

Lakeland Power Distribution Limited (Lakeland Power)

Staff Questions

November 28, 2023

OEB Staff Question 1

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

On September 28, 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 (RTSR) 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.² OEB staff will make further updates as final rates become available.

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
		Jan to Mar	Apr to Dec	Jan to Jun	Jul to Dec	
Rate Description		Rate		Rate		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		Rate		Rate
Network Service Rate	kW	\$	4.3473	\$	4.6545	\$ 4.9103
Line Connection Service Rate	kW	\$	0.6788	\$	0.6056	\$ 0.6537
Transformation Connection Service Rate	kW	\$	2.3267	\$	2.8924	\$ 3.3041
Both Line and Transformation Connection Service Rate	kW	\$	3.0055	\$	3.4980	\$ 3.9578

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.

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

² EB-2023-0030, Hydro One's 2024 Custom IR Annual Update Application, Interrogatory Response #4

Response:

Lakeland Power confirms the accuracy of the Rate Generator update and the resulting Retail Transmission Service Rates following the update with the OEB 2024 Preliminary UTR's (OEB letter issued September 28, 2023) and Hydro One's revised 2024 Proposed STR's (per IR submission October 27, 2023).

OEB Staff Question 2

Ref 1: 2024 IRM Rate Generator Model, Continuity Schedule, Tab 1 and Tab 12

On Tab 1, question 7, Lakeland Power indicated that it is partially embedded within Hydro One's distribution system. On Tab 12, consumption data in rows 19-30 are left blank.

Question: Please confirm that Lakeland Power is a fully embedded distributor within Hydro One's distribution system and not transmission-connected at any point for the purpose of calculating RTSRs.

Response:

Lakeland Power confirms that it is a fully embedded distributor within Hydro One's distribution system and not transmission-connected at any point for the purpose of calculating RTSRs.

OEB Staff Question 3

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

Response:

Lakeland Power confirms that the 2023 Quarter 4 prescribed accounting interest rate of 5.49% has been used in Tab 3.

OEB Staff Question 4

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.

Questions:

- a) Please update Tab 3 (Continuity Schedule) and Tab 4 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.

Response:

Lakeland Power confirms that it has updated Tab 3 , 1509 Forgone Revenue resulting in a residual balance of \$621. LPDL requests final disposition of this balance as per #2 above and to be allocated as calculated in Tab 5.

- a) If this balance is not applicable, please explain.

OEB Staff Question 5

Ref 1: 2024 IRM Rate Generator, Tab 16.1

OEB staff notes that Lakeland Power shows 14 accounts for the H1 Monthly Service Charge and Tax rate rider, but only 12 accounts for the H1 Meter Charge.

MONTH	DESCRIPTION	SERVICE POINT	KW	RATE	NUMBER OF ACCOUNTS	TOTAL CHARGE	COMMENTS	DELETE?
	LVDS Charge kW	LP Muskoka TS/Entrance Dr	16,553.87	1.6888		27,956.18		
	Common ST Lines kW	LP Muskoka TS/Entrance Dr	39,770.64	1.6208		64,460.25		
	Rate Recov Def Tax Vol (Jan21-Jun23)	LP Muskoka TS/Entrance Dr	39,770.64	0.0540		2,147.61		
	H1 Mthly Service Charge	LP Muskoka TS/Entrance Dr		612.9700	14	8,581.58		
	H1 Meter Charge	LP Muskoka TS/Entrance Dr		770.0600	12	9,240.72		
	Rate Recov Def Tax Fixed (Jan21-Jun23)	LP Muskoka TS/Entrance Dr		36.1800	14	506.52		
	Common ST Lines kW	Parry Sound TS	14,896.56	1.6208		24,144.34		
	Rate Recov Def Tax Vol (Jan21-Jun23)	Parry Sound TS	14,896.56	0.0540		804.41		
	H1 Mthly Service Charge	Parry Sound TS		612.9700	3	1,838.91		
	Rate Recov Def Tax Fixed (Jan21-Jun23)	Parry Sound TS		36.1800	3	108.54		
Total						139,789.07		

Questions: Please explain the difference in the number of accounts to which these charges apply.

Response:

Lakeland Power has 14 wholesale meter points connected to Hydro One. Of these primary wholesale meters, 12 are owned by Hydro One and 2 are owned by Lakeland Power. Hydro One charges us Meter Charges on only the 12 meters they own. However, Hydro One still charges us the Monthly Service Charge and Tax Rate Riders on the total 14 meters since Lakeland Power is still connected to Hydro One's 44kV line at Lakeland Power's 2 owned primary meter locations.

OEB Staff Question 6

Ref 1: 2024 IRM Rate Generator, Tab 18 – Time-of-Use Prices, effective November 1, 2023

OEB staff has updated Tab 18 of Lakeland Power's rate generator to include the most recent RPP – TOU Prices, effective November 1, 2023 as follows:

Time-of-Use RPP Prices and Percentages

As of	November 1, 2023		
Off-Peak	\$/kWh	0.0870	63%
Mid-Peak	\$/kWh	0.1220	18%
On-Peak	\$/kWh	0.1820	19%

Questions: Please confirm the accuracy of the update.

Response:

Lakeland Power confirms the accuracy of the Rate Generator update following the update of the most recent RPP-TOU Prices effective November 1, 2023.

OEB Staff Question 7

Ref 1: 2024 IRM Rate Generator, Tab 21 – Bill Impacts

OEB staff has updated Tab, 21 of Lakeland Power's rate generator to include the Ontario Energy Rebate (OER) of 19.3% instead of 11.7%.

Questions: Please confirm the update and the accuracy of the total bill impact calculation.

Response:

Lakeland Power Distribution Limited

EB-2023-0036

Staff Questions

November 28, 2023

Lakeland Power confirms the accuracy of the total bill impact calculation following the update of the OER rate from 11.7% to 19.3%.