



London Hydro
111 Horton Street
P.O. Box 2700
London, ON
N6A 4H6

November 24, 2014

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4

Re: 2015 IRM Application Board File No. EB-2014-0092

Dear Ms. Walli:

Please find attached our response to Board Staff interrogatories.

If you require any further information, please contact the undersigned.

Respectfully yours,

Martin Benum, CPA, CMA, BBM
Director of Regulatory Affairs
Telephone (519) 681-5800 ext. 5750
Fax (519) 661-2596
benumm@londonhydro.com



1 IR Responses

2

3 Question 1

4 Chapter 3 of the Filing Requirements notes that “distributors must establish separate rate riders
5 to recover the balances in the RSVAs from Market Participants (“MPs”) who must not be
6 allocated the RSVA account balances related to charges for which the MPs settle directly with
7 the IESO (e.g. wholesale energy, wholesale market services).”

8

9 Chapter 3 of the Filing Requirements also note that “distributors who serve Class A customers
10 per O.Reg 429/04 (i.e. customers greater than 5 MW) must propose an appropriate allocation
11 for the recovery of the global adjustment variance balance based on their settlement process
12 with the IESO.

13

14 a) Please confirm whether or not London serves any consumers that are
15 Wholesale Market Participants (“WMPs”).

16 **London Hydro Response:**

17 **London Hydro has one WMP consumer which started April 2012.**

18 i. If yes: i. Have these consumers been WMPs throughout the entire time over
19 which variances accumulated in the RSVA accounts proposed for
20 disposition?

21 **London Hydro Response:**

22 **Please note that London Hydro is not proposing to dispose RSVA balances in this**
23 **application. London Hydro last disposition of RSVA variances was approved in our 2013**
24 **COS application (EB-2012-0146/EB-2012-0380) for Group 1 balances excluding**
25 **balances in 1588 RSVA Power and Sub-account RSVA Global Adjustment up to**
26 **December 31, 2011 through a settlement agreement. The settlement agreement**
27 **disposed of the balances in 1588 RSVA Power and Sub-account RSVA Global**
28 **Adjustment up to December 31, 2012**

29



1 ii. Please confirm that RSVA account balances have not been allocated to
2 WMP customers as they settle these charges directly with the IESO.

3 **London Hydro Response:**

4 As noted above London Hydro's last disposition of RSVA variances was approved in our
5 2013 COS application (EB-2012-0146/ EB-2012-0380) for Group 1 balances excluding
6 balances in 1588 RSVA Power and Sub-account RSVA Global Adjustment up to
7 December 31, 2011 and for balances in 1588 RSVA Power and Sub-account RSVA
8 Global Adjustment up to December 31, 2012 through a settlement agreement. London
9 Hydro submits that the RSVA rate riders as approved were applied to the WMP
10 customer without differentiation from other consumers in the related rate class.

11
12 b) Please confirm whether or not London serves any class A consumers that settle
13 energy charges directly with London. If yes, please explain how balances in Account
14 1589 (Global Adjustment) have been allocated to these consumers.

15 **London Hydro Response:**

16 London Hydro confirms that it serves Class A consumers.
17 London Hydro further confirms that disposition of balances in Account 1589 (Global
18 Adjustment) RSVA rate riders as approved have been allocated to these consumers
19 without differentiation from other consumers in the related rate class.

20



1 Question 2

2 In calculating Deferral and Variance Account rate riders for sub-groups of customers within a
3 class (e.g. WMPs and non-WMPs), distributors have used two approaches.

4

5 1) Rate riders grouped by the nature of the deferral and variance accounts (i.e. one set
6 of rate riders for accounts related to transmission (e.g. 1584 and 1586) and another set
7 of rate riders for accounts related to power (e.g. 1580 and 1588). For an example, see
8 the EnWin Utilities Ltd. Final 2014 Tariff of Rates and Charges (EB-2014-0156).

9

10 2) Sets of rate riders calculated on the basis of the customer group to which they would
11 apply (i.e. one rate rider for WMPs and one rate rider for non-WMPs). For an example,
12 see Bluewater Power Distribution Corp.'s 2014 IRM application (EB-2013-0112).

13

14 Please explain which approach London would use and why.

15

16 **London Hydro Response:**

17 London Hydro would prefer to use the Bluewater method option 2 (i.e. one rate rider for
18 WMPs and one rate rider for all customers excluding WMP's). London Hydro would
19 propose that this method makes it easier to explain to affected customers if questioned.

20

21 London Hydro would like to suggest that the Tariff of Rates and Charges provide
22 definitions of what denotes a separate sub-customer type when required (i.e. provide a
23 specific definition of a "Wholesale Market Participant"). This provides clarification,
24 avoiding customer confusion or misinterpretation of meaning.

25

26 London Hydro would further suggest that the Tariff of Rates and Charges avoid negating
27 references such as "non-Wholesale Market Participant". London Hydro would propose
28 using specific direct terms such as "excluding Wholesale Market Participants" and
29 "Wholesale Market Participants only" where appropriate.