2020 C0S Orientation – Q&As

Q: Are the bill impacts now based on 700 kWh per month? The Ontario Energy Board (OEB) online bill calculator defaults to 700 kWh per month and the Incentive Rate-setting Mechanism (IRM) model used 700 kWh per month as the default.

A: The rate generator model uses 750kWh. The bill calculator uses 700 kWh because it was updated to reflect the Fair Hydro Plan proxy customer. Note that the filing requirements also say: ‘In addition, distributors must provide bill impacts for a range of consumption levels that are relevant to their service territory for each customer class.’

Q: Is the materiality threshold also applicable to Chapter 5, Distribution System Plan (DSP)?

A: Yes, the materiality threshold also applies to the DSP.

Q: If a Local Distribution Company (LDC) is 100% fully fixed residential, is the 10th percentile consumption still required for bill impacts?

A: No, it is not required anymore, however, as per the response above the LDC should provide bill impacts for a range of consumptions including low volume that is representative for the LDC.

Q: Are the Regional Planning and Renewable Energy Generation (REG) sections of Chapter 5 still required?

A: If the LDC is in the process of the Regional Planning consultation process then the information detailed in Part A of section 5.2.2. parts a and b of Chapter 5 of the Filing Requirements is required. If the LDC has completed the Regional Planning process, the report should be filed. If an LDC is not asking for REG funding then there is no need to file the information in 5.2.2 part d.

Q: Are you able to provide an update on standby charges? Can LDCs apply for a new standby charge if they did not have an interim charge?

A: The commercial/industrial rate consultation is on-going. LDCs can still apply for new standby charges in COS applications, ensuring that they have consulted with potentially affected customers.

Q: Is it possible to use net capital for tracking and variance analysis for Appendix 2-AB?

A: The current Appendix 2-AB shows capital contributions and net capital as follows:

CATEGORY	Forecast Period (planned)				
	2021	2022	2023	2024	2025
	$ '000				
System Access					
System Renewal					
System Service					
General Plant					
TOTAL EXPENDITURE	-	-	-	-	-
Capital Contributions					
Net Capital Expenditures					
System O&M					

Most utilities provide explanations for variances for net capital and for capital contributions separately.

Q: For the Cost of Power inputs, should the non-Regulated Price Plan (RPP) forecast wholesale electricity pricing be $18.50 MWh, as $20.09 is wholesale load-weighted average cost for RPP consumers?

A: The forecasted wholesale electricity price of $18.50 is based on a simple average. The RPP report provides a load weighted average for RPP consumers based on the OEB-approved methodology. Staff suggests to use $20.09 for non-RPP HOEP pricing as a default value. However, these values are open inputs cells in the model and an applicant may calculate distributor specific load-weighted average electricity pricing for both the non-RPP and the RPP, based on the OEB's methodology if the distributor believes it is more appropriate in its circumstances. In that case, a distributor would have to provide sufficient evidence to justify alternative wholesale electricity pricing.

Q: For LDCs that deferred implementing May 1, 2020 rates, how is the difference in Retail Transmission Service Rates (RTSRs) being recovered (i.e. current 2019 RTSRs approved being billed now compared to 2020 RTSR rates in the 2020 IRM application)?

A: The differences in RTSRs are not being recovered in the COVID-19 account. The amount is tracked in Account 1584 – RSVA Network and Account 1586 – RSVA Connection and will be disposed through these accounts in the normal course.

Q: For LDCs that have a specific MicroFit charge - this charge would continue, correct?

A: Correct

Q: Can an LDC dispose of the COVID-19 related forgone revenue rate rider for May 1, 2021 and include it as part of a COS application?

A: The OEB will be issuing a Forgone Revenue/Forgone Revenue Rate Rider model (Forgone Revenue Model) to those distributors who postponed the implementation of their May 1, 2020 approved rates in the coming weeks. Distributors that implement their May 2020 rates in November 2020 will be able to include the Foregone Revenue Rate Rider into their current rates for bill impact calculation purposes for their COS applications.

A distributor may also choose to continue to postpone the implementation of its new rates to May 1, 2021, and/or defer or forgo the recovery of foregone distribution revenue due to the COVID-19 pandemic. If a distributor chooses to postpone the recovery of foregone revenue to May 1, 2021, it would not be required to submit a completed Foregone Revenue Model and filing by September 15, 2020. Instead, the distributor should file its Foregone Revenue Rate Rider request together with its 2021 rate application. The OEB expects a distributor to inform the OEB of its intent and explain the details of its proposal by September 15, 2020 in the case the CoS filing is delayed.

If a distributor wishes to forgo the recovery of foregone revenue, and implement May 1, 2020 rates on November 1, 2020 or any other date during the rate year the distributor would need to inform the OEB and request an updated tariff of rates and charges indicating the correct implementation date.