

**Response to OEB Staff Interrogatories
2016 Electricity Distribution Rates
Niagara-on-the-Lake Hydro Inc.
EB-2015-0091**

**Interrogatory #1
Letters of Comment**

Following publication of the Notice of Application, the OEB received 1 letter of comment. If the applicant has not received a copy of the letter, they may be accessed from the public record for this proceeding.

- (a) Has Niagara-on-the-Lake Hydro responded to the above noted letter of comment?
- (b) If the answer to part (a) is no, please explain why.
- (c) If yes, please file the response to the matters raised in the letter of comment referenced above.

Response to Interrogatory #1

- a) Not at the time of the Interrogatory.
- b) Niagara-on-the-Lake Hydro was not aware of this letter until this Interrogatory. It was not on the public record at that time. Niagara-on-the-Lake Hydro has since received a copy of the letter from OEB Staff and has responded to the customer.
- c) The response has been filed in the web drawer under case EB-2015-0091

Interrogatory #2

Ref: Tab 3 – 2016 Continuity Schedule, Board-Approved Disposition for 2014

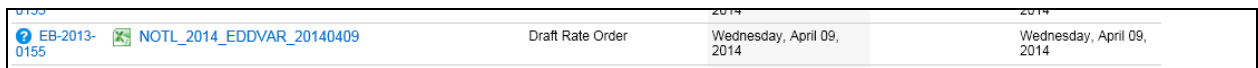
OEB staff is unable to reconcile columns AK and AP (i.e. Board-approved disposition during 2014 for both principle and interest) to Niagara-on-the-Lake Hydro's 2014 cost of service proceeding balances approved for disposition.

Please confirm the balances approved for disposition in 2014 are the same as those entered in the continuity schedule for the current proceeding. If any changes are required, please confirm and OEB staff will update the Rate Generator Model.

Response to Interrogatory #2

The balances approved in the 2014 cost of service proceeding can be found as follows:

- Please refer to the following EDDVAR model in the web drawer for case EB-2013-0155:



- Please then refer to Sheet 2 - 2013 Continuity Schedule in that model.
- In Sheet 2, please refer to Column CL for the approved Group 1 Principal balances for disposition, as follows:

- 1580 (313,895.31)
- 1584 92,929.43
- 1586 4,259.35
- 1588 (591,361.89)
- 1589 (163,384.99)
- 1595 (2011) 20,543.41

- In Sheet 2, please refer to the sum of Columns CM, CN and CO for the approved Group 1 Interest balances for disposition, as follows:

- 1580 $542.85 - 4,614.26 - 1,538.09 = 5,609.50$
- 1584 $597.61 + 1,366.06 + 455.35 = 2,419.02$
- 1586 $332.27 + 62.61 + 20.87 = 415.75$
- 1588 $-13,082.23 - 8,693.02 - 2,897.67 = -24,672.92$

- 1589 $-3,793.53 - 2,401.76 - 800.59 = -6,995.88$
- 1595 (2011) $170.43 + 301.99 + 100.66 = 573.08$

Rounded to the nearest dollar, the Principal and Interest amounts above are identical to the amounts in Columns AK and AP of the 2016 Continuity Schedule. Hence, no changes are required.

Interrogatory #3
Ref: Tab 3 – 2016 Continuity Schedule

In its current application, Niagara-on-the-Lake Hydro is requesting a rate rider for the disposition of Global Adjustment in the amount of a debit of \$1,042,035 based on non-RPP consumption. This represents 2014 transactions of a debit of \$1,020,143 and interest amounts up to April 30, 2015. In 2013, Niagara-on-the-Lake Hydro showed transactions in the amount of a credit of \$531,256. Niagara-on-the-Lake Hydro disposed of all balances in Account 1589 in its last rate application EB-2014-0097.

- (a) Please explain the large balance in Account 1589 Global Adjustment, which is about 3 times relative to 2013, given that Niagara-on-the-Lake Hydro bills on a monthly basis.
- (b) Do any changes in billing patterns or settlement practices explain the three-fold change in the value from 2013 to 2014? Please explain any other reasons for the change in the balances.

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- (c) Please state if Niagara-on-the-Lake Hydro's billing systems have changed materially during the past two years.

Response to Interrogatory #3

- a) The quoted transaction amounts of a debit of \$1,020,143 in 2014 and a credit of \$531,256 in 2013 include the RPP Settlement amounts submitted monthly to the IESO as well as the periodically submitted RPP Settlement true-ups as described in detail on pages 67 to 76 of the Manager's Summary of this Application. The RSVA calculation underlying these amounts (highlighted in orange) is shown in Table 1 below (2015 amounts for Q1 to Q3 are also included for illustrative purposes):

Table 1

	A	B	C	D	E
1		Audited (to December 2014)			Acct 1589 Principal
2		2013 Opening Balance			\$ 259,902
3		Disposition	2013 IRM		\$ (423,287)
4	2	IESO GA Invoice	RPP + Non-RPP	\$ 11,253,122	
5	0	RPP settlement	Original	\$ (7,042,124)	
6	1	RPP settlement True-up	2012 + Jan-Jun 2013	\$ 142,628	
7	3	Non-RPP GA Cost		\$ 4,353,626	
8		Non-RPP GA Revenue		\$ (4,884,883)	
9		Net non-RPP GA Cost		\$ (531,256)	
10		RSVA			\$ (531,256)
11		2014 Opening Balance			\$ (694,641)
12		IRM Disposition	2014 CoS		\$ 163,385
13		IESO GA Invoice	RPP + Non-RPP	\$ 11,025,836	
14	2	RPP settlement	Original	\$ (5,884,451)	
15	0	RPP settlement True-up	Jul 2013 - Apr 2014	\$ 243,657	
16	1		May 2014 - Oct 2014	\$ 563,701	
17	4	Non-RPP GA Cost		\$ 5,948,743	
18		Non-RPP GA Revenue		\$ (4,928,600)	
19		Net non-RPP GA Cost		\$ 1,020,143	
20		RSVA			\$ 1,020,143
21	2	2015 Opening Balance			\$ 488,887
22	0	IRM Disposition	2015 IRM		\$ 531,256
23	1	IESO GA Invoice	RPP + Non-RPP	\$ 11,417,734	
24	5	RPP settlement	Original	\$ (6,564,857)	
25	Q	RPP settlement True-up	Nov 2014 - Apr 2015	\$ 232,370	
26	1	Non-RPP GA Cost		\$ 5,085,248	
27	-	Non-RPP GA Revenue		\$ (5,093,240)	
28	Q	Net non-RPP GA Cost		\$ (7,992)	
29	3	RSVA			\$ (7,992)

The variation observed by OEB staff is caused by the timing of posting and the periods covered in the RPP Settlement true-ups. For example, the true-up of \$243,657 shown in Table 1 above in the year 2014 above contains an amount for the period July 2013 to December 2013. Table 2 below shows for all the true-ups in Table 1 what period was covered and the timing of the posting (month and year):

Thus, with re-aligned RPP Settlement true-ups, the RSVA amount for 2013 would have been a debit of \$162,349 (highlighted in orange), not a credit of \$531,256, and the RSVA amount for 2014 would have been a debit of \$171,935, not a debit of \$1,020,143. These relatively small debit amounts (about 3% of the non-RPP GA costs for those years) are commensurate with the actual GA rates underlying the IESO invoices in 2013 and 2014 being on average a little higher than the 1st estimate GA rates that NOTL used to bill non-RPP customers.

NOTL recognizes that the timing of RPP Settlement true-ups, which caused the significant differences in RSVA amounts observed by OEB staff, has resulted in significant changes in the non-RPP GA rate riders from the negative riders in the 2015 IRM to the positive riders in the 2016 IRM. However, given that the timing of the true-ups occurred as it did, the proposed rate riders are correct,

Going forward, NOTL will ensure that the true-up for the remainder of 2015 (May to December – see Table 2) is posted to 2015 and that any future true-ups are properly aligned to the appropriate years. NOTL will also be moving to calendar month billing in January 2016 and will thus be using the actual GA rate, published by the IESO on the 10th business day of the month, to bill non-RPP customers, rather than the 1st estimate GA rate that has been used up to now in NOTL's billing process.

b) There have been no changes in billing patterns or settlement practices from 2013 to 2014.

Please see a) above for "Other reasons".

c) NOTL's billing systems have not changed materially during the last two years.

Interrogatory #4

Ref: Rate Generator Model Tab 18 – Bill Impacts

Ref: Chapter 3 Filing Requirements for Electricity Distribution Rate Applications

3.2.3 Rate Design for Residential Electricity Customers

Chapter 3 of the Filing Requirements section 3.2.3 states “The OEB has established that, when assessing the combined effects of the shift to fixed rates and other bill impacts associated with changes in the cost of distribution service, a utility shall evaluate total bill impact for a residential customer at the distributor’s 10th consumption percentile.”

In order to evaluate the true bill impact for the 10th percentile (for both RPP and Non-RPP customers) excluding the effect of the Ontario Clean Energy Benefit (OCEB), Sub-Total C: Delivery \$ Change should be divided by the Total Bill on TOU.

(a) Please confirm the Residential RPP bill impacts at the 10th percentile are 1.21% (i.e. \$0.82/\$67.58).

Customer Class: RESIDENTIAL SERVICE CLASSIFICATION		10th Percentile						
RPP / Non-RPP:	RPP							
Consumption	268 kWh							
Demand	- kW							
Current Loss Factor	1.0379							
Proposed/Approved Loss Factor	1.0379							
Ontario Clean Energy Benefit Applied?	Yes							
	Current Board-Approved			Proposed			Impact	
	Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	\$ 18.17	1	\$ 18.17	\$ 20.96	1	\$ 20.96	\$ 2.79	15.35%
Distribution Volumetric Rate	\$ 0.0128	268	\$ 3.09	\$ 0.0097	268	\$ 2.79	\$ 0.85	-24.22%
Fixed Rate Riders	\$ -	1	\$ -	\$ 0.13	1	\$ 0.13	\$ 0.13	
Volumetric Rate Riders	\$ 0.0007	268	\$ 0.20	\$ 0.0007	268	\$ 0.20	\$ -	0.00%
Sub-Total A (excluding pass through)			\$ 22.06			\$ 24.04	\$ 2.03	9.19%
Line Losses on Cost of Power	\$ 0.1021	11	\$ 1.11	\$ 0.1021	11	\$ 1.11	\$ -	0.00%
Total Determinant/Variance Account Rate Riders	\$ 0.0008	288	\$ 0.23	\$ 0.0080	288	\$ 1.44	\$ 1.21	525.00%
Low Voltage Service Charge	\$ -	268	\$ -	\$ -	268	\$ -	\$ -	
Smart Meter Entry Charge (if applicable)	\$ 0.7900	1	\$ 0.79	\$ 0.7900	1	\$ 0.79	\$ -	0.00%
Sub-Total B - Distribution (includes Sub-Total A)			\$ 23.73			\$ 24.56	\$ 0.82	3.46%
RTRR - Network	\$ 0.0076	268	\$ 2.27	\$ 0.0075	268	\$ 2.04	\$ 0.03	-1.32%
RTRR - Connection and/or Line and Transformation Connection	\$ 0.0014	268	\$ 0.42	\$ 0.0016	268	\$ 0.45	\$ 0.03	7.14%
Sub-Total C - Delivery (including Sub-Total B)			\$ 28.42			\$ 27.24	\$ 0.82	3.09%
Wholesale Market Service Charge (WMSC)	\$ 0.0044	268	\$ 1.32	\$ 0.0044	268	\$ 1.32	\$ -	0.00%
Rural and Remote Rate Protection (RRRP)	\$ 0.0013	268	\$ 0.39	\$ 0.0013	268	\$ 0.39	\$ -	0.00%
Standard Supply Service Charge	\$ 0.2500	1	\$ 0.25	\$ 0.25	1	\$ 0.25	\$ -	0.00%
Debt Retirement Charge (DRC)	\$ 0.0070	268	\$ 2.02	\$ -	268	\$ -	\$ 2.02	-100.00%
Ontario Electricity Support Program (OESP)	\$ -		\$ -	\$ -	268	\$ -	\$ -	
TOU - Off Peak	\$ 0.0800	184	\$ 14.75	\$ 0.0800	184	\$ 14.75	\$ -	0.00%
TOU - Mid Peak	\$ 0.1220	52	\$ 6.32	\$ 0.1220	52	\$ 6.32	\$ -	0.00%
TOU - On Peak	\$ 0.1610	52	\$ 8.35	\$ 0.1610	52	\$ 8.35	\$ -	0.00%
Total Bill on TOU (before Taxes)			\$ 69.81			\$ 66.81	\$ 1.28	-2.00%
HST		13%	\$ 7.78		13%	\$ 7.62	\$ 0.16	-2.00%
Total Bill (including HST)			\$ 77.58			\$ 66.23	\$ 1.35	-2.00%
Ontario Clean Energy Benefit ¹			\$ -			\$ -	\$ -	
Total Bill on TOU			\$ 87.58			\$ 66.23	\$ 1.35	-2.00%

(b) Please confirm the Residential Non-RPP bill impacts at the 10th percentile are 19.8% (i.e. \$11.70/\$59.03).

Customer Class: RESIDENTIAL SERVICE CLASSIFICATION								
RPP / Non-RPP:	Non-RPP (Retailer)							
Consumption:	288 kWh							
Demand:	- kW							
Current Loss Factor:	1.0379							
Proposed/Approved Loss Factor:	1.0379							
Ontario Clean Energy Benefit Applied?	Yes							
	Current Board-Approved			Proposed			Impact	
	Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	\$ 18.17	1	\$ 18.17	\$ 20.96	1	\$ 20.96	\$ 2.79	15.35%
Distribution Volumetric Rate	\$ 0.0128	288	\$ 3.69	\$ 0.0097	288	\$ 2.79	\$ 0.89	-24.22%
Fixed Rate Riders	\$ -	1	\$ -	\$ 0.13	1	\$ 0.13	\$ 0.13	0.13%
Volumetric Rate Riders	\$ 0.0007	288	\$ 0.20	\$ 0.0052	288	\$ 0.00	\$ 0.12	-57.14%
Sub-Total A (excluding pass through)			\$ 22.06			\$ 23.97	\$ 1.91	8.67%
Line Losses on Cost of Power	\$ 0.0604	11	\$ 1.04	\$ 0.0954	11	\$ 1.04	\$ -	0.00%
Total Deferral/Variance Account Rate Riders	\$ 0.0138	288	\$ 3.97	\$ 0.0262	288	\$ 5.82	\$ 9.79	246.38%
Low Voltage Service Charge	\$ -	288	\$ -	\$ -	288	\$ -	\$ -	-
Smart Meter Entry Charge (if applicable)	\$ 0.7900	1	\$ 0.79	\$ 0.7900	1	\$ 0.79	\$ -	0.00%
Sub-Total B - Distribution (includes Sub-Total A)			\$ 19.91			\$ 31.62	\$ 11.70	58.77%
RISR - Network	\$ 0.0078	299	\$ 2.27	\$ 0.0078	299	\$ 2.24	\$ 0.03	-1.32%
RISR - Connection and/or Line and Transformation Connection	\$ 0.0014	299	\$ 0.42	\$ 0.0016	299	\$ 0.45	\$ 0.03	7.14%
Sub-Total C - Delivery (includes Sub-Total B)			\$ 22.61			\$ 34.31	\$ 11.70	51.78%
Wholesale Market Service Charge (WMSC)	\$ 0.0044	299	\$ 1.32	\$ 0.0044	299	\$ 1.32	\$ -	0.00%
Rural and Remote Rate Protection (RRRP)	\$ 0.0013	299	\$ 0.39	\$ 0.0013	299	\$ 0.39	\$ -	0.00%
Standard Supply Service Charge	\$ 0.2500	1	\$ 0.25	\$ 0.25	1	\$ 0.25	\$ -	0.00%
Debt Retirement Charge (DRC)	\$ 0.0007	288	\$ 0.20	\$ -	288	\$ -	\$ 0.20	-100.00%
Ontario Electricity Support Program (OESP)	\$ -	299	\$ -	\$ -	299	\$ -	\$ -	-
Non-RPP Retailer Avg. Price	\$ 0.0954	288	\$ 27.48	\$ 0.0954	288	\$ 27.48	\$ -	0.00%
Total Bill on Non-RPP Avg. Price			\$ 62.24			\$ 83.74	\$ 21.50	34.54%
HST		13%	\$ 8.09		13%	\$ 10.89	\$ 2.80	34.61%
Total Bill (including HST)			\$ 70.33			\$ 94.63	\$ 24.30	34.56%
Ontario Clean Energy Benefit ¹			\$ -			\$ -	\$ -	-
Total Bill on Non-RPP Avg. Price			\$ 70.33			\$ 94.63	\$ 24.30	34.56%

- (c) If the answer to (b) is yes, has Niagara-on-the-Lake Hydro considered a mitigation plan for this subset of customers? If not, please explain why.
- (d) Please approximate how many customers would be affected by this rate impact (i.e. quantify the low volume Non-RPP customers in the Residential rate class).
- (e) Please provide bill impact calculations for all rate classes disposing of Account 1589 Global Adjustment over a two-year period while all other Group 1 Accounts stay at a one year period considering the GA has gone from a credit of \$500,000 in Niagara-on-the-Lake Hydro's 2015 IRM proceeding to a debit of over a million in Niagara-on-the-Lake Hydro's 2016 IRM proceeding. Please include all bill impact calculations.

Response to Interrogatory #4

- a) NOTL confirms that the calculation of the RPP bill impact at the 10th percentile (\$0.82 / \$67.58 = 1.21%) is correct.

b) NOTL does not confirm the calculation Table in the interrogatory, as follows:

- NOTL has determined that the 10th percentile for NOTL's 200 Residential non-RPP customers is 365 kWh, i.e. different from the 288 kWh for Residential RPP customers.
- The current DVA Rate Riders including GA should be $-\$0.0010 + \$0.0002 - \$0.0065 = -\0.0073 per kWh
- The current Debt Retirement Charge should be \$0.007, not \$0.0007.
- The proposed Volumetric Rate Rider within sub-total A should be only the ICM rider = \$0.0007.
- The proposed DVA Rate Rider within sub-total B should be the \$0.0126 for non-RPP + the volumetric riders for RPP, which are $-\$0.0036$ and $-\$0.0010$, for a total of \$0.0080.
- The supplemental volumetric rider of $-\$0.0004$ for Account 1576 is replaced by the fixed rider per IR#5, namely - \$0.2482.

It is noted that although the OCEB is applicable for residential customers, OEB staff wishes the impact to exclude the OCEB, as stated in the Interrogatory, second paragraph.

The corrected Table is as follows, showing a non-RPP residential impact at the 10th percentile of $\$7.09 / \$74.28 = 9.54\%$. This impact % calculation is unaffected by the new WMS, RRRAP and OESP rates announced on 19 November, 2015 by the Board as these rates are not part of sub-total C.

Non RPP Res 10th Percentile SHOWN BELOW

Customer Class:	RESIDENTIAL SERVICE CLASSIFICATION		10th Percentile
RPP / Non-RPP:	Non-RPP Retailer		
Consumption	365	kWh	
Demand		kW	
Current Loss Factor	1.0379		
Proposed/Approved Loss Factor	1.0379		
Ontario Clean Energy Benefit	Yes		

	Current Board-Approved			Proposed			Impact	
	Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	\$ 18.17	1	\$ 18.17	\$ 20.96	1	\$ 20.96	\$ 2.79	15.35%
Distribution Volumetric Rate	\$ 0.0128	365	\$ 4.67	\$ 0.0097	365	\$ 3.54	-\$ 1.13	-24.22%
Fixed Rate Riders	\$ -	1	\$ -	\$ 0.13	1	\$ 0.13	\$ 0.13	
Volumetric Rate Riders	\$ 0.0007	365	\$ 0.26	\$ 0.0007	365	\$ 0.26	\$ -	0.00%
Sub-Total A (excluding pass through)			\$ 23.10			\$ 24.89	\$ 1.79	7.74%
Line Losses on Cost of Power	\$ 0.0954	14	\$ 1.32	\$ 0.0954	14	\$ 1.32	\$ -	0.00%
Total Deferral/Variance Account								
Rate Riders exc GA	-\$ 0.0008	365	-\$ 0.29	-\$ 0.0046	365	-\$ 1.68	-\$ 1.39	475.00%
GA Rate Rider number of years		1	-\$ 0.0065	\$ 0.0126	365	\$ 4.60	\$ 6.97	-293.85%
Fixed DVA rate rider (1576 Supplemental)				-\$ 0.2842	1	-\$ 0.28	-\$ 0.28	
Low Voltage Service Charge		365	\$ -		365	\$ -	\$ -	
Smart Meter Entity Charge (if applicable)	\$ 0.7900	1	\$ 0.79	\$ 0.7900	1	\$ 0.79	\$ -	0.00%
Sub-Total B - Distribution (includes Sub-Total A)			\$ 22.54			\$ 29.63	\$ 7.09	31.45%
RTSR - Network	\$ 0.0076	379	\$ 2.88	\$ 0.0075	379	\$ 2.84	-\$ 0.04	-1.32%
RTSR - Connection and/or Line and Transformation Connection	\$ 0.0014	379	\$ 0.53	\$ 0.0015	379	\$ 0.57	\$ 0.04	7.14%
Sub-Total C - Delivery (including Sub-Total B)			\$ 25.95			\$ 33.04	\$ 7.09	27.31%
Wholesale Market Service Charge (WMSC)	\$ 0.0044	379	\$ 1.67	\$ 0.0036	379	\$ 1.36	-\$ 0.30	-18.18%
Rural and Remote Rate Protection (RRRP)	\$ 0.0013	379	\$ 0.49	\$ 0.0013	379	\$ 0.49	\$ -	0.00%
Standard Supply Service Charge	\$ 0.2500	1	\$ 0.25	\$ 0.25	1	\$ 0.25	\$ -	0.00%
Debt Retirement Charge (DRC)	\$ 0.0070	365	\$ 2.56	\$ -	365	\$ -	-\$ 2.56	-100.00%
Ontario Electricity Support Program				\$ 0.0011	379	\$ 0.42	\$ 0.42	
Non-RPP Retailer Avg. Price	\$ 0.0954	365	\$ 34.82	\$ 0.0954	365	\$ 34.82	\$ -	0.00%
Total Bill on TOU (before Taxes)			\$ 65.74			\$ 70.39	\$ 4.65	7.07%
HST		13%	\$ 8.55		13%	\$ 9.15	\$ 0.60	7.07%
Total Bill (including HST)			\$ 74.28			\$ 79.54	\$ 5.25	7.07%
Ontario Clean Energy Benefit ¹			-\$ 7.43			\$ 7.43	\$ 7.43	-100.00%

- c) As the impact shown in b) above is less than 10%, NOTL is not proposing to create a mitigation plan for this subset.
- d) NOTL has determined that there are currently only 20 low-volume non-RPP residential customers that would be affected by the impact calculated in b) above.
- e) The GA rate riders for disposition over a two year period are shown in the Table below, as calculated in the IRM model by changing the number of months in cell C13 of Sheet 6 to 24 months:

Global Adjustment Rate Rider		Two Year		One Year	
RESIDENTIAL SERVICE CLASSIFICATION	kWh	\$	0.0063	\$	0.0126
GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION	kWh	\$	0.0063	\$	0.0126
GENERAL SERVICE 50 TO 4,999 KW SERVICE CLASSIFICATION	kW	\$	2.4888	\$	4.9777
UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION	kWh	\$	-	\$	-
STREET LIGHTING SERVICE CLASSIFICATION	kW	\$	2.2624	\$	4.5249

The bill impact calculations requested in IR 4e are provided below by rate class. . The initial Table2 below provides the summary of impacts calculated according to the protocols in the IRM model but also includes the OEB staff impact calculation protocol from their IR #4, i.e. change in sub-total C divided by the current total bill excluding OCEB.

Table 2

RATE CLASSES / CATEGORIES (eg: Residential TOU, Residential Retailer)	Units	Sub-Total						Total		Special (see OEB IR 4e) Change in C / Current Total exc. OCEB		
		A		B		C		A + B + C		C	Current exc OCEB	%
		\$	%	\$	%	\$	%	\$	%			
RESIDENTIAL SERVICE CLASSIFICATION - RPP	kWh	\$ 0.44	1.52%	-\$ 2.88	-8.95%	-\$ 2.88	-7.27%	\$ 5.60	4.18%	-\$ 2.88	\$ 149.14	-1.93%
GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION - RPP	kWh	\$ 0.89	1.42%	-\$ 7.51	-10.78%	-\$ 7.51	-8.64%	\$ 28.07	8.70%	-\$ 7.51	\$ 358.53	-2.09%
GENERAL SERVICE 50 TO 4,999 KW SERVICE CLASSIFICATION - Non-RPP (Other)	kW	\$ 10.53	1.64%	\$ 542.70	275.59%	\$ 538.62	77.66%	\$ 556.10	7.07%	\$538.62	\$ 7,867.04	6.85%
UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION - RPP	kWh	\$ 0.44	1.68%	-\$ 4.24	-14.22%	-\$ 4.24	-11.28%	\$ 11.51	8.00%	-\$ 4.24	\$ 159.76	-2.65%
STREET LIGHTING SERVICE CLASSIFICATION - RPP	kW	\$ 0.21	1.82%	-\$ 0.00	-0.03%	-\$ 0.01	-0.05%	\$ 2.06	11.17%	-\$ 0.01	\$ 20.50	-0.03%
RESIDENTIAL SERVICE CLASSIFICATION - RPP	kWh	\$ 2.03	9.19%	\$ 0.65	2.73%	\$ 0.65	2.45%	\$ 5.32	8.74%	\$ 0.65	\$ 67.58	0.96%
RESIDENTIAL SERVICE CLASSIFICATION - Non-RPP (Retailer)	kWh	\$ 1.79	7.74%	\$ 4.79	21.25%	\$ 4.79	18.45%	\$ 10.08	15.08%	\$ 4.79	\$ 74.28	6.45%

The rate class impact details are provided below for:

- Residential RPP
- GS < 50 kW RPP
- GS > 50 kW non-RPP¹²
- Unmetered Scattered Load RPP
- Street Lighting RPP
- Residential RPP 10th percentile
- Residential Retailer non-RPP 10th percentile.

¹ Customers in this group have been advised of the significant increase in delivery charges in 2016 by letter on October 14, 2015. This letter has been filed via RESS as an EB-2015-0191 case document.

² **Please note that at the end of this Section e), alternatives are suggested that could be used to mitigate the impact on this rate group.**

Customer Class:	RESIDENTIAL SERVICE CLASSIFICATION	
RPP / Non-RPP:	RPP	
Consumption	800	kWh
Demand	-	kW
Current Loss Factor	1.0379	
Proposed/Approved Loss Factor	1.0379	
Ontario Clean Energy Benefit Applied?	Yes	

	Current Board-Approved			Proposed			Impact	
	Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	\$ 18.17	1	\$ 18.17	\$ 20.96	1	\$ 20.96	\$ 2.79	15.35%
Distribution Volumetric Rate	\$ 0.0128	800	\$ 10.24	\$ 0.0097	800	\$ 7.76	\$ 2.48	-24.22%
Fixed Rate Riders	\$ -	1	\$ -	\$ 0.13	1	\$ 0.13	\$ 0.13	
Volumetric Rate Riders	\$ 0.0007	800	\$ 0.56	\$ 0.0007	800	\$ 0.56	\$ -	0.00%
Sub-Total A (excluding pass through)			\$ 28.97			\$ 29.41	\$ 0.44	1.52%
Line Losses on Cost of Power	\$ 0.1021	30	\$ 3.10	\$ 0.1021	30	\$ 3.10	\$ -	0.00%
Total Deferral/Variance Account Rate Riders <i>exc GA</i>	-\$ 0.0008	800	-\$ 0.64	-\$ 0.0046	800	-\$ 3.68	-\$ 3.04	475.00%
<i>GA Rate Rider</i>	\$ -	800	\$ -	\$ -	800	\$ -	\$ -	
Fixed DVA rate rider (1576 Supplemental)				-\$ 0.2842	1	-\$ 0.28	-\$ 0.28	
Low Voltage Service Charge		800	\$ -		800	\$ -	\$ -	
Smart Meter Entity Charge (if applicable)	\$ 0.7900	1	\$ 0.79	\$ 0.7900	1	\$ 0.79	\$ -	0.00%
Sub-Total B - Distribution (includes Sub-Total A)			\$ 32.22			\$ 29.33	-\$ 2.88	-8.95%
RTSR - Network	\$ 0.0076	830	\$ 6.31	\$ 0.0075	830	\$ 6.23	-\$ 0.08	-1.32%
RTSR - Connection and/or Line and Transformation Connection	\$ 0.0014	830	\$ 1.16	\$ 0.0015	830	\$ 1.25	\$ 0.08	7.14%
Sub-Total C - Delivery (including Sub-Total B)			\$ 39.69			\$ 36.81	-\$ 2.88	-7.27%
Wholesale Market Service Charge (WMSC)	\$ 0.0044	830	\$ 3.65	\$ 0.0036	830	\$ 2.99	-\$ 0.66	-18.18%
Rural and Remote Rate Protection (RRRP)	\$ 0.0013	830	\$ 1.08	\$ 0.0013	830	\$ 1.08	\$ -	0.00%
Standard Supply Service Charge	\$ 0.2500	1	\$ 0.25	\$ 0.25	1	\$ 0.25	\$ -	0.00%
Debt Retirement Charge (DRC)	\$ 0.0070	800	\$ 5.60	\$ -	800	\$ -	-\$ 5.60	-100.00%
Ontario Electricity Support Program (OESP)				\$ 0.0011	830	\$ 0.91	\$ 0.91	
TOU - Off Peak	\$ 0.0800	512	\$ 40.96	\$ 0.0800	512	\$ 40.96	\$ -	0.00%
TOU - Mid Peak	\$ 0.1220	144	\$ 17.57	\$ 0.1220	144	\$ 17.57	\$ -	0.00%
TOU - On Peak	\$ 0.1610	144	\$ 23.18	\$ 0.1610	144	\$ 23.18	\$ -	0.00%
Total Bill on TOU (before Taxes)			\$ 131.98			\$ 123.75	-\$ 8.24	-6.24%
HST	13%		\$ 17.16	13%		\$ 16.09	-\$ 1.07	-6.24%
Total Bill (including HST)			\$ 149.14			\$ 139.84	-\$ 9.31	-6.24%
<i>Ontario Clean Energy Benefit ¹</i>			-\$ 14.91			\$ 14.91	\$ 14.91	-100.00%
Total Bill on TOU			\$ 134.23			\$ 139.84	\$ 5.60	4.18%

Customer Class:	GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION	
RPP / Non-RPP:	RPP	
Consumption	2,000	kWh
Demand	-	kW
Current Loss Factor	1.0379	
Proposed/Approved Loss Factor	1.0379	
Ontario Clean Energy Benefit Applied?	Yes	

	Current Board-Approved			Proposed			Impact	
	Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	\$ 37.76	1	\$ 37.76	\$ 38.25	1	\$ 38.25	\$ 0.49	1.30%
Distribution Volumetric Rate	\$ 0.0113	2000	\$ 22.60	\$ 0.0114	2000	\$ 22.80	\$ 0.20	0.88%
Fixed Rate Riders	\$ -	1	\$ -	\$ -	1	\$ -	\$ -	-
Volumetric Rate Riders	\$ 0.0012	2000	\$ 2.40	\$ 0.0013	2000	\$ 2.60	\$ 0.20	8.33%
Sub-Total A (excluding pass through)			\$ 62.76			\$ 63.65	\$ 0.89	1.42%
Line Losses on Cost of Power	\$ 0.1021	76	\$ 7.74	\$ 0.1021	76	\$ 7.74	\$ -	0.00%
Total Deferral/Variance Account Rate Riders <i>exc GA</i>	-\$ 0.0008	2,000	-\$ 1.60	-\$ 0.0050	2,000	-\$ 10.00	-\$ 8.40	525.00%
<i>GA Rate Rider</i>	\$ -	2,000	\$ -	\$ -	2,000	\$ -	\$ -	-
Low Voltage Service Charge		2,000	\$ -		2,000	\$ -	\$ -	-
Smart Meter Entity Charge (if applicable)	\$ 0.7900	1	\$ 0.79	\$ 0.7900	1	\$ 0.79	\$ -	0.00%
Sub-Total B - Distribution (includes Sub-Total A)			\$ 69.69			\$ 62.18	-\$ 7.51	-10.78%
RTSR - Network	\$ 0.0069	2,076	\$ 14.32	\$ 0.0068	2,076	\$ 14.12	-\$ 0.21	-1.45%
RTSR - Connection and/or Line and Transformation Connection	\$ 0.0014	2,076	\$ 2.91	\$ 0.0015	2,076	\$ 3.11	\$ 0.21	7.14%
Sub-Total C - Delivery (including Sub-Total B)			\$ 86.92			\$ 79.41	-\$ 7.51	-8.64%
Wholesale Market Service Charge (WMSC)	\$ 0.0044	2,076	\$ 9.13	\$ 0.0036	2,076	\$ 7.47	-\$ 1.66	-18.18%
Rural and Remote Rate Protection (RRRP)	\$ 0.0013	2,076	\$ 2.70	\$ 0.0013	2,076	\$ 2.70	\$ -	0.00%
Standard Supply Service Charge	\$ 0.2500	1	\$ 0.25	\$ 0.25	1	\$ 0.25	\$ -	0.00%
Debt Retirement Charge (DRC)	\$ 0.0070	2,000	\$ 14.00	\$ 0.0070	2,000	\$ 14.00	\$ -	0.00%
Ontario Electricity Support Program (OESP)				\$ 0.0011	2,076	\$ 2.28	\$ 2.28	-
TOU - Off Peak	\$ 0.0800	1,280	\$ 102.40	\$ 0.0800	1,280	\$ 102.40	\$ -	0.00%
TOU - Mid Peak	\$ 0.1220	360	\$ 43.92	\$ 0.1220	360	\$ 43.92	\$ -	0.00%
TOU - On Peak	\$ 0.1610	360	\$ 57.96	\$ 0.1610	360	\$ 57.96	\$ -	0.00%
Total Bill on TOU (before Taxes)			\$ 317.28			\$ 310.40	-\$ 6.89	-2.17%
HST	13%		\$ 41.25	13%		\$ 40.35	-\$ 0.90	-2.17%
Total Bill (including HST)			\$ 358.53			\$ 350.75	-\$ 7.78	-2.17%
Ontario Clean Energy Benefit ¹			-\$ 35.85			\$ 35.85	\$ 35.85	-100.00%
Total Bill on TOU			\$ 322.68			\$ 350.75	\$ 28.07	8.70%

Customer Class:	GENERAL SERVICE 50 TO 4,999 KW SERVICE CLASSIFICATION	
RPP / Non-RPP:	Non-RPP (Other)	
Consumption	56,000	kWh
Demand	150	kW
Current Loss Factor	1.0379	
Proposed/Approved Loss Factor	1.0379	
Ontario Clean Energy Benefit Applied?	No	

	Current Board-Approved			Proposed			Impact	
	Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	\$ 269.88	1	\$ 269.88	\$ 273.39	1	\$ 273.39	\$ 3.51	1.30%
Distribution Volumetric Rate	\$ 2.1298	150	\$ 319.47	\$ 2.1575	150	\$ 323.63	\$ 4.16	1.30%
Fixed Rate Riders	\$ -	1	\$ -	\$ -	1	\$ -	\$ -	-
Volumetric Rate Riders	\$ 0.3483	150	\$ 52.25	\$ 0.3674	150	\$ 55.11	\$ 2.87	5.48%
Sub-Total A (excluding pass through)			\$ 641.60			\$ 652.13	\$ 10.53	1.64%
Line Losses on Cost of Power	\$ -	-	\$ -	\$ -	-	\$ -	\$ -	-
Total Deferral/Variance Account Rate Riders exc GA	-\$ 0.3182	150	-\$ 47.73	-\$ 1.9055	150	-\$ 285.83	-\$ 238.10	-498.85%
GA Rate Rider number of years								
	-\$ 2.6463	150	-\$ 396.95	\$ 2.4888	150	\$ 373.32	\$ 770.27	-194.05%
Low Voltage Service Charge		150	\$ -		150	\$ -	\$ -	-
Smart Meter Entity Charge (if applicable)	\$ -	1	\$ -	\$ -	1	\$ -	\$ -	-
Sub-Total B - Distribution (includes Sub-Total A)			\$ 196.92			\$ 739.62	\$ 542.70	275.59%
RTSR - Network	\$ 2.8188	150	\$ 422.82	\$ 2.7690	150	\$ 415.35	-\$ 7.47	-1.77%
RTSR - Connection and/or Line and Transformation Connection	\$ 0.4921	150	\$ 73.82	\$ 0.5147	150	\$ 77.21	\$ 3.39	4.59%
Sub-Total C - Delivery (including Sub-Total B)			\$ 693.56			\$ 1,232.17	\$ 538.62	77.66%
Wholesale Market Service Charge (WMSC)	\$ 0.0044	58,122	\$ 255.74	\$ 0.0036	58,122	\$ 209.24	-\$ 46.50	-18.18%
Rural and Remote Rate Protection (RRRP)	\$ 0.0013	58,122	\$ 75.56	\$ 0.0013	58,122	\$ 75.56	\$ -	0.00%
Standard Supply Service Charge	\$ 0.2500	1	\$ 0.25	\$ 0.25	1	\$ 0.25	\$ -	0.00%
Debt Retirement Charge (DRC)	\$ 0.0070	56,000	\$ 392.00	\$ 0.0070	56,000	\$ 392.00	\$ -	0.00%
Ontario Electricity Support Program (OESP)				\$ 0.0011	58,122	\$ 63.93	\$ 63.93	
Average IESO Wholesale Market Price	\$ 0.0954	58,122	\$ 5,544.88	\$ 0.0954	58,122	\$ 5,544.88	\$ -	0.00%
HST		13%	\$ 905.06		13%	\$ 969.03	\$ 63.98	7.07%
Total Bill (including HST)			\$ 7,867.04			\$ 8,423.13	\$ 556.10	7.07%
<i>Ontario Clean Energy Benefit</i> ¹			\$ -			\$ -	\$ -	-
Total Bill on Average IESO Wholesale Market Price			\$ 7,867.04			\$ 8,423.13	\$ 556.10	7.07%

Customer Class:	UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION	
RPP / Non-RPP:	RPP	
Consumption	900	kWh
Demand	-	kW
Current Loss Factor	1.0379	
Proposed/Approved Loss Factor	1.0379	
Ontario Clean Energy Benefit Applied?	Yes	

	Current Board-Approved			Proposed			Impact	
	Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	\$ 20.31	1	\$ 20.31	\$ 20.57	1	\$ 20.57	\$ 0.26	1.28%
Distribution Volumetric Rate	\$ 0.0061	900	\$ 5.49	\$ 0.0062	900	\$ 5.58	\$ 0.09	1.64%
Fixed Rate Riders	\$ -	1	\$ -	\$ -	1	\$ -	\$ -	
Volumetric Rate Riders	\$ 0.0005	900	\$ 0.45	\$ 0.0006	900	\$ 0.54	\$ 0.09	20.00%
Sub-Total A (excluding pass through)			\$ 26.25			\$ 26.69	\$ 0.44	1.68%
Line Losses on Cost of Power	\$ 0.1021	34	\$ 3.48	\$ 0.1021	34	\$ 3.48	\$ -	0.00%
Total Deferral/Variance Account Rate Riders exc GA	\$ 0.0001	900	\$ 0.09	-\$ 0.0051	900	-\$ 4.59	-\$ 4.68	-5200%
GA Rate Rider	\$ -	900	\$ -	\$ -	900	\$ -	\$ -	
Low Voltage Service Charge		900	\$ -		900	\$ -	\$ -	
Smart Meter Entity Charge (if applicable)	\$ -	1	\$ -	\$ -	1	\$ -	\$ -	
Sub-Total B - Distribution (includes Sub-Total A)			\$ 29.82			\$ 25.58	-\$ 4.24	-14.22%
RTSR - Network	\$ 0.0069	934	\$ 6.45	\$ 0.0068	934	\$ 6.35	-\$ 0.09	-1.45%
RTSR - Connection and/or Line and Transformation Connection	\$ 0.0014	934	\$ 1.31	\$ 0.0015	934	\$ 1.40	\$ 0.09	7.14%
Sub-Total C - Delivery (including Sub-Total B)			\$ 37.58			\$ 33.34	-\$ 4.24	-11.28%
Wholesale Market Service Charge (WMSC)	\$ 0.0044	934	\$ 4.11	\$ 0.0036	934	\$ 3.36	-\$ 0.75	-18.18%
Rural and Remote Rate Protection (RRRP)	\$ 0.0013	934	\$ 1.21	\$ 0.0013	934	\$ 1.21	\$ -	0.00%
Standard Supply Service Charge	\$ 0.2500	1	\$ 0.25	\$ 0.25	1	\$ 0.25	\$ -	0.00%
Debt Retirement Charge (DRC)	\$ 0.0070	900	\$ 6.30	\$ 0.0070	900	\$ 6.30	\$ -	0.00%
Ontario Electricity Support Program (OESP)				\$ 0.0011	934	\$ 1.03	\$ 1.03	
TOU - Off Peak	\$ 0.0800	576	\$ 46.08	\$ 0.0800	576	\$ 46.08	\$ -	0.00%
TOU - Mid Peak	\$ 0.1220	162	\$ 19.76	\$ 0.1220	162	\$ 19.76	\$ -	0.00%
TOU - On Peak	\$ 0.1610	162	\$ 26.08	\$ 0.1610	162	\$ 26.08	\$ -	0.00%
Total Bill on TOU (before Taxes)			\$ 141.38			\$ 137.42	-\$ 3.96	-2.80%
HST	13%		\$ 18.38	13%		\$ 17.86	-\$ 0.51	-2.80%
Total Bill (including HST)			\$ 159.76			\$ 155.28	-\$ 4.47	-2.80%
Ontario Clean Energy Benefit ¹			-\$ 15.98			\$ 15.98	\$ 15.98	-100.00%
Total Bill on TOU			\$ 143.78			\$ 155.28	\$ 11.51	8.00%

Customer Class:	STREET LIGHTING SERVICE CLASSIFICATION	
RPP / Non-RPP:	RPP	
Consumption	50	kWh
Demand	0.14	kW
Current Loss Factor	1.0379	
Proposed/Approved Loss Factor	1.0379	
Ontario Clean Energy Benefit Applied?	Yes	

	Current Board-Approved			Proposed			Impact	
	Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	\$ 7.52	1	\$ 7.52	\$ 7.62	1	\$ 7.62	\$ 0.10	1.33%
Distribution Volumetric Rate	\$ 29.4112	0.14	\$ 4.12	\$ 29.7935	0.14	\$ 4.17	\$ 0.05	1.30%
Fixed Rate Riders	\$ -	1	\$ -	\$ -	1	\$ -	\$ -	
Volumetric Rate Riders	\$ -	0.14	\$ -	\$ 0.4126	0.14	\$ 0.06	\$ 0.06	
Sub-Total A (excluding pass through)			\$ 11.64			\$ 11.85	\$ 0.21	1.82%
Line Losses on Cost of Power	\$ 0.1021	2	\$ 0.19	\$ 0.1021	2	\$ 0.19	\$ -	0.00%
Total Deferral/Variance Account Rate Riders exc GA	-\$ 0.2938	0.14	-\$ 0.04	-\$ 1.8244	0.14	-\$ 0.26	-\$ 0.21	520.97%
GA Rate Rider	\$ -	0	\$ -	\$ -	0	\$ -	\$ -	
Low Voltage Service Charge	\$ -	0	\$ -	\$ -	0	\$ -	\$ -	
Smart Meter Entity Charge (if applicable)	\$ -	1	\$ -	\$ -	1	\$ -	\$ -	
Sub-Total B - Distribution (includes Sub-Total A)			\$ 11.79			\$ 11.79	-\$ 0.00	-0.03%
RTSR - Network	\$ 2.1255	0.14	\$ 0.30	\$ 2.0879	0.14	\$ 0.29	-\$ 0.01	-1.77%
RTSR - Connection and/or Line and Transformation Connection	\$ 0.3805	0.14	\$ 0.05	\$ 0.3980	0.14	\$ 0.06	\$ 0.00	4.60%
Sub-Total C - Delivery (including Sub-Total B)			\$ 12.14			\$ 12.14	-\$ 0.01	-0.05%
Wholesale Market Service Charge (WMSC)	\$ 0.0044	52	\$ 0.23	\$ 0.0036	52	\$ 0.19	-\$ 0.04	-18.18%
Rural and Remote Rate Protection (RRRP)	\$ 0.0013	52	\$ 0.07	\$ 0.0013	52	\$ 0.07	\$ -	0.00%
Standard Supply Service Charge	\$ 0.2500	1	\$ 0.25	\$ 0.25	1	\$ 0.25	\$ -	0.00%
Debt Retirement Charge (DRC)	\$ 0.0070	50	\$ 0.35	\$ 0.0070	50	\$ 0.35	\$ -	0.00%
Ontario Electricity Support Program (OESP)				\$ 0.0011	52	\$ 0.06	\$ 0.06	
TOU - Off Peak	\$ 0.0800	32	\$ 2.56	\$ 0.0800	32	\$ 2.56	\$ -	0.00%
TOU - Mid Peak	\$ 0.1220	9	\$ 1.10	\$ 0.1220	9	\$ 1.10	\$ -	0.00%
TOU - On Peak	\$ 0.1610	9	\$ 1.45	\$ 0.1610	9	\$ 1.45	\$ -	0.00%
Total Bill on TOU (before Taxes)			\$ 18.14			\$ 18.15	\$ 0.01	0.05%
HST	13%		\$ 2.36	13%		\$ 2.36	\$ 0.00	0.05%
Total Bill (including HST)			\$ 20.50			\$ 20.51	\$ 0.01	0.05%
Ontario Clean Energy Benefit ¹			-\$ 2.05			\$ 2.05	\$ 2.05	-100.00%
Total Bill on TOU			\$ 18.45			\$ 20.51	\$ 2.06	11.17%

Customer Class:	RESIDENTIAL SERVICE CLASSIFICATION		10th Percentile
RPP / Non-RPP:	RPP		
Consumption	288	kWh	
Demand	-	kW	
Current Loss Factor	1.0379		
Proposed/Approved Loss Factor	1.0379		
Ontario Clean Energy Benefit Applied?	Yes		

	Current Board-Approved			Proposed			Impact	
	Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	\$ 18.17	1	\$ 18.17	\$ 20.96	1	\$ 20.96	\$ 2.79	15.35%
Distribution Volumetric Rate	\$ 0.0128	288	\$ 3.69	\$ 0.0097	288	\$ 2.79	-\$ 0.89	-24.22%
Fixed Rate Riders	\$ -	1	\$ -	\$ 0.13	1	\$ 0.13	\$ 0.13	
Volumetric Rate Riders	\$ 0.0007	288	\$ 0.20	\$ 0.0007	288	\$ 0.20	\$ -	0.00%
Sub-Total A (excluding pass through)			\$ 22.06			\$ 24.09	\$ 2.03	9.19%
Line Losses on Cost of Power	\$ 0.1021	11	\$ 1.11	\$ 0.1021	11	\$ 1.11	\$ -	0.00%
Total Deferral/Variance Account Rate Riders exc GA	-\$ 0.0008	288	-\$ 0.23	-\$ 0.0046	288	-\$ 1.32	-\$ 1.09	475.00%
GA Rate Rider	\$ -	288	\$ -	\$ -	288	\$ -	\$ -	
Fixed DVA rate rider (1576 Supplemental)				-\$ 0.2842	1	-\$ 0.28	-\$ 0.28	
Low Voltage Service Charge		288	\$ -		288	\$ -	\$ -	
Smart Meter Entity Charge (if applicable)	\$ 0.7900	1	\$ 0.79	\$ 0.7900	1	\$ 0.79	\$ -	0.00%
Sub-Total B - Distribution (includes Sub-Total A)			\$ 23.73			\$ 24.38	\$ 0.65	2.73%
RTSR - Network	\$ 0.0076	299	\$ 2.27	\$ 0.0075	299	\$ 2.24	-\$ 0.03	-1.32%
RTSR - Connection and/or Line and Transformation Connection	\$ 0.0014	299	\$ 0.42	\$ 0.0015	299	\$ 0.45	\$ 0.03	7.14%
Sub-Total C - Delivery (including Sub-Total B)			\$ 26.42			\$ 27.07	\$ 0.65	2.45%
Wholesale Market Service Charge (WMSC)	\$ 0.0044	299	\$ 1.32	\$ 0.0036	299	\$ 1.08	-\$ 0.24	-18.18%
Rural and Remote Rate Protection (RRRP)	\$ 0.0013	299	\$ 0.39	\$ 0.0013	299	\$ 0.39	\$ -	0.00%
Standard Supply Service Charge	\$ 0.2500	1	\$ 0.25	\$ 0.25	1	\$ 0.25	\$ -	0.00%
Debt Retirement Charge (DRC)	\$ 0.0070	288	\$ 2.02	\$ -	288	\$ -	-\$ 2.02	-100.00%
Ontario Electricity Support Program (OESP)				\$ 0.0011	299	\$ 0.33	\$ 0.33	
TOU - Off Peak	\$ 0.0800	184	\$ 14.75	\$ 0.0800	184	\$ 14.75	\$ -	0.00%
TOU - Mid Peak	\$ 0.1220	52	\$ 6.32	\$ 0.1220	52	\$ 6.32	\$ -	0.00%
TOU - On Peak	\$ 0.1610	52	\$ 8.35	\$ 0.1610	52	\$ 8.35	\$ -	0.00%
Total Bill on TOU (before Taxes)			\$ 59.81			\$ 58.53	-\$ 1.28	-2.14%
HST	13%		\$ 7.78	13%		\$ 7.61	-\$ 0.17	-2.14%
Total Bill (including HST)			\$ 67.58			\$ 66.14	-\$ 1.44	-2.14%
Ontario Clean Energy Benefit ¹			-\$ 6.76			\$ 6.76	\$ 6.76	-100.00%
Total Bill on TOU			\$ 60.82			\$ 66.14	\$ 5.32	8.74%

Customer Class:	RESIDENTIAL SERVICE CLASSIFICATION	10th Percentile
RPP / Non-RPP:	Non-RPP Retailer	
Consumption:	365	kWh
Demand:		kW
Current Loss Factor:	1.0379	
Proposed/Approved Loss Factor:	1.0379	
Ontario Clean Energy Benefit Applied?	Yes	

	Current Board-Approved			Proposed			Impact	
	Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	\$ 18.17	1	\$ 18.17	\$ 20.96	1	\$ 20.96	\$ 2.79	15.35%
Distribution Volumetric Rate	\$ 0.0128	365	\$ 4.67	\$ 0.0097	365	\$ 3.54	-\$ 1.13	-24.22%
Fixed Rate Riders	\$ -	1	\$ -	\$ 0.13	1	\$ 0.13	\$ 0.13	
Volumetric Rate Riders	\$ 0.0007	365	\$ 0.26	\$ 0.0007	365	\$ 0.26	\$ -	0.00%
Sub-Total A (excluding pass through)			\$ 23.10			\$ 24.89	\$ 1.79	7.74%
Line Losses on Cost of Power	\$ 0.0954	14	\$ 1.32	\$ 0.0954	14	\$ 1.32	\$ -	0.00%
Total Deferral/Variance Account Rate Riders exc GA	-\$ 0.0008	365	-\$ 0.29	-\$ 0.0046	365	-\$ 1.68	-\$ 1.39	475.00%
GA Rate Rider number of years 2	-\$ 0.0065	365	-\$ 2.37	\$ 0.0063	365	\$ 2.30	\$ 4.67	-196.92%
Fixed DVA rate rider (1576 Supplemental)				-\$ 0.2842	1	-\$ 0.28	-\$ 0.28	
Low Voltage Service Charge		365	\$ -		365	\$ -	\$ -	
Smart Meter Entity Charge (if applicable)	\$ 0.7900	1	\$ 0.79	\$ 0.7900	1	\$ 0.79	\$ -	0.00%
Sub-Total B - Distribution (includes Sub-Total A)			\$ 22.54			\$ 27.33	\$ 4.79	21.25%
RTSR - Network	\$ 0.0076	379	\$ 2.88	\$ 0.0075	379	\$ 2.84	-\$ 0.04	-1.32%
RTSR - Connection and/or Line and Transformation Connection	\$ 0.0014	379	\$ 0.53	\$ 0.0015	379	\$ 0.57	\$ 0.04	7.14%
Sub-Total C - Delivery (including Sub-Total B)			\$ 25.95			\$ 30.74	\$ 4.79	18.45%
Wholesale Market Service Charge (WMSC)	\$ 0.0044	379	\$ 1.67	\$ 0.0036	379	\$ 1.36	-\$ 0.30	-18.18%
Rural and Remote Rate Protection (RRRP)	\$ 0.0013	379	\$ 0.49	\$ 0.0013	379	\$ 0.49	\$ -	0.00%
Standard Supply Service Charge	\$ 0.2500	1	\$ 0.25	\$ 0.25	1	\$ 0.25	\$ -	0.00%
Debt Retirement Charge (DRC)	\$ 0.0070	365	\$ 2.56	\$ -	365	\$ -	-\$ 2.56	-100.00%
Ontario Electricity Support Program (OESP)				\$ 0.0011	379	\$ 0.42	\$ 0.42	
Non-RPP Retailer Avg. Price	\$ 0.0954	365	\$ 34.82	\$ 0.0954	365	\$ 34.82	\$ -	0.00%
Total Bill on TOU (before Taxes)			\$ 65.74			\$ 68.09	\$ 2.35	3.57%
HST	13%		\$ 8.55	13%		\$ 8.85	\$ 0.31	3.57%
Total Bill (including HST)			\$ 74.28			\$ 76.94	\$ 2.65	3.57%
Ontario Clean Energy Benefit ¹			-\$ 7.43			\$ 7.43	-\$ 7.43	-100.00%
Total Bill on TOU			\$ 66.85			\$ 76.94	\$ 10.08	15.08%

Alternatives to Mitigate the Impact on GS > 50 kW non-RPP Rate Group

As mentioned in Footnote 2 on Page 12, there are alternatives that could be considered to mitigate the impact on this rate group. These alternatives are based on variations of the remaining period for the following rate riders:

- The original 1576 rate rider approved in the 2014 cost of service decision (referred to below as “old 1576”). The remaining period is currently approved as 3 years to April 30, 2019. Alternatives are 1 year or 2 years, which would reduce the bill impact as the rider is a credit amount.

- The 1576 adjustment rate rider included in this 2016 IRM application (referred to below as “new 1576”). This application submitted the remaining period also as 3 years to April 30, 2019. Alternatives are 1 year or 2 years, which would reduce the bill impact as the rider is a credit amount.
- The non-RPP GA rate rider for this rate group. This application submitted the period as the typical 1 year to April 30, 2017. An alternative is 2 years, which would reduce the bill impact as the rider is a debit amount.

The Table below displays what the riders would be under these alternatives.

	A	B	C	D	E	F
1						
2	Rate Riders GS>50 non-RPP					
3						
4				KEY		
5				Application values		
6				Alternatives		
7						
8				\$/ kW		
9		New 1576	1 year	\$ (0.4300) = 3 years x 3		
10	2 years		\$ (0.2150) = 3 years x 3/2			
11	3 years		\$ (0.1433) per Application			
12						
13				\$/ kW		
14		Old 1576	1 year	\$ (1.1403) = 3 years x 3		
15	2 years		\$ (0.5702) = 3 years x 3/2			
16	3 years		\$ (0.3801) per CoS 2014			
17						
18				\$/ kW		
19		GA	1 year	\$ 4.9777 per Application		
20			2 years	\$ 2.4888 = 1 year / 2		
21						

Alternative scenarios that NOTL would be willing to consider for these rate riders as a group would be i) each rider at 1 year or ii) each rider at 2 years. The Table below shows the resulting total bill impacts for these scenarios for a non-RPP GS > 50kW customer with usage of 56,000 kWh and demand of 150 kW:

	A	B	C	D	E	F	G
23							
24		Total Bill Impacts GS>50 non-RPP					
25							
26		Total Bill Increase		Both 1576			
27				1 year	2 years	3 years	
28		GA	1 year	\$ 800.51		\$ 977.95	
29			2 years		\$ 511.73		
30							
31		Total Bill Increase		Both 1576			
32				1 year	2 years	3 years	
33		GA	1 year	10.18%		12.43%	
34			2 years		6.50%		
35							

Interrogatory #5
Account 1576 Supplemental Rate Rider

The OEB's letter issued on July 16, 2015 titled *Implementing a New Rate Design for Electricity Distributors* notes that going forward, any new "other" charges related to distribution¹ will be applied on a fixed basis. These charges typically have an end date.

¹ Examples of distribution-related charges are funding mechanisms for additional infrastructure investment (ICM/ACM) or the recovery of unforeseen costs from storm damage (Z-Factor).

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In addition, section 2.8.2 of Chapter 2 of the *Filing Requirements for Electricity Distribution Rate Applications* states that "generally speaking, distributors must propose a fully fixed rate design for charges applicable to the residential class provided that those charges are specifically related to the distribution of electricity²."

- (a) Please confirm if Niagara-on-the-Lake Hydro agrees that for the Residential rate class, the supplemental rate rider for Account 1576 should be on a fixed basis.
- (b) If the answer to (a) is no, please explain why.
- (c) In the event the OEB approves a fixed rate approach to the disposition of Account 1576, please provide rate rider calculations for the supplemental rate rider for Account 1576 on a fixed basis for the Residential rate class.

Response to Interrogatory #5

- a) Niagara-on-the-Lake Hydro agrees that for the Residential rate class, the supplemental rate rider for Account 1576 should be on a fixed basis.
- b) Not applicable
- c) The original Table 3.8 of rate riders in the Application is shown below:

13

Table 3.8 –Supplementary Rate Riders

C = Difference in 1576 Balance and Supplementary Rate Riders

Please indicate the Rate Rider Recovery Period (in years) **3** (2016, 2017, 2018)

Rate Class (Enter Rate Classes in cells below)	Units	kW / kWh / # of Customers	Balance of Accounts 1576 and 1576	Rate Rider for Accounts 1576 and 1576
Residential	kWh	44,211,727	\$ 73,964	\$ 0.0004
General Service Less Than 50 kW	kWh	35,318,239	\$ 39,040	\$ 0.0004
General Service 50 to 4,999 kW	kWh	203,974	\$ 87,704	\$ 0.1433
Unmetered Scattered Load	kWh	219,430	\$ 242.55	\$ 0.0004
Street Lighting	kWh	3,238	\$ 1,286	\$ 0.1324
Total			\$ 202,237	

14
15

This Table is adjusted below (yellow highlighting) in order to calculate a revised rate rider on a fixed basis for residential customers, with the same residential balance of \$(73,964) to be recovered over the 3-year period. The rider is calculated from a determinant of 7,230 residential customers at December 31, 2014 (per RRR 2.1.8 filed April 3, 2015), as follows:

- $\$ (73,964) / 3 \text{ years} / 12 \text{ months} / 7,230 \text{ customers} = \$ (0.2842) \text{ per customer per month.}$

C = Difference in 1576 Balance and Supplementary Rate Riders

Please indicate the Rate Rider Recovery Period (in years) **3** (2016, 2017, 2018)

Rate Class (Enter Rate Classes in cells below)	Units	kW / kWh / # of Customers	Balance of Accounts 1575 and 1576	Rate Rider for Accounts 1575 and 1576
Residential	#	7,230	(\$73,964.02)	(\$0.2842)
General Service Less Than 50 kW	kWh	35,318,239	(\$39,040.05)	(\$0.0004)
General Service 50 to 4,999 kW	kWh	203,974	(\$87,704.70)	(\$0.1433)
Unmetered Scattered Load	kWh	219,430	(\$242.55)	(\$0.0004)
Street Lighting	kWh	3,238	(\$1,286.07)	(\$0.1324)
Total			(\$202,237.38)	

Supplemental Interrogatory #1
Ref: Tax Adjustment
Ref: Tab 7 of the Rate Generator Model

Following further review of Niagara-on-the-Lake Hydro's tax sharing portion of the Rate Generator Model, it has come to OEB staff's attention that while Niagara-on-the-Lake Hydro's tax amounts recovered in rates are calculated on a base tax rate of 15.5%, the value of legislative tax changes enacted in 2015 may be more accurately calculated relative to a tax rate of 19.5%.

Niagara-on-the-Lake Hydro was not eligible for the federal small business deduction in 2014 as its taxable capital exceeded \$15,000,000. Accordingly, OEB staff has provided a scenario using a tax rate of 19.5% as a comparator against legislative tax changes that occurred since 2014 in the event that the OEB decides that the appropriate tax rate to be used is 19.5%.

This would result in an incremental tax amount of \$28,682, of which 50% would be recovered from customers (i.e. \$14,341) instead of the \$21,469 proposed by NOTL. Please see OEB staff's calculation below.

- (a) Please confirm if Niagara-on-the-Lake Hydro agrees with OEB staff's calculation assuming a 19.5% tax rate is approved as the comparator.
- (b) If the answer to (a) is no, please provide Niagara-on-the-Lake Hydro's revised calculation with an explanation.

	Corrected	
	2014	2016
1. Tax Related Amounts Forecast from Capital Tax Rate Changes		
Taxable Capital (if you are not claiming capital tax, please enter your Board-	\$ 24,483,958	\$ 24,483,958
Deduction from taxable capital up to \$15,000,000	\$ 15,000,000	\$ 15,000,000
Net Taxable Capital	\$ 9,483,958	\$ 9,483,958
Rate	0.00%	0.00%
Ontario Capital Tax (Deductible, not grossed-up)	\$ -	\$ -
2. Tax Related Amounts Forecast from Income Tax Rate Changes		
Regulatory Taxable Income	\$ 254,434	\$ 254,434
Corporate Tax Rate	19.50%	26.500%
Tax Impact	\$ 37,615	\$ 55,425
Grossed-up Tax Amount	\$ 46,726	\$ 75,408
Tax Related Amounts Forecast from Capital Tax Rate Changes	\$ -	\$ -
Tax Related Amounts Forecast from Income Tax Rate Changes	\$ 46,726	\$ 75,408
Total Tax Related Amounts	\$ 46,726	\$ 75,408
Incremental Tax Savings		\$ 28,682
Sharing of Tax Amount (50%)		\$ 14,341

Response to Supplementary Interrogatory #1

- a) As indicated in the Interrogatory, Niagara-on-the-Lake Hydro's tax amounts recovered in rates are based on a tax rate of 15.5% used in the 2014 cost of service decision, as shown below³:

³ This is Sheet 7 of the PILs model from the Settlement Agreement in case EB-2013-0155.

Income Tax/PILs Workform for 2014 Filers									
PILs Tax Provision - Test Year									
								Wires Only	
Regulatory Taxable Income								\$ 264,434 A	
Ontario Income Taxes									
<i>Income tax payable</i>		Ontario Income Tax		4.50% B		\$ 11,450 C = A * B			
<i>Small business credit</i>		Ontario Small Business Threshold		\$ - D					
		Rate reduction		-7.00% E		\$ - F = D * E			
<i>Ontario Income tax</i>								\$ 11,450 J = C + F	
Combined Tax Rate and PILs		Effective Ontario Tax Rate		4.50%		K = J / A			
		Federal tax rate		11.00%		L			
		Combined tax rate				15.50%		M = K + L	
Total Income Taxes								\$ 39,437 N = A * M	
<i>Investment Tax Credits</i>								\$ - O	
<i>Miscellaneous Tax Credits</i>								\$ 12,000 P	
Total Tax Credits								\$ 12,000 Q = O + P	
Corporate PILs/Income Tax Provision for Test Year								\$ 27,437 R = N - Q	
Corporate PILs/Income Tax Provision Gross Up ¹				84.50%		S = 1 - M		\$ 5,033 T = R / S	
Income Tax (grossed-up)								\$ 32,470 U = R + T	

NOTL agrees that OEB staff's calculation of incremental tax savings of \$28,682 is mathematically correct if a 19.5% tax rate is approved as the comparator. This calculation was verified by using the 2016 IRM model Sheet 7 as a calculator, with the updated tax rate entered as shown below:

Summary - Sharing of Tax Change Forecast Amounts

For the 2014 year, enter any Tax Credits from the Cost of Service Tax Calculation (Positive #)	12,000	
1. Tax Related Amounts Forecast from Capital Tax Rate Changes	2014	2016
Taxable Capital (if you are not claiming capital tax, please enter your Board-Approved Rate Base)	\$ 24,483,958	\$ 24,483,958
Deduction from taxable capital up to \$15,000,000	\$ 15,000,000	\$ 15,000,000
Net Taxable Capital	\$ 9,483,958	\$ 9,483,958
Rate	0.00%	0.00%
Ontario Capital Tax (Deductible, not grossed-up)	\$ -	\$ -
2. Tax Related Amounts Forecast from Income Tax Rate Changes		
Regulatory Taxable Income	\$ 254,434	\$ 254,434
Corporate Tax Rate	19.50%	26.500%
Tax Impact	\$ 37,615	\$ 55,425
Grossed-up Tax Amount	\$ 46,726	\$ 75,408
Tax Related Amounts Forecast from Capital Tax Rate Changes	\$ -	\$ -
Tax Related Amounts Forecast from Income Tax Rate Changes	\$ 46,726	\$ 75,408
Total Tax Related Amounts	\$ 46,726	\$ 75,408
Incremental Tax Savings		\$ 28,682
Sharing of Tax Amount (50%)		\$ 14,341

b) Not applicable

_ END _