# Instructions for Low Voltage Service Rate Tab (16.1 and 16.2) – 2025 Rates

## Purpose and Overview

As part of the 2025 Incentive Rate-setting Mechanism (IRM) filing requirements, the OEB is allowing embedded/partially embedded distributors to update the Low Voltage (LV) service rates they charge customers to reduce the accumulation of variances in Account 1550 LV Variance Account. To support a distributor's updated LV service rates, a distributor must provide the necessary information outlined in Section 3.2.5 of Chapter 3 of the *Filing Requirements for Electricity Distributors*.

Two tabs (Tab 16.1 and Tab 16.2) are included for the LV service rates update in the IRM Rate Generator Model (Rate Generator). Tab 16.1 requires inputs in regard to an embedded/partially embedded distributor's historic LV expenses. Tab 16.2 calculates the updated LV service rates. The updated LV service rates will be part of the bill impact calculation on Tab 21 of the Rate Generator. Distributors must use their most recent actual demand data as well as their most recent OEB-approved host distributor charges on Tab 16.1.

## Summary of Tabs 16.1 and 16.2 to IRM Rate Generator Model:

16.1 – LV Expense Tab

- o Host Distributor LV Rates/Charges
- o Service Points
- o Monthly LV expense calculation

16.2 – LV Service Rate Tab

## Steps for Completing Tabs 16.1 and 16.2

### Tab 1 – Information Sheet

| Step # | Select System Configuration |
|---|---|
| 1 | In response to Question #7 indicate whether the distributor's system is "fully embedded" or "partially embedded" in a host distributor service territory. |

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|---|---|
| 2 | In response to Question #9 select "yes" or "no" to indicate whether an embedded/partially embedded distributor chooses to update its LV service rates. |

Notes:

The model will make Tabs 16.1 and 16.2 available depending on the inputs in Tab 1. If a fully embedded/partially embedded distributor chooses "no" in Question 9, the tabs related to the LV service rates will remain hidden.

## Tab 16.1 - Low Voltage Expense:

This tab serves as the input tab for host distributor rates as well as demand data on individual service points. This tab calculates the total LV expense for a fully embedded/partially embedded distributor.

| Step # | Input Sheet |
|---|---|
| 1 | *Loss Adjusted of Total Metered*<br><br>Choose whether demand data should be loss-adjusted or total metered demand data |
| 2 | *Host Distributor LV Rates/Charges*<br><br>Use the +/- button to open enough rows to input all rates or charges that a host distributor will charge the embedded/partially embedded distributor:<br><br>    o  Select the description of the charge<br>    o  Select the type of charge (fixed/volumetric)<br><br>Include all applicable rate riders and ensure that the rate or charge is named accurately. This selection will populate a drop-down menu in the fields below.<br><br>If a row needs to be deleted, please input yes in the "Delete?" field and then select the – button to remove the row. |
| 3 | *Service Points*<br><br>Use the +/- button to open enough rows to input all the applicable service points by name. This selection will populate a drop-down menu in the fields below. |

| | | |
|---|---|---|
| | | If a row needs to be deleted, please input yes in the "Delete?" field and then select the – button to remove the row. |
| | 4 | *Monthly Data Inputs*<br><br>Use the +/- button to open enough rows to input charges that were applied in any given month.<br><br>The model will provide a drop-down menu in columns B (Description) and C (Service Points) based on the inputs in the tables above. Depending on the selection of the charge type, the model will open the kW data field or the Number of Accounts data field. Complete the applicable data field.<br><br>Select the applicable rate/charge from the drop-down menu. Then input the applicable rate/charge in column E.<br><br>The model will calculate the total charge per row, which will be summed up for each month, the total LV expense.<br><br>Repeat these inputs for each month (January to December). |

<u>Notes</u>:
The demand data used should reflect the most recent historic data. The OEB does not allow the use of forecasted demand data.

The host distributor rates and charges to be used as inputs shall reflect the actual rates and charges the fully embedded/partially embedded distributor is charged by the host distributor in any given month. Changes in the host distributor rates may be reflected in the month a rate change was effective.

A distributor shall consult section 3.2.5 of the *Filing Requirements for Electricity Distributors*, Chapter 3 for required information regarding the supporting evidence.

Ensure step 1 is completed. The Rate Generator can only produce LV service rates if the selection of loss-adjusted versus metered demand data is made.

## Tab 16.2 – Low Voltage Service Rate

This tab allocates the total LV expenses from Tab 16.1 to all rate classes and then calculates updated LV service rates using RRR billing determinants. No inputs are required in Tab 16.2.

| Step # | LV Service Rate |
|---|---|
| 1 | *Cost Allocation*<br><br>The total LV expenses are allocated to the fully embedded/partially embedded distributor's customer classes on the same basis as the RTSRs, which are based on the distributor's transmission connection costs. Column C shows the class-specific allocation.<br><br>The Rate Generator model calculates the class-specific LV expenses in Column D. |
| 2 | *Calculation of Updated LV service  rates*<br><br>The calculation of the LV service rates is based on RRR data. Columns E and F are auto-populated with the billing determinants using the most recent RRR data.<br><br>The updated LV service rates are based on a formulaic calculation by the model. The final rates are shown in Columns H and I. |