

Ref: IRR 8-Staff-30

Preamble:

Staff notes that the average increase in low voltage expense during 2020-2022 is higher than the five year average.

Question(s):

- a) Can Renfrew Hydro identify the reason for this increase in expense?

RHI response:

The largest portion of low voltage expense relates to the Common ST lines charge from Hydro One as RHI is an embedded distributor. Hydro One, through OEB proceeding EB-2017-0049 increased this charge from \$1.2052 to \$1.4434 for July 1, 2019 and a further increase in 2020 to \$1.4854 per kW. Below is a chart showing the rates, which reduced in 2023, after 4 successive increases that amounted to almost a 35% increase from 2019 to 2022. This rate did not change from January 2017 to June 2019 with an almost 20% increase on July 1, 2019.

	Common ST lines (kW)	% increase
2018	\$ 1.2052	
2019 1st Half	\$ 1.2052	0.00%
2019 2nd Half	\$ 1.4434	19.76%
2020	\$ 1.4854	2.91%
2021	\$ 1.5335	3.24%
2022	\$ 1.6208	5.69%
2023	\$ 1.5442	-4.73%

Ref: 3.0-VECC-15

Preamble:

Renfrew Hydro states that the COVID-19 pandemic had an impact on consumption patterns in 2020 and 2021, and that the consumption is closer to pre-pandemic levels in 2022.

Question(s)

- a) Can Renfrew Hydro include an independent variable (dummy variable) to account for Covid-19 in its regression model for load forecast?

RHI Response:

RHI does not believe it would be prudent to include a Covid-19 dummy variable in the load forecast at this time. Due to the event changing Residential and Business consumption and a new normal still being established, RHI believes a variable for the years 2020 to 2022 may be more prudent once 2023-2028 data is available and could be included in RHI's 2028 filing for 2029 rates. As noted in Staff-22 the 5-year average and 1 year actual are not significantly different with 2022 Load presumably closer to the post Covid-19 consumption levels.