

1 **RESPONSES TO ONTARIO ENERGY BOARD STAFF INTERROGATORIES**

2

3 **INTERROGATORY 8-STAFF-330**

4 **Reference:** **Exhibit 8, Tab 1, Schedule 1, Pages 4-6**

5

6 Preamble:

7 Toronto Hydro is proposing to maintain the current fixed/variable split for its current rates. To do
8 this, it is using estimated 2024 rates, multiplied by 2025 consumption to establish the current
9 fixed/variable split.

10

11 Toronto Hydro applies a three-part charge for the unmetered scattered load rate class.

12

13 The current fixed charges for the GS < 50 kW, GS 1,000 - 4,999 kW and Large Use rate classes are
14 above the ceiling as calculated by the cost allocation model.

15

16 **QUESTION (A):**

17 a) Will Toronto Hydro update the proposed 2025 rates using actual 2024 rates to establish the
18 current fixed/variable split?

19

20 **RESPONSE (A):**

21 There is no change to Toronto Hydro 2024 estimated rates compared to 2024 actual rates. As a
22 result, no update is required to fixed/variable split.

23

24 **QUESTION (B):**

25 b) As a scenario, please provide the variable charges that would result from maintaining the
26 existing 2024 fixed charges in the GS < 50 kW, GS 1,000 - 4,999 kW and Large Use rate
27 classes.

1 **RESPONSE (B):**

2 Please see the variable charges within Table 1 below:

3

4 **Table 1 – Variable Charges from Maintaining 2024 Fixed Charges in GS<50 kW, GS 1,000-4,999 kW**
 5 **and Large Use Rate Class**

	Proposed Rates (\$)					Rates if maintaining at 2024 Fixed Charge (\$)				
	2025	2026	2027	2028	2029	2025	2026	2027	2028	2029
GS<50k W	0.04604	0.04822	0.04993	0.05365	0.05514	0.04829	0.05132	0.05371	0.05899	0.06109
GS 1,000 TO 4,999 kW	8.9381	9.5024	9.9774	10.8259	11.3400	8.9976	9.5824	10.0922	11.0060	11.5558
LARGE USE	9.4854	9.9318	10.5266	11.5564	12.1653	9.5254	9.9625	10.6020	11.7152	12.3563

6

7 **QUESTION (B):**

8 c) Please indicate the fixed per connection charge that would result for the USL rate class if
 9 the revenue from the per customer charge and per connection were collected from a single
 10 per connection charge. Please indicate how this compares to the ceiling from the cost
 11 allocation model.

12

13 **RESPONSE (C):**

14 Please see Table 2 below for the requested information related to Unmetered Scattered Load rate
 15 class.

1 **Table 2 – Monthly Fixed Charge for Unmetered Scattered Load Rate Class (Single Per Connection**
 2 **Charge)**

Monthly Fixed Charge - 2025 (\$)		Unmetered Scattered Load
Proposed per connection charge	per 30 days	0.81
Proposed per customer charge	per 30 days	7.87
Per connection charge (If all fixed revenue collected through connection charges)	per 30 days	1.30
Cost Allocation Model Ceiling	per month	8.82
Cost Allocation Model Ceiling	per 30 days	8.70

1 **RESPONSES TO ONTARIO ENERGY BOARD STAFF INTERROGATORIES**

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3 **INTERROGATORY 8-STAFF-331**

4 **References: Exhibit 8, Tab 1, Schedule 1, Pages 7-8**

5 **EB-2018-0165, Decision and Order, December 19, 2019**

6 **EB-2023-0278, Letter Dated September 28, 2023, Consultation on Policy for**
7 **Standby Rates**

8

9 Preamble:

10 Toronto Hydro harmonized its standby rates on an interim basis in 2006. In the 2020-2024
11 proceeding the OEB directed Toronto Hydro to file a proposal in this proceeding address the
12 interim nature of its standby rates unless it has been otherwise superseded by a generic policy.
13 Toronto Hydro notes that there is an ongoing consultation for standby rates. It also notes that
14 there are ongoing initiatives in the space of DERs which appears to in conflict with standby rates.

15

16 **QUESTION (A):**

17 a) In the event that the standby consultation does not lead to a policy on standby rates in
18 time for Toronto Hydro's rate order, does Toronto Hydro propose to address the interim
19 nature of its standby rates in any manner?

20

21 **RESPONSE (A):**

22 In the event that the OEB's standby rates consultation does not conclude in time for Toronto
23 Hydro's rate order, Toronto Hydro does not propose to address the interim nature of its standby
24 rates, since any material alteration to the utility's standby rates would pre-empt, and potentially
25 conflict with, any future direction provided by the OEB on this matter

1 **QUESTION (B):**

2 b) If the standby consultation does provide direction in time to be incorporated, does Toronto
3 Hydro intend to adopt that direction in this proceeding?

4

5 **RESPONSE (B):**

6 Toronto Hydro cannot speculate what direction will be provided by the OEB's standby consultation.
7 As a result, Toronto Hydro cannot comment on its intentions since any subsequent action would
8 need to be informed and assessed on the basis of the specifics of the OEB's direction for standby
9 rates.

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RESPONSES TO ONTARIO ENERGY BOARD STAFF INTERROGATORIES

INTERROGATORY 8-STAFF-332

Reference: Exhibit 8, Tab 1, Schedule 1, Page 9

Preamble:

Toronto Hydro used the 2024 RTSR model, with modifications to calculate the 2025 RTSRs, using the 2023 UTRs available at the time of preparation.

QUESTION (A, B, C):

- a) Please update to the current 2025 model if available at the time of responding to interrogatories.
- b) Please update to the current 2024 UTRs.
- c) Please incorporate 2023 historic actual host volumes and customer volumes, if available at the time of responding to the interrogatories.

RESPONSE (A, B, C):

Performing the requested update is an extensive process. Given that RTSRs are pass-through charges, and do not relate to Toronto Hydro's revenue requirement, distribution rates, or Group 2 DVAs, in previous proceedings (e.g. EB-2018-0165) the OEB has left RTSR updates to the Draft Rate Order process. Doing so also allows for the most up-to-date information to be used. In the interest of efficiently focusing resources, Toronto Hydro recommends that this approach be followed in this proceeding as well.

1 **RESPONSES TO ONTARIO ENERGY BOARD STAFF INTERROGATORIES**

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3 **INTERROGATORY 8-STAFF-333**

4 **References: Exhibit 8, Tab 1, Schedule 1, Page. 11-12**

5 **Appendix 2-R**

6

7 Preamble:

8 Toronto Hydro is proposing to maintain its existing loss factors reflecting a distribution loss factor
9 of 1.0249. Appendix 2-R indicates that the actual distribution loss factor in the most recent 5 years
10 is 1.0278.

11

12 Over the most recent 4 years, the total loss factor has fluctuated in a relatively narrow band
13 between 1.0281 and 1.0299. In 2018, it was 1.0221.

14

15 **QUESTIONS (A):**

16 a) Please explain why Toronto Hydro proposes to use the existing loss factors when more
17 recent loss information is available.

18

19 **RESPONSE (A):**

20 Please refer to the response 8-VECC-95.

21

22 **QUESTIONS (B)**

23 b) Does Toronto Hydro have any insights into the cause of the increase in losses over the
24 most recent 4 years?

25

26 **RESPONSE (B):**

27 Toronto Hydro did not undertake a detailed engineering study regarding line losses in the time
28 period between 2018 and 2022 and therefore cannot offer additional insights into fluctuations in
29 the loss factor over this period.

1 **QUESTIONS (C)**

2 c) What are the most cost-effective measures available to Toronto Hydro to offset some of
3 the recent increase in losses?
4

5 **RESPONSE (C):**

6 Please refer to Toronto Hydro's response to interrogatory 2B-ED-43, e) and g).
7

8 **QUESTIONS (D)**

9 d) If the required data is available, please provided an updated Appendix 2-R using the
10 years 2019-2023.
11

12 **RESPONSE (D):**

13 Please refer to 8-Staff-333, Appendix A.

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3 **INTERROGATORY 8-STAFF-334**

4 **References: Exhibit 8, Tab 1, Schedule 1, Page 13**

5 **Appendix 2-R**

6

7 Preamble:

8 Toronto Hydro proposes implementation of a rate smoothing methodology, aimed at assisting
9 customers in managing bill impacts.

10

11 **QUESTION:**

12 Please provide the derivation of the proposed rates for the 2025-2029 years, indicating fixed and
13 variable revenue for each year, division by billing determinants, and implementation of Toronto
14 Hydro’s rate smoothing methodology.

15

16 **RESPONSE:**

17 Please see Tables 1-5 below for the revenue for 2025-2029 years by billing determinants.

18 Please see response 8-Staff-335 part (b) that describes rate smoothing methodology.

1

Table 1: 2025 Distribution Revenue

2025	Residential	CCSMUR	GS <50	GS 50-999 kW	GS 1,000-4,999 kW	Large Use >5MW	Street Light	USL	Total
Customers	372,078,020	44,305,893	44,448,209	7,704,550	6,530,359	2,839,477	-	75,976	477,982,484
Connections	-	-	-	-	-	-	4,324,672	127,459	4,452,131
kWh	-	-	110,965,081	-	-	-	-	4,163,024	115,128,105
kVA	-	-	-	251,041,720	79,919,937	38,594,568	17,329,089	-	386,885,314
kVA (Tx allowance)	-	-	-	- 4,634,340	- 4,901,526	- 2,549,955	-	-	- 12,085,821
Total	372,078,020	44,305,893	155,413,290	254,111,930	81,548,771	38,884,089	21,653,761	4,366,459	972,362,213

Table 2: 2026 Distribution Revenue

2026	Residential	CCSMUR	GS <50	GS 50-999 kW	GS 1,000-4,999 kW	Large Use >5MW	Street Light	USL	Total
Customers	390,161,012	46,459,159	46,608,392	8,078,991	6,847,735	2,977,475	-	79,669	501,212,433
Connections	-	-	-	-	-	-	4,534,851	133,653	4,668,504
kWh	-	-	116,357,984	-	-	-	-	4,365,347	120,723,331
kVA	-	-	-	263,107,115	83,483,097	40,316,186	18,171,283	-	405,077,681
kVA (Tx allowance)	-	-	-	- 4,724,337	- 4,818,791	- 2,519,805	-	-	- 12,062,932
Total	390,161,012	46,459,159	162,966,376	266,461,769	85,512,041	40,773,856	22,706,134	4,578,669	1,019,619,016

Table 3: 2027 Distribution Revenue

2027	Residential	CCSMUR	GS <50	GS 50-999 kW	GS 1,000-4,999 kW	Large Use >5MW	Street Light	USL	Total
Customers	405,260,243	48,257,128	48,412,137	8,391,648	7,112,742	3,092,704	4,710,350	82,752	525,319,704
Connections	-	-	-	-	-	-	-	138,825	138,825
kWh	-	-	120,861,038	-	-	-	-	4,534,286	125,395,324
kVA	-	-	-	273,196,692	86,456,102	41,684,318	18,874,512	-	420,211,623
kVA (Tx allowance)				- 4,814,500	- 4,747,487	- 2,425,218			- 11,987,204
Total	405,260,243	48,257,128	169,273,175	276,773,840	88,821,357	42,351,804	23,584,862	4,755,863	1,059,078,272

Table 4: 2028 Distribution Revenue

2028	Residential	CCSMUR	GS <50	GS 50-999 kW	GS 1,000-4,999 kW	Large Use >5MW	Street Light	USL	Total
Customers	440,436,832	52,445,847	52,614,310	9,120,043	7,730,128	3,361,150	5,119,208	89,935	570,917,454
Connections	-	-	-	-	-	-	-	150,875	150,875
kWh	-	-	131,351,776	-	-	-	-	4,927,862	136,279,638
kVA	-	-	-	296,600,304	93,512,864	45,011,061	20,512,819	-	455,637,048
kVA (Tx allowance)				- 4,922,538	- 4,711,941	- 2,344,270			- 11,978,749
Total	440,436,832	52,445,847	183,966,086	300,797,809	96,531,051	46,027,941	25,632,028	5,168,672	1,151,006,266

Table 5: 2029 Distribution Revenue

2029	Residential	CCCSMUR	GS <50	GS 50-999 kW	GS 1,000-4,999 kW	Large Use >5MW	Street Light	USL	Total
Customers	453,473,762	53,998,244	54,171,694	9,389,996	7,958,940	3,460,640	5,270,737	92,597	587,816,611
Connections	-	-	-	-	-	-	-	155,341	155,341
kWh	-	-	135,239,788	-	-	-	-	5,073,727	140,313,515
kVA	-	-	-	305,319,886	96,054,507	46,184,407	21,119,999	-	468,678,799
kVA (Tx allowance)	-	-	-	- 5,008,458	- 4,625,077	- 2,254,679	-	-	- 11,888,214
Total	453,473,762	53,998,244	189,411,482	309,701,424	99,388,370	47,390,368	26,390,736	5,321,665	1,185,076,052

1 **RESPONSES TO ONTARIO ENERGY BOARD STAFF INTERROGATORIES**

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3 **INTERROGATORY 8-STAFF-335**

4 **Reference: Exhibit 8, Tab 1, Schedule 1, Page 13**

5

6 Preamble:

7 Toronto Hydro states that Consistent with EB-2018-0165, Toronto Hydro proposes implementation
8 of a rate smoothing methodology, aimed at assisting customers in managing bill impacts. Toronto
9 Hydro's proposed rate smoothing plan offers several benefits: (i) it avoids a one-time step-change
10 increase for most customers in the rebasing year (2025), while (ii) maintaining relatively consistent
11 year-over-year annual increases for all customer classes.

12

13 **QUESTION (A):**

14 a) Please confirm that this approach complicates consideration of the ratemaking treatment
15 needed to address cost growth in the out years of the proposed plan.

16

17 **RESPONSE (A):**

18 Toronto Hydro confirms that this approach complicates consideration of the ratemaking treatment
19 needed to address cost growth in the out years of the proposed plan.

20

21 **QUESTION (B):**

22 b) Please provide additional details on how this rate smoothing will be implemented (e.g.,
23 over what time frame will the smoothing take place, will Toronto Hydro receive interest on
24 any deferred cost recovery).

25

26 **RESPONSE (B):**

27 Toronto Hydro's proposal for rate smoothing does not defer cost recovery; it carefully times the
28 disposition of DVA balances in order to smooth the overall change in the distribution portion of the

1 customer bill. In accordance with OEB rules for DVAs, the balances of those accounts accumulate
2 interest – a credit or debit as applicable – so long as they carry a balance.

3

4 **QUESTION (C):**

5 c) Please identify the OEB policy that supports using DVA credits for rate smoothing purposes.

6

7 **RESPONSE (C):**

8 The 2006 Electricity Distribution Rate Handbook dated May 11, 2005 and Filing Requirements for
9 Electricity Distribution Rate Application – 2023 Edition for 2024 Rate Application Chapter 2 dated
10 December 15, 2022 set out OEB policy on rate mitigation. On this basis, OEB policy for rate
11 smoothing does not prohibit timing DVA disposition periods in order to smooth rate changes
12 experienced by customers.

13

14 Toronto Hydro proposed this same approach to rate smoothing in its last rebasing application, EB-
15 2018-0165. In its Decision and Rate Order on February 20, 2020, the OEB approved the approach.

16

17 In Toronto Hydro's experience, the OEB exercises its public interest mandate with a view to
18 balancing the effects of rate changes on customers, and the financial interests of regulated entities.
19 The OEB has approved rate smoothing through DVA disposition timing because of its efficacy in
20 balancing those public interest outcomes.

21

22 **QUESTION (D):**

23 d) Please confirm that Toronto Hydro expects to be able to continue with the same rate
24 smoothing mechanism at the next rebase proceeding. If not, please explain.

25

26 **RESPONSE (D):**

27 Toronto Hydro expects that the OEB will continue to welcome rate smoothing proposals over time,
28 though it is not clear how any such expectation would be relevant to the current proceeding.

1 **QUESTION (E):**

2 e) Toronto Hydro's proposed revenue requirement surges in 2028. Since it is open to
3 smoothing its rate trajectory during the years of the plan, could it not instead smooth its
4 revenue requirement trajectory so that revenue cap indexing is more compensatory?

5

6 **RESPONSE (E):**

7 Please refer to Toronto Hydro's response to interrogatory 1B-CCC-35.

1 **QUESTION (B)**

2 b) Does Toronto Hydro charge its standby rate to customers who own large load displacement
3 generators who generate their power at peak times to avoid paying the Global Adjustment
4 charge under the Industrial Conservation Initiative?

5

6 **RESPONSE (B):**

7 Yes, Toronto Hydro may charge standby rates for customers who own large load displacement
8 generators and participate in the Industrial Conservation Initiative.

9

10 **QUESTION (C):**

11 c) Does Toronto Hydro charge its standby rate to residential customers who own rooftop
12 solar panels to generate electricity for their own use during sunny periods?

13

14 **RESPONSE (C):**

15 No, Toronto Hydro does not charge standby rates to residential customers who own rooftop solar
16 panels.

17

18 **QUESTION (D):**

19 d) Where is the Standby Rate shown in the EB-2023-0195 evidence on Tariff of Rates and
20 Charges?

21

22 **RESPONSE (D):**

23 Please refer to Exhibit 8, Tab 3, Schedule 2. Standby rates are shown under the Standby Power
24 Service Classification.

25

26 **QUESTION (E):**

27 e) How many customers were charged a Standby Rate in 2023 and how much has Toronto
28 Hydro collected in revenues from Standby Rates in 2023?

1 **RESPONSE (E):**

2 Toronto Hydro charged six customers standby rates and collected approximately \$20,000 in
3 standby charges in 2023.

4

5 **QUESTION (F):**

6 f) What is the revenue from Standby Rates that Toronto Hydro expects to collect from
7 Standby Rates in 2024?

8

9 **RESPONSE (F):**

10 Toronto Hydro expects to collect approximately \$21,000 in 2024.

1 commercial and industrial customers.¹ The rate design policy question raised in this interrogatory is
2 not specific to Toronto Hydro, its customers, or this Application, and would require further,
3 broader review of specific proposals.

4

5 **QUESTION (B):**

6 b) Does Toronto Hydro agree that setting the fixed monthly charges for commercial and
7 industrial customers at the level of avoided cost would represent a shift of costs from fixed
8 charges to variable charges?

9

10 **RESPONSE (B):**

11 Toronto Hydro agrees that setting the fixed monthly charges for commercial and
12 industrial customers at the level of avoided cost would represent a shift of costs from fixed charges
13 to variable charges.

14

15 **QUESTION (C):**

16 c) Does Toronto Hydro agree with Board Staff that setting fixed monthly charges at the level
17 of avoided costs has benefits, including that avoided costs “are easiest to determine, are
18 subject to minimal judgment and thus more accurate”?

19

20 **RESPONSE (C):**

21 No, the ‘easiest’ approach, and the one that provides the greatest level of stability and certainty to
22 a utility and its customers, is to maintain stability of the rate design over time.

¹ See, for example, the reintroduction of Tiered RPP commodity rates in response to backlash over TOU commodity rates, which was a response to public concern over behavior-driven pricing.

1 **QUESTION (D):**

2 d) Would Toronto Hydro agree to set its commercial and industrial fixed monthly charges to
3 equal avoided costs going forward? If not, would Toronto Hydro agree to study and
4 consider this issue for potential implementation in its next annual rate application?
5

6 **RESPONSE (D):**

7 Toronto Hydro proposes in Exhibit 1B, Tab 1, Schedule 3, section 7 that for the years 2026 to 2029,
8 the final approved base revenue requirements be allocated to each rate class based on the same
9 allocations to rate classes established in this proceeding for 2025. As presented in Table 11 the
10 revenue to cost ratios for all Toronto Hydro rate classes within the OEB's guideline ranges. Toronto
11 Hydro will hold constant the fixed/variable revenue split for each rate class determined in 2025 for
12 the purpose of designing rates from 2026 to 2029. Toronto Hydro is concerned that significant
13 change to rates for commercial and industrial customers could have significant, unintended
14 consequences that would be disruptive to those businesses, and the broader economy. Toronto
15 Hydro is concerned that this could adversely affect the energy transition.
16

17 From time-to-time, the OEB re-assesses rate design on a sector-wide basis, and that continues to
18 be the most appropriate approach, in order to maintain consistency across service areas. As a
19 result, Toronto Hydro does not support a utility-specific study with its next rate application.
20

21 **QUESTION (E):**

22 e) Please confirm that the balance between fixed and variable charges does not and should
23 not impact Toronto Hydro being made whole for its revenue requirement. Please explain.
24

25 **RESPONSE (E):**

26 Revenue requirement is calculated prior to the calculation of rate design, and therefore the
27 calculation of the former is not impacted by calculated changes of the latter. However, Toronto
28 Hydro is "made whole for its revenue requirement" to the extent that the calculated rates and

1 forecasted billing determinants materialize as anticipated in the OEB Decision and Rate Order. It is
2 unknown what effects a significant change in rate design would have on actual revenues.

3

4 **QUESTION (F):**

5 f) Please confirm that Toronto Hydro has proposed fixed monthly charges for commercial and
6 industrial customers that is above the maximum level.

7

8 **RESPONSE (F):**

9 The proposed fixed rates for GS<50kW, GS 1-5MW and Large User rate class are above the cost
10 allocation model output ceiling level, however, the ceiling is not a maximum. In this and similar
11 proceedings over the years, OEB is not, has not, and cannot be fettered by its cost allocation and
12 rate design policies. Indeed, past decisions of Toronto Hydro and other LDCs demonstrate that,
13 notwithstanding certain nomenclature in the cost allocation model, the model does not produce a
14 “maximum”, and that just and reasonable rates include fixed rates much greater than are output
15 by bands calculated by its model.

16

17 **QUESTION (G):**

18 g) Please explain why Toronto Hydro is proposing fixed monthly charges for commercial and
19 industrial customers that are above the maximum level. Please include a detailed
20 breakdown quantifying and explaining for each rate class the difference between the
21 proposed fixed charges and the maximum fixed charges.

22

23 **RESPONSE (G):**

24 The OEB cost allocation model does not establish maximum fixed charges. Toronto Hydro is
25 proposing a rate design that produces results that are consistent with the fixed/variable splits with
26 which Toronto Hydro customers are familiar.

27

28 See Table 1 below for the variance between proposed fixed charges and the calculated ceiling for
29 fixed charges from the cost allocation model.

1 **Table 1: Variance Between Proposed Fixed Charges and Calculated Ceiling for Fixed Charges**

		Residential	CSMUR	GS<50 kW	GS 50-999 kW	GS 1000-4999 kW	Large Use	Street Lighting	USL
A	CA Model Floor	6.66	4.29	14.83	31.02	35.41	121.9	0.6	0.72
B	CA Model Ceiling	23.28	18.74	38.61	86.35	162.48	497.05	6.28	8.82
C	Proposed (2024)	45.93	37.68	44.31	58.88	1,109.35	4,910.79	1.87	7.25
D	Proposed (2025)	49.52	37	49.77	65.29	1,191.22	5,138.68	2.06	7.87
E	Proposed (2025) (not adjusted for 30 days)	50.21	37.51	50.46	66.2	1207.76	5210.05	2.09	7.98
F=E-B	Proposed 2025 vs CA Model Ceiling	26.93	18.77	11.85	-20.15	1045.28	4713	-4.19	-0.84

2

3 **QUESTION (H):**

4 h) Please provide the methodology, calculations, and any underlying documentation
 5 showing how Toronto Hydro calculates the fixed monthly charge for its commercial and
 6 industrial customers.

7

8 **RESPONSE (H):**

9 Toronto Hydro applied 2025 forecast customer connection counts to anticipated 2024 rates to
 10 determine 2025 fixed revenue at 2024 rates. The utility subsequently applied 2025 forecast kWh
 11 and kVA billing determinants to anticipated 2024 variable distribution rates to determine the
 12 percentage of fixed and variable revenue relative to total revenue, by rate class. Exhibit 8, Tab 1,
 13 Schedule 2 provides details on the current fixed/variable split for each rate class utilizing this
 14 methodology.

15

16 **QUESTION (I):**

17 i) Please provide the percent difference between the proposed monthly fixed charge for
 18 commercial and industrial customers and the Board minimum and maximum figures (i.e.
 19 Customer Unit Cost per month - Avoided Cost; Customer Unit Cost per month - Directly
 20 Related; and Customer Unit Cost per month - Minimum System with PLCC Adjustment).

1 Please calculate the percentage based on an average weighted by the number of
 2 customers in each class.

3

4 **RESPONSE (I):**

5 See Table 2 below for figures extracted from the cost allocation model.

6

7 **Table 2: Cost Allocation Model**

		GS<50 kW	GS 50-999 kW	GS 1000-4999 kW	Large Use	Total General Service Customers
A	Avoided Cost	14.83	31.02	35.41	121.90	
B	Directly Related	23.18	52.53	57.14	166.97	
C	Minimum System with PLCC Adjustment	38.61	86.35	162.48	497.05	
D	Proposed (2025)	49.77	65.29	1,191.22	5,138.68	
E	Proposed (2025) (not adjusted for 30 days)	50.46	66.20	1,207.76	5,210.05	
		GS<50 kW	GS 50-999 kW	GS 1000-4999 kW	Large Use	Weightage to customer
F=E/A-1	Proposed (2025) (not adjusted for 30 days) vs Avoided Cost	240%	113%	3311%	4174%	244%
G=E/B-1	Proposed (2025) (not adjusted for 30 days) vs Directly Related	118%	26%	2014%	3020%	119%
H=E/C-1	Proposed (2025) (not adjusted for 30 days) vs Minimum System with PLCC Adjustment	31%	-23%	643%	948%	28%
I	Number of Customers (2025 forecast)	73,396	9,699	451	45	
J=I/SUM(I:I)	Weightage Number of Customers	88%	12%	1%	0%	100%

8

9 **QUESTION (J):**

10 j) For the most recent year available, please provide the number of customers in each of the
 11 commercial and industrial rate classes.

1 **RESPONSE (J):**

2 Refer to the table below for General Service customers in the year 2022. Toronto Hydro’s General
 3 Service rate classes extend beyond Commercial & Industrial customers, also covering residential
 4 buildings with bulk meters.

5

GS<50kW	GS 50-999 kW	GS 1-5MW	Large User
72,614	9,731	461	42

6

7 **QUESTION (K):**

8 k) Please complete the following table calculating the total annual amount of fixed charges by
 9 customer class (actual and forecast).

10

Total Fixed Charges Collected by Customer Classes (\$)								
	GS <50kW	GS 50- 999kW	GS	Total
2020 (actual)								
.....								
2029 (forecast)								

11

12 **RESPONSE (K):**

13 Please refer to Table 3 below for the requested information.

1 **Table 3: Total Fixed Charges Collected by Customer Classes (\$ M)**

	GS<50 kW	GS 50-999 kW	GS 1000-4999 kW	Large Use	Total
2020 (Actual)	32.10	6.18	5.34	2.15	45.77
2021 (Actual)	34.00	6.17	5.52	2.22	47.90
2022 (Actual)	34.67	6.15	5.41	2.20	48.43
2023 (Bridge)	37.04	6.53	5.79	2.67	52.03
2024 (Bridge)	37.76	7.16	5.63	2.20	52.76
2025 (Forecast)	44.44	7.70	6.53	2.84	61.52
2026 (Forecast)	46.61	8.08	6.85	2.98	64.52
2027 (Forecast)	48.42	8.39	7.11	3.09	67.01
2028 (Forecast)	52.62	9.12	7.73	3.36	72.83
2029 (Forecast)	54.17	9.39	7.96	3.46	74.98

		Change in Bill	2025 Proposed	2026 Proposed	2027 Proposed	2028 Proposed	2029 Proposed	2025-2029 Average Annual Increase
Residential	Distribution Subtotal A	\$/30 days	\$5.15	\$2.35	\$1.94	\$4.43	\$1.80	\$3.13
		%	12.1%	4.9%	3.9%	8.5%	3.2%	6.5%
	Total Bill (After Taxes & Rebate)	\$/30 days	\$2.85	\$2.38	\$1.97	\$4.07	\$1.82	\$2.62
		%	2.0%	1.7%	1.4%	2.8%	1.2%	1.8%
Competitive Sector Multi-Unit Residential	Distribution Subtotal A	\$/30 days	\$0.22	\$1.03	\$0.80	\$2.63	\$0.81	\$1.10
		%	0.6%	2.9%	2.2%	7.0%	2.0%	2.9%
	Total Bill (After Taxes & Rebate)	\$/30 days	-\$0.59	\$1.04	\$0.81	\$2.25	\$0.82	\$0.87
		%	-0.8%	1.4%	1.1%	3.0%	1.0%	1.1%
General Service <50 kW	Distribution Subtotal A	\$/30 days	\$19.00	\$6.62	\$5.27	\$11.71	\$4.63	\$9.45
		%	16.0%	4.8%	3.7%	7.8%	2.9%	7.0%
	Total Bill (After Taxes & Rebate)	\$/30 days	\$12.22	\$6.71	\$5.34	\$11.45	\$4.69	\$8.08
		%	3.3%	1.7%	1.4%	2.9%	1.1%	2.1%
General Service 50-999 kW	Distribution Subtotal A	\$/30 days	\$317.83	\$120.50	\$103.45	\$207.35	\$105.57	\$170.94
		%	17.6%	5.7%	4.6%	8.8%	4.1%	8.2%
	Total Bill (After Taxes & Rebate)	\$/30 days	\$19.76	\$136.16	\$116.90	\$234.31	\$119.29	\$125.29
		%	0.1%	1.0%	0.8%	1.6%	0.8%	0.9%
General Service 1,000-4,999 kW	Distribution Subtotal A	\$/30 days	\$2,647.63	\$1,100.29	\$955.20	\$1,709.85	\$1,027.33	\$1,488.06
		%	17.7%	6.3%	5.1%	8.7%	4.8%	8.5%
	Total Bill (After Taxes & Rebate)	\$/30 days	-\$826.50	\$1,243.33	\$1,079.38	\$1,932.13	\$1,160.88	\$917.84
		%	-0.5%	0.8%	0.7%	1.3%	0.8%	0.6%
Large Use	Distribution Subtotal A	\$/30 days	\$13,413.44	\$4,022.74	\$5,778.50	\$10,048.74	\$5,794.31	\$7,811.55
		%	17.4%	4.4%	6.1%	10.0%	5.3%	8.7%
	Total Bill (After Taxes & Rebate)	\$/30 days	-\$3,743.28	\$4,545.70	\$6,529.71	\$11,355.08	\$6,547.57	\$5,046.95
		%	-0.6%	0.7%	1.0%	1.7%	0.9%	0.7%
Street Lighting	Distribution Subtotal A	\$/30 days	\$	\$	\$	\$	\$ 10,055.20	\$14,294.34
		%	21,892.70	10,838.30	9,668.80	19,016.70	4.9%	8.4%
	Total Bill (After Taxes & Rebate)	\$/30 days	\$	\$	\$	\$	\$ 11,362.38	\$15,328.77
		%	20,619.56	12,247.28	10,925.74	21,488.87	3.0%	4.4%
Unmetered Scattered Load	Distribution Subtotal A	\$/30 days	\$4.09	\$1.78	\$1.49	\$3.32	\$1.39	\$2.42
		%	13.1%	5.0%	4.0%	8.6%	3.3%	6.8%
	Total Bill (After Taxes & Rebate)	\$/30 days	\$3.03	\$1.80	\$1.51	\$3.37	\$1.41	\$2.22
		%	4.8%	2.7%	2.2%	4.8%	1.9%	3.3%

1 **RESPONSES TO SCHOOL ENERGY COALITION INTERROGATORIES**

2

3 **INTERROGATORY 8-SEC-124**

4 **Reference: Exhibit 8, Tab 1, Schedule 1, Section 4**

5

6 Why is Toronto Hydro not increasing its MicroFIT charge, to reflect the results of the Cost
7 Allocation Model?

8

9 **RESPONSE:**

10 Toronto Hydro's calculated MicroFIT cost, determined by the cost allocation model, is \$4.75 per
11 month. Given that this figure is close to the default OEB rate of \$4.55 per month,¹ Toronto Hydro
12 chose not to request a distributor-specific charge.

¹ Letter Re: Review of Fixed Monthly Charge for MicroFIT Generator Service Classification OEB File Numbers
EB-2009-0326 and EB-2010-0219, dated January 22nd, 2022

1 **RESPONSES TO SCHOOL ENERGY COALITION INTERROGATORIES**

2

3 **INTERROGATORY 8-SEC-125**

4 **Reference: Exhibit 8**

5

6 Please provide a table that shows, for each year between 2012 to 2029, and for each rate class,
7 the, a) distribution monthly service charge, b) distribution volumetric charge, c) fixed group 2 DVA
8 riders, and d) volumetric group 2 DVA riders.

9

10 **RESPONSE:**

11 Toronto Hydro submits 8-SEC-125, Appendix A and table 1 for the 2012-2029 distribution monthly
12 service charge, distribution volumetric charge, fixed group 2 DVA riders, and volumetric group 2
13 DVA riders for each rate class.

14

15 Please note that amounts are based on a typical customer usage for each rate class.

TABLE 1 - 2012-2029 Sub-total A Breakdown

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025 Proposed	2026 Proposed	2027 Proposed	2028 Proposed	2029 Proposed
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Residential - 750 kWh																		
a) distribution monthly service charge	18.25	18.43	18.63	18.63	22.78	27.69	32.63	37.48	38.34	40.10	40.70	43.31	45.30	49.52	51.87	53.81	58.24	60.04
b) distribution volumetric charge	11.40	11.41	11.54	11.54	14.10	11.34	7.97	4.15	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
c) fixed group 2 DVA riders	0.92	0.00	0.80	0.08	-0.07	0.20	0.38	2.03	-1.69	-2.38	-1.46	-2.61	-2.61	-3.59	-2.54	-0.76	-1.22	-0.16
d) volumetric group 2 DVA riders	0.00	1.90	1.22	0.00	0.00	0.00	0.00	0.00	0.00	0.74	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Competitive Sector Multi-Unit Residential - 300 kWh*																		
a) distribution monthly service charge		17.16	17.35	17.35	19.07	22.94	26.80	30.58	31.46	32.90	33.39	35.53	37.16	37.00	38.03	38.83	41.46	42.27
b) distribution volumetric charge		7.77	7.85	7.85	8.63	6.95	4.88	2.54	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
c) fixed group 2 DVA riders		1.70	0.74	0.00	-0.34	-0.25	-0.07	0.51	-1.45	-1.82	-1.22	-1.67	-1.67	-2.78	-1.97	-0.59	-0.95	-0.12
d) volumetric group 2 DVA riders		0.00	0.32	0.00	0.00	0.00	0.00	0.38	0.00	0.37	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
General Service < 50 kW - 2,000 kWh																		
a) distribution monthly service charge	24.30	24.53	24.80	24.80	30.47	32.68	34.45	35.80	36.98	38.68	39.26	41.78	43.70	49.77	52.03	53.88	58.15	59.80
b) distribution volumetric charge	44.94	45.36	45.86	45.86	56.36	60.46	63.74	66.24	68.42	71.56	72.62	77.28	80.84	92.08	96.44	99.86	107.30	110.28
c) fixed group 2 DVA riders	1.37	1.74	10.34	5.60	8.25	2.59	2.59	2.59	0.11	-0.02	-0.13	-0.13	-0.13	0.00	0.00	0.00	0.00	0.00
d) volumetric group 2 DVA riders	0.00	1.82	1.90	0.00	-0.44	0.60	-1.22	3.24	-3.88	-1.66	-4.00	-5.92	-5.92	-9.18	-6.56	-2.22	-3.26	-0.60
General Service 50-999 kW - 200 kVA																		
a) distribution monthly service charge	35.56	35.90	36.29	36.29	43.82	47.00	49.55	51.50	49.14	51.40	52.17	55.52	58.07	65.29	68.37	70.92	76.75	79.12
b) distribution volumetric charge	1,119.12	1,129.90	1,142.32	1,142.32	1,379.40	1,479.54	1,559.74	1,621.04	1,578.44	1,650.90	1,675.50	1,783.06	1,865.08	2,136.32	2,253.74	2,354.64	2,556.16	2,659.36
c) fixed group 2 DVA riders	9.05	2.23	9.18	18.79	24.74	5.95	5.95	5.95	-0.21	-0.68	-0.47	-0.47	-0.47	0.00	0.00	0.00	0.00	0.00
d) volumetric group 2 DVA riders	0.00	45.86	69.74	0.00	5.50	32.11	13.70	60.68	-80.98	12.48	-87.50	-114.34	-114.34	-157.92	-112.00	-40.44	-55.12	-10.24
General Service 1,000-4,999 kW - 2,000 kVA																		
															1900 kVA			
a) distribution monthly service charge	686.46	693.06	700.68	700.68	837.09	897.86	946.52	983.72	926.00	968.50	982.93	1,046.03	1,094.15	1,191.22	1,219.34	1,272.04	1,369.74	1,420.28
b) distribution volumetric charge	8,899.40	8,985.00	9,083.80	9,083.80	10,852.40	11,640.20	12,271.00	12,753.20	13,043.80	13,642.60	13,845.80	14,734.80	15,412.60	16,982.39	18,054.56	18,957.06	20,569.21	21,546.00
c) fixed group 2 DVA riders	70.49	30.51	29.83	0.00	24.37	24.37	24.37	24.37	-5.18	-5.18	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
d) volumetric group 2 DVA riders	0.00	363.80	377.00	0.00	-230.20	-7.00	136.80	710.80	-557.00	20.80	-658.00	-860.40	-860.40	-1,261.41	-895.09	-333.64	-443.84	-89.87

Large Use - 9,700 kVA														9200 kVA				
a) distribution monthly service charge	3,009.11	3,038.05	3,071.47	3,071.47	3,694.97	3,963.22	4,178.03	4,342.23	4,099.14	4,287.29	4,351.17	4,630.52	4,843.52	5,138.68	5,054.54	5,360.88	5,935.46	6,127.89
b) distribution volumetric charge	45,983.82	46,426.14	46,936.36	46,936.36	56,463.70	60,562.92	63,845.40	66,354.79	68,545.05	71,691.73	72,759.70	77,431.22	80,993.06	87,265.68	91,372.56	96,844.72	106,318.88	111,920.76
c) fixed group 2 DVA riders	305.30	131.41	131.41	0.00	-1,092.75	535.88	111.02	111.02	-21.80	-21.80	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
d) volumetric group 2 DVA riders	0.00	1,882.77	1,949.02	0.00	0.00	0.00	2,447.31	2,388.67	-3,138.92	1,747.94	-3,764.57	-4,921.78	-4,921.78	-5,286.32	-3,434.36	-648.60	-1,166.56	599.84
Street lighting - 2,700 kVA 16,000 Devices														3000 kVA		17000 devices		
a) distribution monthly service charge	20,800.00	20,960.00	21,120.00	21,120.00	21,920.00	23,520.00	24,800.00	25,760.00	24,960.00	26,080.00	26,400.00	28,160.00	29,440.00	35,020.00	36,720.00	38,080.00	41,140.00	42,500.00
b) distribution volumetric charge	77,556.96	78,302.97	79,164.27	79,164.27	82,196.37	88,163.91	92,942.37	96,594.93	93,947.04	98,259.21	99,723.15	106,125.39	111,007.26	137,826.60	146,964.90	155,273.70	171,230.40	179,925.60
c) fixed group 2 DVA riders	0.04	0.05	0.05	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
d) volumetric group 2 DVA riders	639.96	3,939.78	4,073.97	0.00	-4,965.30	-4,101.03	-4,101.03	1,799.28	-6,070.95	-8,874.09	-6,618.51	-8,647.29	-8,647.29	-11,916.00	-10,477.20	545.10	-6,336.00	-1,165.20
USL - 285 kWh														280 kWh				
a) distribution monthly service charge (including per connection charge)	5.33	5.38	5.44	5.44	6.70	7.19	7.58	7.88	6.69	7.00	7.10	7.55	7.89	8.68	9.11	9.47	10.26	10.59
b) distribution volumetric charge	17.30	17.46	17.66	17.66	21.76	23.34	24.60	25.57	21.71	22.71	23.05	24.53	25.66	27.76	29.11	30.23	32.77	33.83
c) fixed group 2 DVA riders	0.09	0.23	0.23	0.00	0.09	0.24	0.24	1.36	-0.11	-0.11	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
d) volumetric group 2 DVA riders	0.00	0.72	0.74	0.00	0.00	0.00	0.00	0.00	-1.64	-2.26	-1.47	-1.92	-1.92	-2.26	-1.63	-0.63	-0.85	-0.22

Note 1: Consumption for some rate classes changes from 2025-2029

Note 2: Competitive Sector Multi-Unit Residential rates were first approved as part of 2013 Toronto Hydro Decision and Order (EB-2012-00-64)

1 **RESPONSES TO VULNERABLE ENERGY CONSUMERS COALITION**

2 **INTERROGATORIES**

3
4 **INTERROGATORY 8-VECC-91**

5 **Reference:** **Exhibit 8, Tab 1, Schedule 1, Page 4 (pdf)**
6 **Exhibit 8, Tab 1, Schedule 2**

7
8 Preamble:

9 The Application states:

10
11 “To determine Toronto Hydro’s current fixed/variable split, consistent with previous
12 applications, the utility applied 2025 forecast customer connection counts to anticipated
13 2024 rates to determine 2025 fixed revenue at 2024 rates. The utility subsequently applied
14 2025 forecast kWh and kVA billing determinants to anticipated 2024 rates, including
15 variable distribution charges and adjustments for the transformer allowance, to determine
16 the percentage of fixed and variable revenue relative to total revenue, by rate class.”
17 (emphasis added)

18
19 **QUESTION (A):**

- 20 a) If required, please revise Exhibit 8, Tab 1, Schedule 2 to reflect THESL’s approved 2024
21 rates.

22
23 **RESPONSE (A):**

24 Toronto Hydro confirms that the approved rates are equal to the ‘anticipated 2024 rates’ outlined
25 above.

1 **QUESTION (B):**

2 b) Exhibit 8, Tab 1, Schedule 2 does not appear to include adjustments to the variable
3 revenues for the GS 50-999, GS 1,000-4,999 and Large Use classes to account for the
4 transformer allowance. Please explain if/how the transformer allowance has been
5 incorporated

6

7 **RESPONSE (B):**

8 The ratios are applied to the Revenue Requirement, as per Exhibit 8, Tab 1, Schedule 2. Following
9 the split between fixed and variable revenues the transformer allowance is added to the variable
10 revenues to then derive the final variable amount prior to developing the rates.

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**RESPONSES TO VULNERABLE ENERGY CONSUMERS COALITION
 INTERROGATORIES**

INTERROGATORY 8-VECC-92

Reference: Exhibit 8, Tab 1, Schedule 1, Page 6

QUESTION (A):

a) Please provide a revised version of Table 2 where the proposed rates for 2025 are not adjusted for the 30-day basis and are presented on a basis equivalent to the other values in the Table.

RESPONSE (A):

See Table 1 below.

Table 1: Fixed Charges: Floor and Ceiling

	Residential	CSMUR	GS<50 kW	GS 50-999 kW	GS 1000-4999 kW	Large Use	Street Lighting	USL
CA Model Floor	6.66	4.29	14.83	31.02	35.41	121.9	0.6	0.72
CA Model Ceiling	23.28	18.74	38.61	86.35	162.48	497.05	6.28	8.82
Proposed (2024)	45.93	37.68	44.31	58.88	1,109.35	4,910.79	1.87	7.25
Proposed (2025) (not adjusted for 30 days)	50.21	37.51	50.46	66.2	1207.76	5210.05	2.09	7.98

1 **RESPONSES TO VULNERABLE ENERGY CONSUMERS COALITION**
2 **INTERROGATORIES**

3
4 **INTERROGATORY 8-VECC-93**

5
6 **Reference: Exhibit 8, Tab 1, Schedule 1, Pages 9-10**
7 **RTSR Model, Tabs 3, 4 and 5**

8
9 **QUESTION (A):**

- 10 a) Please confirm that both the RRR data in Tab 3 and the billing units in Tab 5 are based on
11 data for the same year. If not confirmed, please indicate the basis for the data used in
12 each Tab and update the RTSR Model as required.

13
14 **RESPONSE (A):**

15 Toronto Hydro confirms the data in Tab 3 (RRR data) and Tab 5 (Historical Wholesale) are based on
16 data for the same year.

17
18 **QUESTION (B):**

- 19 b) Are the 2024 UTRs used in Tab 4 the same as those approved by the Board in EB-2023-
20 0222. If not, please update the RTSR Model as required.

21
22 **RESPONSE (B):**

23 The 2024 UTRs used in Tab 4 are not the same as those approved by the Board in EB-2023-0222.
24 The RTSR Model is based on Board approved rates in EB-2023-0101. Please see response to 8-Staff-
25 332 for further details.

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RESPONSES TO VULNERABLE ENERGY CONSUMERS COALITION

INTERROGATORIES

INTERROGATORY 8-VECC-94

References: Exhibit 8, Tab 1, Schedule 1, Pages 10-11 (pdf)

Preamble:

The Application states:

“Furthermore, since the OEB updates RSCs annually, Toronto Hydro will flow through updated charges as part of the annual rates update process under the CRCI framework throughout the 2026-2029 rate period.”

And

“Furthermore, since the OEB updates this charge (pole attachment) annually, Toronto Hydro will flow through updated charge as part of the annual rates update process under the CRCI framework throughout the 2026-2029 rate period.”

QUESTION (A):

- a) Will THESL also update the Other Revenues for the 2025-2029 period and the resulting base distribution revenue requirement to reflect the impact of any updates to the RSCs or the Pole Attachment charges?

RESPONSE (A):

Toronto Hydro proposes to update Other Revenue on an annual basis using the CRCI formula, in the same way that in the 2020-2024 period it is updating Other Revenue using the CPCI formula.

1 **RESPONSES TO VULNERABLE ENERGY CONSUMERS COALITION**

2 **INTERROGATORIES**

3
4 **INTERROGATORY 8-VECC-95**

5 **Reference: Exhibit 8, Tab 1, Schedule 1, Pages 11-12**
6 **Appendix 2-R**

7
8 Preamble:

9 The Application states:

10
11 “Toronto Hydro is not proposing any changes to the current OEB-approved loss adjustment
12 factors shown in Table 4.”

13
14 **QUESTION (A):**

- 15 a) Based on the results set out in Appendix 2-R, please explain why THESL considers it
16 appropriate not to update its loss adjustment factors.

17
18 **RESPONSE (A):**

19 The historical line losses are fluctuating within the range of 1.0256 to 1.0335 which aligns with the
20 average of the OEB-approved line loss of 1.0295. (See the response to 8-Staff-333 Appendix A.)
21 Toronto Hydro notes that any variances that accumulate between the actual and approved line
22 losses are booked within the DVA to recover/ return to customers.

1 **RESPONSES TO VULNERABLE ENERGY CONSUMERS COALITION**
2 **INTERROGATORIES**

3
4 **INTERROGATORY 8-VECC-96**

5 **Reference:** Exhibit 8, Tab 1, Schedule 1, Page 13

6
7 Preamble:

8 The Application states:

9
10 “As discussed in detail elsewhere in this application (e.g. Exhibit
11 1B, Tab 2, Schedule 1; Exhibit 2B; and Exhibit 4, Tab 1, Schedule 1), Toronto Hydro has
12 incorporated consideration of rate impacts as part of its proposed capital and OM&A
13 funding requests.”

14 And

15 “Consistent with EB-2018-0165, Toronto Hydro proposes implementation of a rate
16 smoothing methodology, aimed at assisting customers in managing bill impacts. Toronto
17 Hydro's proposed rate smoothing plan offers several benefits: (i) it avoids a one-time step-
18 change increase for most customers in the rebasing year (2025), while (ii) maintaining
19 relatively consistent year-over-year annual increases for all customer classes.”

20
21
22 **QUESTION (A):**

- 23 a) Does the rate smoothing methodology/plan proposed by THESL involve more than its
24 incorporation of rated impacts as part of its proposed capital and OM&A funding requests?
25 If yes, please explain what the methodology is and the impact it will have on smoothing
26 year over year annual rate increases.

27
28 **RESPONSE (A):**

29 Please see the response to 8-Staff-335.