

Oakville Hydro Electricity Distribution Inc.**EB-2024-0047****October 1, 2024**

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Staff Question-1

Ref: 2024 IRM Rate Generator Model, Tab 12 RTSR Historical Wholesale

Upon reviewing the historical IESO data, the Network, Line Connection, and Transformation Connection rates for the months of July and August are inconsistent with the rates recorded for the months of September to December. Additionally, the Line Connection and Transformation Connection rates for April appear inconsistent with those from January to June.

IESO Month	Network			Line Connection			Transformation Connection		
	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Units Billed	Rate	Amount
January	195,765	\$5.60	\$ 1,096,284	210,507	\$0.92	\$ 193,666	164,933	\$3.10	\$ 511,292
February	189,603	\$5.60	\$ 1,061,777	209,330	\$0.92	\$ 192,584	163,074	\$3.10	\$ 505,529
March	175,648	\$5.60	\$ 983,629	189,452	\$0.92	\$ 174,296	147,745	\$3.10	\$ 458,010
April	163,160	\$5.60	\$ 913,696	183,577	\$0.93	\$ 169,878	143,572	\$3.12	\$ 448,224
May	234,175	\$5.60	\$ 1,311,380	239,647	\$0.92	\$ 220,475	181,143	\$3.10	\$ 561,543
June	273,242	\$5.60	\$ 1,530,155	283,848	\$0.92	\$ 261,140	208,746	\$3.10	\$ 647,113
July	284,602	\$5.60	\$ 1,593,771	304,628	\$0.92	\$ 280,258	227,150	\$3.10	\$ 704,165
August	256,586	\$5.11	\$ 1,312,408	260,719	\$0.83	\$ 217,248	199,097	\$2.84	\$ 566,051
September	293,345	\$5.37	\$ 1,575,263	299,682	\$0.88	\$ 263,720	226,879	\$2.98	\$ 676,099
October	237,554	\$5.37	\$ 1,275,665	243,452	\$0.88	\$ 214,238	180,421	\$2.98	\$ 537,655
November	194,428	\$5.37	\$ 1,044,078	209,052	\$0.88	\$ 183,966	156,645	\$2.98	\$ 466,802
December	191,152	\$5.37	\$ 1,026,486	199,483	\$0.88	\$ 175,545	152,685	\$2.98	\$ 455,001
Total	2,689,260	\$ 5.48	\$ 14,724,593	2,833,377	\$ 0.90	\$ 2,547,013	2,152,090	\$ 3.04	\$ 6,537,484

Question(s):

- Please review the Network, Line Connection, and Transformation Connection rates for the months of July and August in Tab 12 RTSR Historical Wholesale and confirm whether these rates are accurate.
- Please review the **Line Connection** and **Transformation Connection** rates for the month of **April** to ensure they are consistent with the rates from **January to June** and confirm whether these rates are accurate.

Response:

The Network, Line Connection, and Transformation Connection lines on the IESO invoice are the source for the data input in the “Amount” column. Occasionally, the IESO includes adjustment charges in this amount which are typically retroactive adjustments and not related to the period in question. When this happens, the resulting calculation of the “Rate” column does not correspond to the published rate. For example, the IESO adjustment in April 2023 included an adjustment for “*2022 Annual LINE and TRANSFORMATION Connection Service Charge adjustments for embedded generation*”.

The inclusion or exclusion of these adjustments in the “Amount” column has no impact on the rates calculated elsewhere in the model for the 2025 year.

- a) The IESO invoice for August 2023 included an adjustment to the Network, Line Connection and Transformation Connection charges of \$65,458.46, \$12,185.12 and \$ 27,258.00 respectively, hence the discrepancy between the August rate calculated and the rates for other months from August to December.

These adjustments have now been removed from the Rate Generator model. The table below is an extract from the updated model showing Tab 12 RTSR Historical Wholesale after these adjustments have been removed.

- b) The IESO invoice for April 2023 included an adjustment to the **Line Connection** and **Transformation Connection** charges of \$986.66 and \$3,150.58 respectively, hence the discrepancy between the April rate calculated and the rates for other months from January to June.

These adjustments have now been removed from the Rate Generator model. The table below is an extract from the updated showing Tab 12 RTSR Historical Wholesale after these adjustments have been removed.

IESO Month	Network			Line Connection			Transformation Connection		
	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Units Billed	Rate	Amount
January	195,765	\$5.60	\$ 1,096,284	210,507	\$0.92	\$ 193,666	164,933	\$3.10	\$ 511,292
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December	191,152	\$5.37	\$ 1,026,486	199,483	\$0.88	\$ 175,545	152,685	\$2.98	\$ 455,001
Total	2,689,260	\$ 5.50	\$ 14,790,051	2,833,377	\$ 0.90	\$ 2,558,211	2,152,090	\$ 3.05	\$ 6,561,592

Staff Question-2

Ref: 2024 IRM Rate Generator Model, Tab 18 Regulatory Charges

As indicated in the Retail Service Charges table, the proposed change for the 'Notice of switch letter charge, per letter (unless the distributor has opted out of applying the charge as per the Ontario Energy Board's Decision and Order EB-2015-0304, issued on February 14, 2019)' line item is calculated as \$2.42, which includes an adjustment for the 3.6% inflation factor. However, this value is not reflected on the Final Tariff Schedule, which continues to display the 'Current Charge' for 'Retail Service Charges (if applicable)'.

Final Tariff Sheet - Retail Service Charges

RETAIL SERVICE CHARGES (if applicable)

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges, assessments, or credits that are required by law to be invoiced by a distributor and that are not subject to the Ontario Energy Board approval, such as the Global Adjustment and the HST.

Retail Service Charges refer to services provided by a distributor to retailers or customers related to the supply of competitive electricity.

One-time charge, per retailer, to establish the service agreement between the distributor and the	\$	121.23
Monthly fixed charge, per retailer	\$	48.50
Monthly variable charge, per customer, per retailer	\$/cust.	1.20
Distributor-consolidated billing monthly charge, per customer, per retailer	\$/cust.	0.71
Retailer-consolidated billing monthly credit, per customer, per retailer	\$/cust.	(0.71)
Service Transaction Requests (STR)		
Request fee, per request, applied to the requesting party	\$	0.61
Processing fee, per request, applied to the requesting party	\$	1.20
Request for customer information as outlined in Section 10.6.3 and Chapter 11 of the Retail Settlement Code directly to retailers and customers, if not delivered electronically through the Electronic Business Transaction (EBT) system, applied to the requesting party		
Up to twice a year	\$	no charge
More than twice a year, per request (plus incremental delivery costs)	\$	4.85
Notice of switch letter charge, per letter (unless the distributor has opted out of applying for the charge as per the Ontario Energy Board's Decision and Order EB-2015-0304, issued on February	\$	2.34

Regulatory Charges – Retail Service Charges

Retail Service Charges		Current charge	Inflation factor*	Proposed charge ***
One-time charge, per retailer, to establish the service agreement between the distributor and the retailer	\$	117.02	3.60%	121.23
Monthly fixed charge, per retailer	\$	46.81	3.60%	48.50
Monthly variable charge, per customer, per retailer	\$/cust.	1.16	3.60%	1.20
Distributor-consolidated billing monthly charge, per customer, per retailer	\$/cust.	0.69	3.60%	0.71
Retailer-consolidated billing monthly credit, per customer, per retailer	\$/cust.	(0.69)	3.60%	(0.71)
Service Transaction Requests (STR)			3.60%	-
Request fee, per request, applied to the requesting party	\$	0.59	3.60%	0.61
Processing fee, per request, applied to the requesting party	\$	1.16	3.60%	1.20
Electronic Business Transaction (EBT) system, applied to the requesting party				
up to twice a year		no charge		no charge
more than twice a year, per request (plus incremental delivery costs)	\$	4.68	3.60%	4.85
Notice of switch letter charge, per letter (unless the distributor has opted out of applying the charge as per the Ontario Energy Board's Decision and Order EB-2015-0304, issued on February 14, 2019)	\$	2.34	3.60%	2.42

> ...	15. RTSR Rates to Forecast	17. Rev2Cost_GDPIPI	18. Regulatory Charges	19. Additional Rates
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Question(s):

- a) Please check the accuracy of the proposed \$2.42 charge for the 'Notice of switch letter charge, per letter' in the Final Tariff Schedule and update it accordingly.

Response:

Oakville Hydro confirms the accuracy of the proposed \$2.42 charge for the 'Notice of switch letter charge, per letter' in 2025.

A formula correction was required to the Rate Generator Model in order to reflect the revised rate on the tariff sheet. The OEB 'ratemodel' team has made the correction.

Staff Question-3

Ref: 2024 IRM Rate Generator Model, Tab 21. Bill Impacts

In reviewing the 2024 IRM Rate Generator Model, it is noted that the percentage change between the OEB-approved and proposed RTSR - Connection and/or Line and Transformation Connection rates exceeds 4% for the following rate classes:

- Residential Service Classification
- General Service Less Than 50 kW Service Classification
- General Service 50 to 999 kW Service Classification
- General Service 1,000 kW and Greater Service Classification
- Unmetered Scattered Load Service Classification
- Sentinel Lighting Service Classification
- Street Lighting Service Classification
- Embedded Distributor Service Classification
- Residential Service Classification (above 250 kW)

Question(s):

- a) Please provide an explanation for the RTSR - Connection and/or Line and Transformation Connection percentage change exceeding 4% for the above-listed rate classes.

Response:

The Uniform Transmission rates used in the Rate Generator Model to forecast wholesale billing in 2025 are the unadjusted 2024 rates, as no 2025 preliminary or actual rates have been published. Once the 2025 rates are available and entered into the model, the percentage change will reflect the actual change in the Uniform Transmission rates.

Staff Question-4

Ref: Rate Generator Model, Tab 3, Continuity Schedule

On September 13, 2024, the OEB published the 2024 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(s):

- a) Please update Tab 3 (Continuity Schedule) as necessary to reflect the Q4 2024 OEB-prescribed interest rate of 4.40%.

Response:

Tab 3 (Continuity Schedule) has been updated as necessary with the Q4 2024 OEB-prescribed interest rate of 4.40%. Oakville Hydro confirms the balances eligible for disposition remain below the disposition threshold and is not requesting disposition in this application. Updated Tables 3 and 4 are included below.

Group 1 Account Balances (Table 3 in original submission)

Account	Account Number	Principal	Interest	Total
LV Variance Account	1550	\$561,983	\$41,105	\$603,087
Smart Metering Entity Charge Variance Account	1551	\$(141,585)	\$(10,322)	\$(151,907)
RSVA - Wholesale Market Service Charge	1580	\$(1,654,717)	\$(102,208)	\$(1,756,925)
Variance WMS – Sub-account CBR Class B	1580	\$278,102	\$9,997	\$288,099
RSVA - Retail Transmission Network Charge	1584	\$244,690	\$13,191	\$257,881
RSVA - Retail Transmission Connection Charge	1586	\$318,297	\$21,463	\$339,760
RSVA - Power	1588	\$346,599	\$16,601	\$363,200
RSVA - Global Adjustment	1589	\$808,438	\$143,457	\$951,895
Disposition and Recovery/Refund of Regulatory Balances (2020)	1595	\$1,952	\$(2,824)	\$(873)
Total		\$763,758	\$130,458	\$894,217

Disposition Threshold Test (Table 4 in original submission)

Threshold Test		
Total Claim for Threshold Test (All Group 1 Accounts)	A	\$894,217
Total Metered kWh	B	1,645,189,641
Threshold Test (Total claim per kWh)	A / B	\$0.0005