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IN THE MATTER OF the Ontario Energy Board Act, 1998, being Schedule B to the Energy Competition Act, 1998, S.O. 1998, c.15;

AND IN THE MATTER OF an Application by Tillsonburg Hydro Inc. to the Ontario Energy Board for an Order or Orders approving or fixing just and reasonable rates and other service charges for the distribution of electricity as of May 1, 2022.

Title of Proceeding: An application by Tillsonburg Hydro Inc. for an Order or Orders approving or fixing just and reasonable distribution rates and other charges, effective May 1, 2022.

Applicant's Name: Tillsonburg Hydro Inc.

Applicant's Address: 10 Lisgar Ave
Tillsonburg, ON. N4G 5A5

Contact: Ravi Baichan
General Manager
519-688-3009 x 4800
rbaichan@tillsonburg.ca

APPLICATION

Introduction

The Applicant is Tillsonburg Hydro Inc. (referred to in this Application as the “Applicant” or “THI”). The Applicant is a corporation incorporated pursuant to the Ontario Business Corporations Act with its head office in the Town of Tillsonburg. The Applicant operates its business of distributing electricity within the Town of Tillsonburg under Electricity Distribution License ED-2003-0026.

THI hereby applies to the Ontario Energy Board (the “OEB”) pursuant to Section 78 of the Ontario Energy Board Act, 1998 (the “OEB Act”) for approval of its proposed adjustments to its distribution rates and other charges, effective May 1, 2022.

THI followed Chapter 3 of the OEB’s Filing Requirements for Transmission and Distribution Applications updated May 14, 2020 (the “Filing Requirements”) in order to prepare this application.

Proposed Distribution Rates and Other Charges

The Schedule of Rates and Charges proposed in the Application is identified in Appendix A to this application.

Proposed Effective Date of Rate Order

THI requests that the OEB make its Rate Order effective May 1, 2022 in accordance with the Filing Requirements.

Relief Sought

THI applies for an Order or Orders approving the proposed distribution rates and other charges set out in Appendix A, in this Application as just and reasonable rates and charges pursuant to Section 78 of the OEB Act, to be effective May 1, 2022, or as soon as possible thereafter; and

THI requests that the existing rates be made interim commencing May 1, 2022 in the event that there is insufficient time for THI to prepare a draft rate order and the Board to issue a final Decision and Order in this application for the implementation of the proposed rates and charges as of May 1, 2022.

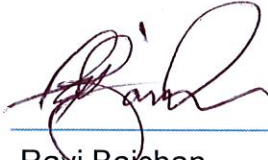
Form of Hearing

THI requests that this Application be disposed of by way of a written hearing.

DATED at Tillsonburg, Ontario, this 14th day of December 2021.

All of which is respectfully submitted,

Tillsonburg Hydro Inc.

A handwritten signature in dark ink, appearing to read 'Ravi Baichan', is written over a horizontal blue line.

Ravi Baichan
General Manager

CERTIFICATES OF EVIDENCE

As the General Manager of Tillsonburg Hydro Inc., I, Ravi Baichan, certify that the evidence filed in the Tillsonburg Hydro Inc.'s 2022 Incentive Rate Application is accurate to the best of my knowledge. This includes the billing determinants pre-populated into the utilized model. The filing is consistent with the requirements of Chapter 3 of the Filing Requirements for Electricity Distribution Rate Applications revised on May 14, 2020.

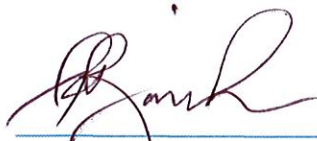
Ravi Baichan



General Manager

As the General Manager of Tillsonburg Hydro Inc., I, Ravi Baichan, certify that the THI has a robust process and internal controls in place for the preparation, review and verification and oversight of the account balances being disposed, consistent with the certification requirements in Chapter 1 of the filing requirements revised on May 14, 2020.

Ravi Baichan



General Manager

MANAGER'S SUMMARY

THI has adhered to Chapter 3 of the OEB's Filing Requirements for Electricity Transmission and Distribution Applications update May 14, 2020 (the "Filing Requirements") in order to prepare this application. This Manager's Summary will address the following items:

- Proposed Rates and Bill Impacts
- Price Cap Adjustment
- Deferral and Variance Account Balances

THI prepared the application using the Board's "2022 IRM Rate Generator"

The application can be accessed directly from THI website
<http://www.tillsonburghydro.ca/>

The proposed rates for May 1, 2022 can be found in Appendix A of this application.

Proposed Adjustments

Bill Impacts

These bill impacts exclude any calculated ride riders as there will be no Group 1 or LRAM variance account dispositions. The Tariff of Rates and Charges will need to be adjusted to remove any calculated rate riders.

Residential

- The changes proposed in this application will result in a total monthly increase of \$1.38 or 1.18% for a Residential customer who uses 750 kWh per month.
- The changes proposed in this application will result in a total monthly increase of \$0.82 or 1.27% for a Residential customer who uses 310 kWh per month (THIs identified 10th percentile threshold).

General Service

- The changes proposed in this application will result in a total monthly increase of \$3.31 or 1.12% for a General Service Less Than 50 kW customer who uses 2,000 kWh per month.

- The changes proposed in this application will result in a total monthly increase of \$76.12 or 1.06% for a General Service 50 kW to 499 kW customer who uses 46,540 kWh and 133 kW per month under a Non-RPP customer classification.
- The changes proposed in this application will result in a total monthly increase of \$600.90 or 1.10% for a General Service 500 kW to 1,499 kW customer who uses 356,755 kWh and 815 kW per month under a Non-RPP customer classification.
- The changes proposed in this application will result in a total monthly increase of \$1,403.94 or 0.93% for a General Service Equal to or Greater Than 1,500 kW customer who uses 1,011,338 kWh and 1,898 kW per month under a Class B Non-RPP customer classification.
- The changes proposed in this application will result in a total monthly increase of \$9.06 or 1.34% for the unmetered scattered load class.
- The changes proposed in this application will result in a total monthly increase of \$5.47 or 1.36% for the sentinel light class.
- The changes proposed in this application will result in a total monthly increase of \$102.34 or 1.07% for the class street light class.

A uniform inflation adjustment (net of stretch factor cost reductions) of 1.6% has been applied to all customer classes. Customer class specific changes to Retail Transmission Rates make up the remainder of the customer impacts noted above.

Appendix B outlines the Bill Impacts for all rate classes.

Price Cap Adjustment

Based price cap parameters, the Rate Generator Model reflects an adjustment of 1.6% to base distribution rates. This represents a 2.2% increase for GDP and a Stretch factor for an Annual IR application decrease of 0.6%.

Deferral and Variance Account Rate Riders

In the Decision and Order for THI EB-2016-0106 dated March 30, 2017, the Board approved Rate Riders for Deferral/Variance Account Disposition (2017) – effective until April 30, 2018, and the Rate Rider for Global Adjustment Sub-Account Disposition (2017) – effective until April 30, 2018, cleared variances in the noted Group 1 accounts for the period ending on December 31, 2015.

In various rate decisions since EB-2016-0106, THI could not produce DVAD analysis that would meet the OEB criteria for disposition. The 2021 IRM Decision (EB-2020-0056) referenced that the OEB is not prepared to dispose of the Group 1 balances as it is referring this matter to the OEB's Inspection & Enforcement department for the consideration of a review of Tillsonburg Hydro's internal controls and associated accounting practices relating to Account 1588 and Account 1589.

THI has completed the SPA (for 2016 and 2017 activity) and the required accounting changes dating back to January 1, 2016 DVAD balances (undispositioned balances) and confirms that the accounting guidance has been applied through the December 31, 2020 balances.

The findings from the SPA can be found in Appendix I of this application.

During 2019, THI purchased a tool utilizing Smart Meter and MIST meter data to ensure that IESO settlement processes and DVAD accounting guidance was followed. THI contracted for this tool to be populated back to 2016 meter reads to ensure the DVAD dispositioned balances were based on the same data source. Prior to the SPA, THI staff re-calculated the IESO settlement submissions and associated allocations and identified monthly differences. These differences have been accrued back to the year in which they occurred and the Continuity Schedule contained within the IRM Rate Model have been properly adjusted to reflect the post SPA balances.

Adjustments to Deferral and Variance Accounts

Prior balances (pre Jan 1, 2016) balances

THI confirms that no adjustments to 2015 balances and prior have been made to DVAD balances

Adjustments to Principal Balances – Continuity Schedule

RSVA – GA (1589) balances have principal adjustments that are identified in the various tabs of the GA workform (Appendix H of this application). These principal adjustments have not been journalized prior to 2021.

Differences 2.1.7 RRR and Rate Model Continuity Schedule Balances

RSVA – WMS & WMS sub-account CBR Class A & B (1580)

An adjustment of (\$553,533) is required to the 2.1.7 RRR reporting to move the Sub-account CBR class A – Principal & Interest to the correct Sub-account CBR class B.

RSVA Power (1588)

A total difference of (\$154,268) has been identified and is comprised of principal adjustments relating to GA for 2016 to 2020.

RSVA GA (1589)

A total difference of \$154,268 has been identified and is comprised of principal adjustments relating to GA for 2016 to 2020.

LRAM (1568)

As THI is not proposing disposition of this valance, the Continuity Schedule has been left blank.

Shared Tax Savings

THI has no taxes built into its CoS rates (EB-2012-0168) and as further discussed in the 2016 IRM process (EB-2015-0104), 2017 IRM process (EB-2016-0106), 2018 IRM process (EB-2017-0076), 2019 IRM Process (EB-2018-0070), 2020 IRM process (EB-2019-0069) and 2021 IRM process (EB-2020-0056).

Tab 8 – STS – Tax Change, in the 2021 IRM model will need to be adjusted to accommodate Tillsonburg Hydro's situation with the tax calculations. Cell J36, will need to be changed from 12.2% to 0% to ensure that the IRM model is properly populated. As this cell was locked for editing, Tillsonburg Hydro could not make this change directly.

This replicates the process utilized during EB-2015-0104, EB-2016-0106, EB-2017-0076, EB2018-0070, EB-2019-0069, and EB-2020-0056 to correct for this issue.

THI has included a PDF copy of the Revenue Requirement Work Form from EB-2012-0168 as appendix E to this application.

Other

Incremental Capital Rate Rider

THI confirms that it does not anticipate any unplanned incremental capital and is not applying for an Incremental Capital Rate Rider.

LRAM

THI is not filing for an LRAM as part of this application.

Z-Factor

THI is not filing for Z-Factor as part of this application

Retail Transmission Service Rates

THI has included the requested data to update the Retail Transmission Rates (RTR) for the THI service territory. The Rate Generator model has not yet been updated for changes to both the Uniform Transmission Rates (UTRs) or Hydro One Sub-Transmission Rates for January 1, 2022. THI understands that OEB staff will update these values when available. Using the current rates, both the Retail Network Service Rate and the Retail Line and Transformation Connection Service Rate are requested to be increased across all of THI customer classes.

Appendix A

Proposed May 1, 2022 Tariff of Rates and Charges

Appendix B

2022 IRM Bill Impacts

Appendix C

May 1, 2022 Rate Generator Model

Appendix D

Current May 1, 2021 Tariff of Rates and Charges

Appendix E

EB-2012-0168 – Revenue Requirement Work Form

Appendix F

2022 IRM Checklist

Appendix G

2022 - GA Analysis Workform 20210722

Appendix H

THI Special Purpose Audit Findings (2016 & 2017)