

Grimsby Power Inc. (GPI)
Staff Questions
October 5th, 2023

Please note, that Grimsby Power Inc. is responsible for ensuring that all documents it files with the OEB, including responses to OEB staff interrogatories 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.

OEB Staff Question 1

Ref: 2024 IRM Rate Generator, Tab 1 and Manager's Summary, p. 6

GPI indicated that they are NOT requesting to update low voltage service rates in Manager's summary, however selected "Yes" to update low voltage service rate on Tab 1 Cell 58 in the IRM Rate Generator.

Question:

- a) Please review the updated Rate Generator and confirm the accuracy of the answer on Tab 1 Cell 58.
- b) Please update the Rate Generator, if necessary.

Grimsby Power Response:

- a) Grimsby Power selected yes in Tab 1 Cell 58 in error, we are not requesting an update to low voltage in this application.
- b) Grimsby Power updated the Rate Generator to "No" in Tab 1 Cell 58.

OEB Staff Question 2

Ref: Rate Generator Model, Tab 3, Continuity Schedule

On September 12, 2023, the OEB published the 2023 Quarter 4 prescribed accounting interest rates applicable to the carrying charges of deferral, variance and construction work in progress (CWIP) accounts of natural gas utilities, electricity distributors and other rate-regulated entities.

Question:

- a) Please update Tab 3 (Continuity Schedule) as necessary to reflect the Q4 2023 OEB-prescribed interest rate of 5.49%.

Grimsby Power Response:

- a) Grimsby Power has updated Tab 3 to reflect the projected interest using the OEB prescribed interest rate of 5.49% for Q4. The interest rate change for the fourth quarter added an additional \$1,280 in projected interest.

OEB Staff Question 3

Ref: 2024 IRM Rate Generator, Tab 11, 15 and 20

On September 28th, 2023 the OEB issued a letter regarding 2024 Preliminary Uniform Transmission Rates (UTRs) and Hydro One Sub-Transmission Rates.¹ The OEB determined to use of preliminary UTRs to calculate 2024 Retail Service Transmission rates to improve regulatory efficiency, allowing for this data to feed into the rate applications including annual updates for electricity distributors on a timelier basis. The OEB also directed distributors to update their 2024 application with Hydro One Network Inc.’s proposed host RTSRs.

OEB staff has updated LDC’s rate generator with the preliminary UTRs/and proposed host RTSR by HONI as follows:

UTRs

Uniform Transmission Rates	Unit	2022		2023		2024
Rate Description		Jan to Mar	Apr to Dec	Jan to Jun	Jul to Dec	Rate
Network Service Rate	KW	\$ 5.13	\$ 5.46	\$ 5.60	\$ 5.37	\$ 5.76
Line Connection Service Rate	KW	\$ 0.88	\$ 0.88	\$ 0.92	\$ 0.88	\$ 0.95
Transformation Connection Service Rate	KW	\$ 2.81	\$ 2.81	\$ 3.10	\$ 2.98	\$ 3.21

Hydro One Sub-Transmission Rates

Hydro One Sub-Transmission Rates	Unit	2022		2023		2024
Rate Description		Rate	Rate	Rate	Rate	Rate
Network Service Rate	KW	\$ 4.3473	\$ 4.6545	\$ 4.6545	\$ 4.5778	\$ 4.5778
Line Connection Service Rate	KW	\$ 0.6788	\$ 0.6056	\$ 0.6056	\$ 0.6056	\$ 0.6056
Transformation Connection Service Rate	KW	\$ 2.3287	\$ 2.8924	\$ 2.8924	\$ 3.0673	\$ 3.0673
Both Line and Transformation Connection Service Rate	KW	\$ 3.0055	\$ 3.4980	\$ 3.4980	\$ 3.6729	\$ 3.6729

Question: Please confirm the accuracy of the Rate Generator update, as well as the accuracy of the resulting Retail Transmission Service Rates following these updates.

Grimsby Power Response:

- a) Grimsby Power has reviewed the updates in the Rate Generator model. We removed the 2024 Transformation Connection Service Rate under Uniform Transmission Rates in the amount of \$3.21. Our Niagara West MTS is a transmission asset, deemed a distribution asset, GPI is not charged Transmission Connection (charge type 652) by the IESO.

As a result of the updated rates, RTSR Network charges increase by 4.36% over the initial proposed rates and RTSR Connection charges increase by 5.98% compared to the initial proposed rates. The chart below shows the change in Network and Transmission RTSR’s by rate class.

¹ OEB Letter, EB-2023-0222, 2024 Preliminary Uniform Transmission Rates and Hydro One Sub-Transmission Rates, issued September 28th, 2023

RTSR - Network					
Rate Class	Unit	Proposed RTSR- Network As Filed Aug 17, 2023	Proposed RTSR-Network After Preliminary UTR and Sub Transmission Rate Update	\$ Change	% Change
Residential Service Classification	\$/kWh	0.0092	0.0096	0.0004	4.36%
General Service Less Than 50 kW Service Classification	\$/kWh	0.0085	0.0089	0.0004	4.36%
General Service 50 To 4,999 kW Service Classification	\$/kW	3.3760	3.5231	0.1471	4.36%
Unmetered Scattered Load Service Classification	\$/kWh	0.0085	0.0089	0.0004	4.36%
Street Lighting Service Classification	\$/kW	2.5140	2.6235	0.1095	4.36%
Embedded Distributor Service Classification	\$/kW	4.4656	4.6601	0.1945	4.36%

RTSR - Connection					
Rate Class	Unit	Proposed RTSR- Connection As Filed Aug 17, 2023	Proposed RTSR- Connection After Preliminary UTR and Sub Transmission Rate Update	\$ Change	% Change
Residential Service Classification	\$/kWh	0.0041	0.0043	0.0002	5.98%
General Service Less Than 50 kW Service Classification	\$/kWh	0.0037	0.0039	0.0002	5.98%
General Service 50 To 4,999 kW Service Classification	\$/kW	1.5861	1.6808	0.0948	5.98%
Unmetered Scattered Load Service Classification	\$/kWh	0.0037	0.0039	0.0002	5.98%
Street Lighting Service Classification	\$/kW	1.1633	1.2328	0.0695	5.98%
Embedded Distributor Service Classification	\$/kW	0.6429	0.6813	0.0384	5.98%

Ref 1: 2024 IRM Rate Generator Model, Continuity Schedule, Tab 3

Ref 2: IRM Rate Generator – DVA Tabs Instructions - 2024 Rates

Ref 3: OEB Guidance for Electricity Distributors with Forgone Revenues Due to Postponed Rate Implementation from COVID-19, August 6, 2020, page 5

On July 18, 2023, the OEB issued the DVA Tabs Instructions for the 2024 IRM Rate Generator Model. Pages 1 and 3 noted that Account 1509 - Impacts Arising from the COVID-19 Emergency, Subaccount Forgone Revenues from Postponing Rate Implementation was added to the model. A separate rider is calculated for this account in Tab 7, if the disposition is approved.

Regarding Account 1509, Impacts Arising from the COVID-19 Emergency Account, Sub-account Forgone Revenues from Postponing Rate Implementation, the following steps are noted in the August 6, 2020 guidance:

1. Upon implementation of the forgone revenue rate rider that is calculated from the Forgone Revenue Model, the rate rider transactions will be recorded in the same Forgone Revenues Sub-account. This will draw down the accumulated balance of actual forgone revenues/amounts.
2. Any residual balance after the expiry of the rate riders should be requested for final disposition in a future rate application (cost of service or IRM), once the balance has been audited in accordance with normal deferral and variance account disposition practices.
3. If disposition is approved, the residual balance in the Forgone Revenues Sub-account should be disposed proportionately by customer class and the residual balance will be transferred to Account 1595.

Question(s):

- a) Please update Tab 3 (Continuity Schedule) as necessary to reflect a balance in Account 1509 – Impacts Arising from the COVID-19 Emergency, Subaccount Forgone Revenues from Postponing Rate Implementation. Please complete the above-noted steps #1, #2, #3.
- b) If this balance is not applicable, please explain.

Grimsby Power Response:

- a) Grimsby Power does not have a balance in account 1509-Impacts Arising from the COVID-19 Emergency, Subaccount Forgone Revenues from Postponing Rate Implementation. Grimsby Power did not forgo any revenue during COVID, so no balance ever accumulated. The steps listed above would not apply to Grimsby Power.
- b) As per a) above Grimsby Power did not forgo any revenue during COVID and therefore did not accumulate any balance in 1509-Impacts Arising from the COVID-19 Emergency, Subaccount Forgone Revenues from Postponing Rate Implementation.