocation of Total CBR Class B Balance \$

Total CBR Class B Balance	G	-\$	142,506
Transition Customers Portion of CBR Class B Balance	H=F*G	-\$	3,023
CBR Class B Balance to be disposed to Current Class B Customers through Rate Rider	I=G-H	-\$	139,483

Allocation of CBR Class B Balances to Transition Customers

Customer	# of Class A/B Transition Customers	11		Metered Class B Consumption (kWh) for Transition Customers During the Period When They Were Class B Customers	Metered Class B Consumption (kWh) for Transition Customers During the Period When They Were Class B Customers in 2021	% of kWh	Customer Specific CBR Class B Allocation for the Period When They Were Class B Customers	Monthly Equal Payments	
		Total Metered Class B Consumption (kWh) for Transition Customers During the Period When They Were Class B Customers	Total Metered Class B Consumption (kWh) for Transition Customers During the Period When They Were Class B Customers						
Customer 1				2,322,716	2,322,716	8.53%	-\$	258	-\$ 21
Customer 2				3,142,301	3,142,301	11.53%	-\$	349	-\$ 29
Customer 3				7,671,711	7,671,711	28.16%	-\$	851	-\$ 71
Customer 4				2,222,226	2,222,226	8.16%	-\$	247	-\$ 21
Customer 5				1,956,227	1,956,227	7.18%	-\$	217	-\$ 18
Customer 6				607,369	607,369	2.23%	-\$	67	-\$ 6
Customer 7				1,385,144	1,385,144	5.08%	-\$	154	-\$ 13
Customer 8				1,029,112	1,029,112	3.78%	-\$	114	-\$ 10
Customer 9				4,094,235	4,094,235	15.03%	-\$	454	-\$ 38
Customer 10				1,776,850	1,776,850	6.52%	-\$	197	-\$ 16
Customer 11				1,037,237	1,037,237	3.81%	-\$	115	-\$ 10
Total				27,245,128	27,245,128	100.00%	-\$	3,023	-\$ 252

### Table 5: CBR Rate Riders for Class B Customers

	Total Metered 2021 Consumption Minus WMP		Total Metered 2021 Consumption for Full Year Class A Customers		Total Metered 2021 Consumption for Transition Customers		Metered 2021 Consumption for Current Class B Customers (Total Consumption LESS WMP, Class A and Transition Customers' Consumption)		% of total kWh	Total CBR Class B \$ allocated to Current Class B Customers		CBR Class B Rate Rider	Unit
	kWh	kW	kWh	kW	kWh	kW	kWh	kW					
RESIDENTIAL SERVICE CLASSIFICATION	kWh	524,115,883	0	0	0	0	524,115,883	0	41.7%	(\$58,153)	(\$0,000)	kWh	
GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION	kWh	202,641,930	3,880	0	0	0	202,641,930	3,880	16.1%	(\$22,484)	(\$0,000)	kWh	
GENERAL SERVICE 50 TO 999 KW SERVICE CLASSIFICATION	kW	855,894,981	1,436,611	42,888,049	197,626	30,999,496	37,904	382,007,496	1,203,082	30.4%	(\$42,988)	(\$0,000)	kW
GENERAL SERVICE 1,000 TO 4,999 KW SERVICE CLASSIFICATION	kW	214,462,116	517,690	118,807,533	291,233	44,707,252	106,623	50,847,541	115,034	4.0%	(\$5,842)	(\$0,000)	kW
LARGE USE SERVICE CLASSIFICATION	kW	144,867,973	352,232	144,867,973	352,232	0	0	0	0	0.0%	\$0	\$0,000	kW
UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION	kWh	2,176,342	0	0	0	0	2,176,342	0	0.2%	(\$241)	(\$0,000)	kWh	
STREET LIGHTING SERVICE CLASSIFICATION	kW	5,913,049	16,510	0	0	0	5,913,049	16,510	0.3%	(\$650)	(\$0,000)	kW	
SENTINEL LIGHTING SERVICE CLASSIFICATION	kW	10,035	242	0	0	0	10,035	242	0.0%	(\$1)	(\$0,000)	kW	
ONE END	kW	13,957,220	28,237	0	0	0	13,957,220	28,237	1.1%	(\$2,548)	(\$0,000)	kW	
WATERLOO	kW	0	0	0	0	0	0	0	0.0%	\$0	\$0,000	kW	
BRANTFORD	kW	289,051	868	0	0	0	289,051	868	0.0%	(\$32)	(\$0,000)	kW	
ONE #1	kW	14,208,286	29,703	0	0	0	14,208,286	29,703	1.1%	(\$2,576)	(\$0,000)	kW	
ONE #2	kW	60,949,373	164,301	0	0	0	60,949,373	164,301	4.8%	(\$6,703)	(\$0,000)	kW	
<b>Total</b>		<b>1,839,486,239</b>	<b>2,550,074</b>	<b>326,663,545</b>	<b>841,052</b>	<b>55,706,688</b>	<b>144,526</b>	<b>1,257,116,008</b>	<b>1,564,456</b>	<b>100.0%</b>	<b>(\$139,483)</b>		

### Table 6: Deferral and Variance Account Rate Rider Calculation

		Default Rate Rider Recovery Period (in months)		DVA Proposed Rate Rider Recovery Period (in months)		LRAM Proposed Rate Rider Recovery Period (in months)		Rate Rider Recovery to be used below		
			12	12	12	12	12	12	12	
Rate Class	Unit	Total Metered kWh	Metered kWh or kVA	Total Metered kWh less WMP consumption	Total Metered kWh less WMP consumption	Allocation of Group 1 Account Balances to All Classes <sup>1</sup>	Allocation of Group 1 Account Balances to Non-WMP Classes Only (If Applicable) <sup>2</sup>	Deferral/Variance Account Rate Rider <sup>2</sup>	Deferral/Variance Account Rate Rider for Non-WMP (if applicable) <sup>2</sup>	Account 1568 Rate Rider
RESIDENTIAL SERVICE CLASSIFICATION	kWh	524,115,883	0	524,115,883	0	1,057,905		0.0020	0.0000	0.0000
GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION	kWh	202,641,930	3,880	202,641,930	3,880	390,470		0.0019	0.0000	0.0000
GENERAL SERVICE 50 TO 999 KW SERVICE CLASSIFICATION	kW	464,755,498	1,453,673	455,894,981	1,436,611	92,001	358,978	0.0633	0.2499	0.0000
GENERAL SERVICE 1,000 TO 4,999 KW SERVICE CLASSIFICATION	kW	240,552,872	561,296	214,462,116	517,490	83,556	168,871	0.1489	0.3263	0.0000
LARGE USE SERVICE CLASSIFICATION	kW	144,867,973	352,232	144,867,973	352,232	330,503		0.9383	0.0000	0.0000
UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION	kWh	2,176,342	0	2,176,342	0	4,281		0.0020	0.0000	0.0000
STREET LIGHTING SERVICE CLASSIFICATION	kW	5,913,049	16,510	5,913,049	16,510	7,595		0.4600	0.0000	0.0000
SENTINEL LIGHTING SERVICE CLASSIFICATION	kW	10,035	242	10,035	242	143		0.5910	0.0000	0.0000
EMBEDDED DISTRIBUTOR SERVICE CLASSIFICATION - HYDRO ONE	kW	13,957,220	28,237	13,957,220	28,237	12,527		0.4436	0.0000	0.0000
EMBEDDED DISTRIBUTOR SERVICE CLASSIFICATION - WATERLOO	kW	72,461,768	138,675	0	0	1,537		0.0111	0.0000	0.0000
EMBEDDED DISTRIBUTOR SERVICE CLASSIFICATION -	kW	289,051	868	289,051	868	1,765		2.0330	0.0000	0.0000
EMBEDDED DISTRIBUTOR SERVICE CLASSIFICATION - HYDRO ONE	kW	14,208,286	29,703	14,208,286	29,703	12,725		0.4284	0.0000	0.0000
EMBEDDED DISTRIBUTOR SERVICE CLASSIFICATION - HYDRO ONE	kW	60,949,373	164,301	60,949,373	164,301	49,529		0.3015	0.0000	0.0000

<sup>1</sup> When calculating the revenue reconciliation for distributors with Class A customers, the balances of sub-account 1580-CBR Class B will not be taken into consideration if there are Class A customers since the rate riders, if any, are calculated separately.  
<sup>2</sup> Only for rate classes with WMP customers are the Deferral/Variance Account Rate Riders for Non-WMP (column H and I) calculated separately. For all rate classes without WMP customers, balances in account 1580 and 1588 are included in column G and disposed through a combined Deferral/Variance Account and Rate Rider.

## C.2 Rate Rider Calculations for Account 1595 (2018)

### **Board Findings**

25. *“With the objective of establishing just and reasonable rates, the OEB directs GrandBridge to calculate rate riders to reflect the following:*
- *The principal adjustment in Account 1595 (2018) of \$407,594 will be collected only from non-RPP Class B and non-WMP Class B customers.*
  - *Customers of the Energy+ rate zone who were added to the non-RPP and non-WMP Class after the incorrect Account 1580, Sub-account CBR Class B and Account 1589 were disposed on a final basis will be excluded from the billing determinants in calculating the rate rider.*
    - *Customers of Energy+ that transitioned into non-RPP/non-WMP Class B since 2022 will be excluded from the recovery.*
    - *Customers of Energy+ that were new since 2022 will be excluded from the recovery.”*<sup>5</sup>

### **Response**

26. Based on the findings in OEB’s Decision and Order, GBE has calculated three separate rate riders for the disposition of Account 1595 (2018) balance of \$1,689,028.
27. The Deferral and Variance account rate rider includes the residual balances of \$1,281,434 from 2018 rate riders in Account 1595 (2018). GBE has leveraged the IRM Model to allocate the balance to rate classes in proportion to the allocation established when the 2018 rate riders were implemented.
28. GBE has reduced the allocation by rate class on tab “4. Billing Det. For Def-Var” proportionally by rate class to ensure only \$1,281,434 is included in the rate rider calculation, instead of the entire balance of \$1,689,028. On tab “4. Billing Det. For Def-Var”, the model indicates that the total does not equal 100%, but GBE has

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<sup>5</sup> Decision and Order, page 9.

validated that the correct amounts are flowing through the model. Table 7: Allocation Proportions for Account 1595 (2018) Residual Balances provides a breakdown of how the final proportions were derived.

**Table 7: Allocation Proportions for Account 1595 (2018) Residual Balances**

<b>Account 1595 (2018) Breakdown</b>	<b>Amount</b>	<b>Percentage</b>
Residual Balance from Disposition of Deferral Accounts	1,281,434	75.868%
Principal Adjustment	407,594	24.132%
Total Balance Approved for Disposition	1,689,028	100.000%

  

	<b>Initial 1595 Recovery Proportion (2018)</b>	<b>Revised 1595 Recovery Proportion (2018)</b>
RESIDENTIAL SERVICE CLASSIFICATION	50.35%	38.200%
GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION	18.02%	13.671%
GENERAL SERVICE 50 TO 999 KW SERVICE CLASSIFICATION	7.18%	5.447%
GENERAL SERVICE 1,000 TO 4,999 KW SERVICE CLASSIFICATION	6.52%	4.947%
LARGE USE SERVICE CLASSIFICATION	16.89%	12.814%
UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION	0.20%	0.152%
STREET LIGHTING SERVICE CLASSIFICATION	0.23%	0.174%
SENTINEL LIGHTING SERVICE CLASSIFICATION	0.01%	0.008%
EMBEDDED DISTRIBUTOR SERVICE CLASSIFICATION - HYDRO ONE CND	0.12%	0.091%
EMBEDDED DISTRIBUTOR SERVICE CLASSIFICATION - WATERLOO	0.12%	0.091%
EMBEDDED DISTRIBUTOR SERVICE CLASSIFICATION - BRANTFORD	0.12%	0.091%
EMBEDDED DISTRIBUTOR SERVICE CLASSIFICATION - HYDRO ONE #1	0.12%	0.091%
EMBEDDED DISTRIBUTOR SERVICE CLASSIFICATION - HYDRO ONE #2	0.12%	0.091%
	100.00%	75.868%

29. The rate riders related to the principal adjustment of \$407,594 in Account 1595 (2018) were calculated only for non-RPP Class B and non-WMP Class B customers and exclude customers that transitioned into non-RPP/non-WMP Class B since 2022 as well as customers that were new since 2022.
  
30. GBE has allocated the \$407,594 between non-RPP Class B customers and non-WMP Class B customers proportionally based on the magnitude of proposed principal adjustments for Account 1589 and Account 1580, Sub-account CBR Class B. Table 8: Allocation of Account 1595 (2018) Principal Adjustment provides the allocation calculation.

**Table 8: Allocation of Account 1595 (2018) Principal Adjustment**

<b>Customer Group</b>	<b>Proposed Principal Adjustments</b>	<b>Percentage</b>	<b>Allocation of Disposition Amount</b>
non-RPP Class B (Account 1589)	\$ 402,586	89%	\$ 363,361
non-WMP Class B (Account 1580, Sub-account CBR Class B)	\$ 49,008	11%	\$ 44,233
<b>Total</b>	<b>\$ 451,594</b>	<b>100%</b>	<b>\$ 407,594</b>

31. Due to limitations in its billing system, GBE is unable to charge a variable rate rider that is only applicable to a subset of customers (i.e., customers that existed prior to 2022) without major changes to the system. As a result, GBE is proposing customer specific fixed monthly charges to implement the OEB's findings.
  
32. To calculate the customer specific fixed monthly charges, GBE utilized reporting that identified the customers that received credits in error in 2020 and 2021 through the GA and CBR Class B Rate Riders. Any final billed or inactive customers were removed from the reports.
  
33. The customer specific rate riders for non-RPP Class B customers were calculated through proration by taking the sum of the customer's consumption that was applied to the GA rate rider in 2020 and 2021 as a percentage of the total consumption applied to the GA rate rider in 2020 and 2021, then multiplied by the non-RPP Class B allocated amount of \$363,361 and divided by 12.
  
34. A similar calculation was utilized for the customer specific rate riders for non-WMP Class B customers. Since both kW and kWh are used as billing determinants in the CBR Class B rate riders, the amount billed to customers was utilized in the proration instead of a billing determinant. The customer specific rate riders for non-WMP Class B customers were calculated by taking the sum of the amount billed to the customer for the CBR Class B rate rider in 2020 and 2021 as a percentage of the total amount billed for the CBR Class B rate rider in 2020 and 2021, then multiplied by the non-WMP Class B allocated amount of \$44,233 and divided by 12.

35. The customer specific rate riders have not been included in the bill impacts presented in Table 1 due to the lack of billing determinants. Table 9: Average Monthly Charge for Customer Specific Rate Riders provides the average monthly charge by rate class. Based on the average charge amounts, GBE would not expect a material change in bill impacts.

**Table 9: Average Monthly Charge for Customer Specific Rate Riders**

<b>non-RPP Class B Rate Riders</b>	<b>Average Monthly Charge</b>	<b>non-WMP Class B Rate Riders</b>	<b>Average Monthly Charge</b>
Residential	\$ 0.50	Residential	\$ 0.03
GS < 50 kW	\$ 2.91	GS < 50 kW	\$ 0.11
GS > 50 - 999 kW	\$ 30.78	GS > 50 - 999 kW	\$ 1.37
GS > 1000 kW	\$ 327.72	GS > 1000 kW	\$ 11.64
Streetlights	\$ 105.40	Streetlights	\$ 1.67
Unmetered Scattered Load	\$ 2.44	Unmetered Scattered Load	\$ 0.10
Emb Dist - BPI	\$ 15.80	Emb Dist - BPI	\$ 0.72
Emb Dist - Hydro One # 1	\$ 796.75	Emb Dist - Hydro One # 1	\$ 38.79
Emb Dist - Hydro One # 2	\$ 855.25	Emb Dist - Hydro One # 2	\$ 42.50
Emb Dist - Hydro One (CND)	\$ 804.75	Emb Dist - Hydro One (CND)	\$ 38.84

36. The calculations of both the non-RPP Class B rate riders and the non-WMP Class B rate riders have been included with the draft rate order in a “live” Excel model.
37. GBE respectfully submits this DRO and its draft Tariff of Rates and Charges, to be effective and implemented July 1, 2023, for the Board’s approval.

## **Appendix A - Draft Tariff of Rates and Charges**

## Appendix B – Bill Impacts