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January 25, 2023

Ontario Energy Board  
P.O. Box 2319, 27<sup>th</sup> Floor  
2300 Yonge Street  
Toronto, ON  
M4P 1E4

Attention: Nancy Marconi, Registrar

Dear Ms. Marconi:

**Re: North Bay Hydro Distribution Limited. – Application for 2023 Electricity Distribution Rates  
EB-2022-0053**

North Bay Hydro Distribution Limited (“NBHDL”) is pleased to submit to the Ontario Energy Board (the “Board”) its 2022 electricity distribution rate application in accordance with the Board’s updated *Filing Requirements for 2023 Rate Applications* issued May 24, 2022. This application is a dual application for separate rates that constitute the separate territories of NBHDL and the former Espanola Regional Hydro (previously ED-2002-0502), which both now operate under the license ED-2003-0024. The September 1 letter, *License Amendment, Cancellation and Transfer of rate Order; EB-2021-0312*, established the transfer of Espanola’s current rate order to the license ED-2002-0024.

The filing requirements indicate that each application should include:

- A Manager’s Summary documenting and explaining all rate adjustments applied for;
- The primary contact information for the IRM application;
- A completed Rate Generator model and supplementary work forms as provided by the Board, both in electronic (i.e. Excel) and PDF form (North Bay Territory);
- A completed Rate Generator model and supplementary work forms as provided by the Board, both in electronic (i.e. Excel) and PDF form (Espanola Territory);
- A PDF copy of the current Tariff Sheet (North Bay Territory);
- A PDF copy of the current Tariff Sheet (Espanola Territory);
- Supporting documentation cited within the application;
- A statement as to who will be affected by the application;
- Confirmation of the applicant’s internet address for purposes of viewing the application and related documents;
- A statement confirming the accuracy of the billing determinates for pre-populated models; and
- A text-searchable Adobe PDF format for all documents.

The completed 2023 Rate Generator Models and GA Analysis Workforms are attached along with supporting documentation, tariff sheets and bill impact information. A Manager’s Summary and Certification of Evidence are also attached to this letter.

This Application will affect all ratepayers in NBHDL’s service territory (including the former territory of Espanola Regional Hydro).

NBHDL will post all relevant application documents on its website at [www.northbayhydro.com](http://www.northbayhydro.com) and [erhydro.com](http://erhydro.com).

The primary contact for this application is Micheal Roth, Regulatory Manager. Contact details are below.

If directed by the Board, NBHDL proposes to publish the Notice of Application in the following publication:

The North Bay Nugget  
259 Worthington West  
North Bay, ON P1B 3B4

The Mid-North Monitor  
417 Second Ave, Unit #26  
Espanola, ON P5E 1L1

NBHDL's 2023 electricity distribution rate application will be sent to the Board in the following form:

- (a) Electronic filing through the Board's web portal, consisting of one (1) electronic copy of the application in text-searchable / unrestricted Adobe PDF format and one (1) electronic copy in Microsoft Excel format of the completed IRM Rate Generator Model, GA Analysis Workflow.

NBHDL would be pleased to provide any further information or details that the Board may require relative to this application.

Yours truly,

*Original signed by*

Micheal Roth, CPA  
Regulatory Manager  
North Bay Hydro Distribution Limited  
(705) 474-8100 (263)  
mroth@northbayhydro.com

## **CERTIFICATION OF EVIDENCE**

As President and Chief Executive Officer of North Bay Hydro Distribution Ltd. I certify that to the best of my knowledge:

- a) the evidence filed in NBHDL's 2023 4<sup>th</sup> Generation Incentive Rate-setting Mechanism, Price Cap IR application is accurate, complete and consistent with the filing requirements of Chapter 3 of the Filing Requirements for Electricity Distribution Rate Applications revised on May 24, 2022;
- b) the accuracy of the billing determinants for pre-populated models; and
- c) that robust processes and internal controls are in place for the preparation, verification and oversight of variance account balances.

Respectfully submitted,

Matt Payne

A handwritten signature in black ink, appearing to be 'MP', is written over a solid horizontal line. The signature is stylized and cursive.

President and Chief Executive Officer

## **APPLICATION**

North Bay Hydro Distribution Limited (“NBHDL”) is a licensed electricity distributor (ED-2003-0024) that owns and operates the electricity distribution systems that provides service to the City of North Bay as well as to the former territory of Espanola Regional Hydro Distribution Corporation (ERHDC). NBHDL charges its customers distribution rates and other charges as authorized by the Ontario Energy Board (the “Board”). In this application, NBHDL is applying for rates and other charges effective May 1, 2023. This Application will affect all ratepayers in NBHDL’s service territory. NBHDL requests that, pursuant to Section 34.01 of the Board’s *Rules of Practice and Procedure*, this proceeding be conducted by way of written hearing. In the event that the Board is unable to provide a Decision and Order in this Application for implementation by the Applicant as of May 1, 2023, NBHDL requests that the Board issue an Interim Rate Order declaring the current Distribution Rates and Specific Service Charges as interim until such time as the 2023 rates are approved. In the event that the effective date does not coincide with the Board’s decided implementation date for 2023 Distribution Rates and Charges, NBHDL requests to be permitted to recover the incremental revenue from the effective date to the implementation date.

For the purposes of differentiating between NBHDL’s two distinct service territories with 2 distinct Tariffs of Rates and Charges, NBHDL will refer to the North Bay Rate Territory as “NBRT” and the Espanola Rate Territory as “ERT”.

### **NBRT**

NBHDL filed a comprehensive Cost of Service (“COS”) rebasing application for the 2021 Test Year (EB-2020-0043) with rates effective May 1, 2021 and implemented October 1, 2021. NBHDL subsequently filed a 2022 application under the Board’s 4<sup>th</sup> Generation Incentive Rate-making Mechanism (IRM4), under the Price Cap IR method (EB-2021-0046) with rates set May 1, 2022.

A copy of NBRT’s current Tariff of Rates and Charges, issued March 24, 2022, is included as Appendix “A”. Accordingly, this is NBHDL’s seventh application under the Board’s 4<sup>th</sup> Generation Incentive Rate-making Mechanism (IRM4). NBHDL has prepared the application for NBRT in accordance with the Board’s *Filing Requirements for Electricity Distribution Rate Applications – 2022 Edition for 2023 Rate Applications* (the “Filing Requirements”) as amended May 24, 2022 and has adhered to Filing Instructions provided in the Board’s 2023 IRM Rate Generator Model Version dated September 1, 2022 which incorporates the Retail Transmission Service Rates (“RTSR”) model and the Tax Sharing model, referred to collectively as the “Model”. The completed 2023 IRM Rate Generator Model, in PDF format, is included as Appendix “D”. NBHDL understands that Staff will update the Model for updated Retail Transmission Service Rates and parameters for

determining the Annual Adjustment Mechanism when established by the Board. NBHDL has also completed the GA Analysis Workform as required in the Filing Requirements and this is included as Appendix “E”.

Specifically, NBHDL’s application hereby applies for an Order or Orders approving distribution rates updated and adjusted in accordance with the Chapter 3 Requirements as follows:

- An Annual Adjustment Mechanism of 3.4% applied to existing distribution rates. The adjustment is determined by the OEB’s calculated inflation factor for incentive rate setting under the Price Cap IR Price Escalator of 3.7%, reduced by the Productivity Factor of 0%, and reduced further by the Stretch Factor Value of 0.3% (Group III values);
- The continuation of the Low Voltage Service Rates as approved in the 2021 COS Application (EB-2020-0043);
- A rate rider to reflect the disposition of Group 1 balances as outlined in Section 4 (NBRT – Disposition of Deferral and Variance Account Balances);
- An adjustment to the retail transmission service rates as provided in Guideline (G-2008-0001) on Retail Transmission Service Rates – October 22, 2008 (Revision 4.0 June 28, 2012);
- The continuation of the Wholesale Market Service Rate and Rural Rate Protection Charge; and
- The continuation of the Standard Supply Service Charge, Specific Service Charges, microFIT Service Charge, Retail Service Charges, Transformation and Primary Metering Allowances, the Smart Metering Entity Charge and Loss Factors as approved in the 2021 COS Application (EB-2020-0043).

### **ERT**

The former ERHDC filed a Cost of Service (“COS”) rebasing application for the 2021 Test Year (EB-2020-0020) with rates effective May 1, 2021 and implemented July 1, 2021. ERHDC subsequently filed a 2022 application under the Board’s 4<sup>th</sup> Generation Incentive Rate-making Mechanism (IRM4), under the Price Cap IR method (EB-2021-0022) with rates set May 1, 2022.

A copy of ERT’s current Tariff of Rates and Charges, issued March 24, 2022, is included as Appendix “H”. NBHDL has prepared the application for ERT in accordance with the Board’s *Filing Requirements for Electricity Distribution Rate Applications – 2022 Edition for 2023 Rate Applications* (the “Filing Requirements”) as amended May 24, 2022 and has adhered to Filing Instructions provided in the Board’s 2023 IRM Rate Generator Model Version dated September 1, 2022 (20220721), which incorporates the Retail Transmission Service Rates (“RTSR”) model and

the Tax Sharing model, referred to collectively as the “Model”. NBHDL notes that there are not inputted values related to Interval GS>50 customers in Tabs 10 and 15 of the ERT Model. This is accurate. As of 2021, ERT has no interval customers. The completed 2023 IRM Rate Generator Model, in PDF format, is included as Appendix “L”. NBHDL understands that Staff will update the Model for updated Retail Transmission Service Rates and parameters for determining the Annual Adjustment Mechanism when established by the Board. NBHDL has also completed the GA Analysis Workform as required in the Filing Requirements and this is included as Appendix “M”.

Specifically, NBHDL’s application hereby applies for an Order or Orders approving distribution rates updated and adjusted in accordance with the Chapter 3 Requirements as follows:

- An Annual Adjustment Mechanism of 3.55% applied to existing distribution rates. The adjustment is determined by the OEB’s calculated inflation factor for incentive rate setting under the Price Cap IR Price Escalator of 3.7%, reduced by the Productivity Factor of 0%, and reduced further by the Stretch Factor Value of 0.15% (Group II values);
- The continuation of the Low Voltage Service Rates as approved in the 2021 COS Application (EB-2020-0020);
- Continuation of the Rate Riders for the Disposition of Deferral/Variance Accounts and Account 1568 LRAM Account as approved in the 2021 COS Application (EB-2020-0020);
- A rate rider to reflect the disposition of Group 1 balances as outlined in Section 15 (ERT – Disposition of Deferral and Variance Account Balances);
- An adjustment to the retail transmission service rates as provided in Guideline (G-2008-0001) on Retail Transmission Service Rates – October 22, 2008 (Revision 4.0 June 28, 2012);
- The continuation of the Wholesale Market Service Rate and Rural Rate Protection Charge; and
- The continuation of the Standard Supply Service Charge, Specific Service Charges, microFIT Service Charge, Retail Service Charges, Transformation and Primary Metering Allowances, the Smart Metering Entity Charge and Loss Factors as approved in the 2021 COS Application (EB-2020-0020).

## MANAGER'S SUMMARY

For purposes of the 2023 Price Cap IR Application, NBHDL has relied upon the following OEB issued documents and guidelines:

- Chapter 3 of *Filing Requirements for Electricity Rate Applications – 2022 Edition for 2023 Rate Applications*, updated on May 24, 2022 (“Filing Guidelines”);
- *Board Policy: A New Distribution Rate Design for Residential Electricity Customers (EB-2012-0410)*;
- *Report of the Board on Electricity Distributors’ Deferral and Variance Account Review (EDDVAR) – July 31, 2009*
- Guideline (G-2008-0001) on *Retail Transmission Service Rates – October 22, 2008* (Revision 4.0, June 28, 2012) known as (“RSTR Guidelines”).

This Manager’s Summary will address the following items:

- 1) NBRT - Annual Adjustment Mechanism
- 2) NBRT - Revenue to Cost Ratio Adjustment
- 3) NBRT - Retail Transmission Service Rates
- 4) NBRT - Disposition of Deferral and Variance Account Balances
  - a. Wholesale Market Participants
  - b. Global Adjustment – Class B and A Customers
  - c. Global Adjustment - GA Analysis Workform
  - d. Commodity Accounts 1588 and 1589 - Certification of Evidence
  - e. New Accounting Guidance 1588 and 1589
  - f. Capacity Based Recovery (CBR)
- 5) NBRT - LRAM Variance Account (LRAMVA)
- 6) NBRT - Tax Changes
- 7) NBRT - Z-Factor Claim / ICM Claim
- 8) NBRT - Off-ramps
- 9) NBRT - Low Voltage Service Charges
- 10) NBRT - Bill Impacts
- 11) ERT - Annual Adjustment Mechanism
- 12) ERT - Revenue to Cost Ratio Adjustment
- 13) ERT - Rate Design for Residential Customers
- 14) ERT - Retail Transmission Service Rates
- 15) ERT - Disposition of Deferral and Variance Account Balances
  - a. Wholesale Market Participants
  - b. Global Adjustment - GA Analysis Workform

- c. Commodity Accounts 1588 and 1589 - Certification of Evidence
- d. New Accounting Guidance 1588 and 1589
- 16) ERT - LRAM Variance Account (LRAMVA)
- 17) ERT - Tax Changes
- 18) ERT - Z-Factor Claim / ICM Claim
- 19) ERT - Off-ramps
- 20) ERT - Low Voltage Service Charges
- 21) ERT - Bill Impacts

Appendices are as follows:

- Appendix A NBRT - Current Tariff of Rates and Charges
- Appendix B NBRT - Proposed Tariff of Rates and Charges
- Appendix C NBRT - Proposed Bill Impacts
- Appendix D NBRT - 2022 IRM Rate Generator Model
- Appendix E NBRT - GA Analysis Workform
- Appendix F NBRT - 2021 RRR Filing 2.1.5.4 – Demand and Revenue
- Appendix H ERT - Current Tariff of Rates and Charges
- Appendix I ERT - Proposed Tariff of Rates and Charges
- Appendix J ERT - Proposed Bill Impacts
- Appendix L ERT - 2022 IRM Rate Generator Model
- Appendix M ERT - GA Analysis Workform
- Appendix N ERT - 2021 RRR Filing 2.1.5.4 – Demand and Revenue
- Appendix O ERT – Host Distributor Charges April – June 2020
- Appendix P IRM Checklist



### **1) NBRT Annual Adjustment Mechanism**

The annual adjustment mechanism indexes distribution base rates to reflect expected increases in a distributors' input prices (the inflation factor) less an adjustment to reflect appropriate rates of productivity and an efficiency incentive (the X-factor).

The inflation factor to be used in determining the annual adjustment mechanism is set at 3.7% and the OEB has determined that the appropriate value for the productivity factor is zero. In a letter issued July 18, 2022 by the OEB to all licensed distributors titled *Incentive Rate Setting: 2021 Benchmarking Update for Determination of 2022 Stretch Factor Assignments - Board File No.: EB-2010-0379*, NBHDL was identified as having their cohort unchanged. That is, NBHDL is ranked in the 3<sup>rd</sup> efficiency grouping which provides for an efficiency incentive of .3%. NBHDL has used this as a proxy for the calculation.

NBHDL has applied a 3.4% adjustment to the fixed service charge and distribution variable rate of all customer rate classes. NBHDL understands that the Board will update NBHDL's Model when the final parameters are established by the Board.

### **2) NBRT Revenue-to-Cost Ratio Adjustments**

NBHDL's 2021 COS (EB-2020-0043) approved revenue-to-cost ratios were within the Board's target ranges and a phase in period was not proposed or required. Accordingly, NBHDL is not seeking Board authorization to change existing ratios. The approved ratios for each class are as follows:

**TABLE 1 – APPROVED REVENUE/COST RATIOS**

<b>Class</b>	<b>Approved Revenue to Cost Ratio</b>	<b>Board Target Low</b>	<b>Board Target High</b>
Residential	99.1%	85.0%	115.0%
GS<50 kW	103.2%	80.0%	120.0%
GS>50 kW	99.1%	80.0%	120.0%
GS>3000 kW	101.9%	80.0%	120.0%
Street Lighting	120.0%	70.0%	120.0%
Sentinal Lighting	80.7%	80.0%	120.0%
UMSL	107.3%	80.0%	120.0%

### **3) Retail Transmission Service Rates**

NBHDL is charged retail transmission service rates by both the Independent Electricity System Operator ("IESO") and by Hydro One Networks ("HON") and in turn has established approved rates to charge customers in order to recover these expenses.

Retail Transmission Service Rates (“RTSR”) are to be adjusted based on a comparison of historical transmission costs adjusted for new Uniform Transmission Rates (“UTR”) levels and revenues generated from existing RTSRs. NBHDL referred to the Board’s Guideline *G-2008-0001 - Electricity Distribution Retail Transmission Service Rates, Revision 4.0* – issued June 28, 2012 - in preparing its application and the model reflects the approach expected to minimize variances in USoA Accounts 1584 (Network) and 1586 (Connection).

NBHDL confirms that the rates entered in “10. RTSR Current Rates” of the Model are taken from the most recent Board-approved Tariff of Rates and Charges (EB-2021-0046). A copy of the Tariff can be found in Appendix “A”. NBHDL also confirms the accuracy of the billing determinants included in this tab as those found in NBHDL’s most recently reported RRR filing; the 2021 annual filing, E2.1.5.4 –Demand and Revenue (see Appendix “F”). NBHDL further confirms the loss factor applied to the metered kWh which can also be found in NBHDL’s current Tariff in Appendix “A”.

Billing determinants in Tab “12. RTSR – Historical Wholesale” are based on NBHDL’s actual 2021 costs from the IESO and from Hydro One invoices for Trout Lake TS and North Bay TS. In order to obtain the kW values shown, the billed amounts by category were divided by the UTR applicable in the invoice period.

NBHDL understands that once January 1, 2023 UTR and sub-transmission rates are determined, the Board will adjust NBHDL’s Model to incorporate this change.

#### **4) NBRT Deferral and Variance Account Rider**

The *Report of the Board on Electricity Distributors’ Deferral and Variance Account Review Report* (the “EDDVAR Report”) provides that during the IRM term, distributor’s Group 1 audited account balances will be reviewed and disposed if the preset disposition threshold of \$.001 per kWh (debit or credit) is exceeded. Consistent with a letter from the OEB on July 25, 2015, distributors may now elect to dispose Group 1 account balances below the threshold.

NBHDL has completed Tab “3. Continuity Schedule” of the Model and has reconciled December 31, 2021 audited balances with the April 30, 2022 RRR filing. The variance in cell “BW23” is a result of reclassifying the costs for Capacity Based Recovery (“CBR”). As of the 2016 RRR filing, these costs were included in Account 1580, however, the costs have now been segregated in the appropriate sub-accounts for Class A and Class B in the Model. The variance in cell “BW25” is due to a directionality error in the subaccounts section of 2.1.7 of the 2021 RRR. The inputted *1580 CBR class B – Interest* was \$607.33; it should be corrected as (\$607.33). The variances in cell “BW33” AND “BW34” are offsetting. This is a result of the residual balance of 1595 (2019) being

inputted on the 2018 line in the subaccounts section of 2.1.7 of the 2021 RRR. NBHDL will submit an RRR Revision Request in conjunction with its 2022 RRR submission. The variances in cells “BW28” and “BW29” relate to year-end unbilled variances and are explained in the adjustment tab of the GA Analysis Workform. NBHDL confirms that no additional adjustments have been made to any deferral or variance account balances that have been previously approved by the OEB on a final basis.

NBHDL confirms the accuracy of the billing determinants included in Tab “4. Billing Det. for Def-Var” as those found in NBHDL’s most recently reported RRR filing, E2.1.5.4 – Demand and Revenue (see Appendix “F”).

The total current claim balance in the Group 1 accounts (Accounts 1550, 1551, 1580, 1584, 1586, 1588, and 1589) is (\$98,982) which leads to a threshold value test of (\$0.0002/kWh) which does not exceed the materiality threshold of +/- \$0.001/kWh as defined in the Filing Requirements. Section 3.2.5 of the 2022 Filing Requirements enables distributors to elect to dispose of balances that are below the threshold; NBHDL is electing to do so.

See Table 3 below for a complete Group 1 summary.

**TABLE 2 – PROPOSED DISPOSITION GROUP 1 ACCOUNTS**

<b>Group 1 Account</b>	<b>Principal 2021</b>	<b>Interest 2021</b>	<b>Projected Interest (April 2023)</b>	<b>Total</b>	<b>Threshold kWh</b>	<b>Threshold Test (\$0.001)</b>
1550 - Low Voltage	\$ 108,541	\$ 840	\$ 3,479	\$ 112,860		
1551 - SME	\$ (11,223)	\$ (70)	\$ (345)	\$ (11,638)		
1580 - WMS	\$ 3,964	\$ (4,401)	\$ 127	\$ (310)		
1584 - Network	\$ 864,989	\$ 5,391	\$ 27,723	\$ 898,103		
1586 - Connection	\$ 112,989	\$ 2,242	\$ 3,622	\$ 118,853		
1588 - Power	\$ (1,176,949)	\$ (3,464)	\$ (41,329)	\$ (1,221,742)		
1589 - GA	\$ (23,367)	\$ 27,934	\$ 325	\$ 4,892		
<b>Group 1 Disposition</b>	<b>\$ (121,056)</b>	<b>\$ 28,472</b>	<b>\$ (6,398)</b>	<b>\$ (98,982)</b>	<b>475,164,395</b>	<b>\$ (0.0002)</b>

As NBRT has had customers who transitioned between Class A and Class B during the period between when account 1589 and 1580 CBR Class were last disposed, NBHDL has completed Tabs 6, 6.1a, 6.1, 6.2a and 6.2. The completion of these tab highlights that transition customers are responsible for 4.07% of the cumulative 1589 variance and 0.03% of the 1580 CBR Class B variance.

**TABLE 3 – PROPOSED DVA (GROUP 1) RIDERS (excluding 1589 & CBR)**

Class	Kwh	Kw	Disposition Unit	Allocation of Group 1 Balances	Rider
Residential	198,720,753	-	KwH	(12,334.71)	(0.0001)
GS<50 kW	73,977,082	-	KwH	(2,022.86)	(0.0000)
GS>50 kW	184,386,033	490,247	Kw	(1,838.63)	(0.0038)
GS>3000 kW	15,885,148	30,552	Kw	(158.40)	(0.0052)
UMSL	39,484	-	KwH	(0.39)	(0.0000)
Sentinel Lighting	119,528	303	Kw	(1.19)	(0.0039)
Street Lighting	2,036,369	5,690	Kw	(20.31)	(0.0036)

**TABLE 3 – PROPOSED DVA CBR**

Class	Kwh	Kw	Disposition Unit	Allocation of Group 1 Balances	Rider
Residential	198,720,753	-	KwH	(38,408.00)	(0.0002)
GS<50 kW	73,977,082	-	KwH	(14,298.00)	(0.0002)
GS>50 kW	177,684,765	477,386	Kw	(34,343.00)	(0.0719)
GS>3000 kW	-	-	Kw	-	-
UMSL	39,484	-	KwH	(8.00)	(0.0002)
Sentinel Lighting	119,528	303	Kw	(23.00)	(0.0759)
Street Lighting	2,036,369	5,690	Kw	(394.00)	(0.0692)

**TABLE 4 – PROPOSED DVA (1589) RIDERS**

Class	Non-RPP Kwh	Allocated Class B 1589 Variance	GA Rider (\$/Kwh)
Residential	3,486,624	90	0.0001
GS<50 kW	12,399,122	321	0.0001
GS>50 kW	163,098,606	4,228	0.0001
GS>3000 kW	-	-	-
UMSL	-	-	-
Sentinel Lighting	10,671	-	-
Street Lighting	2,036,369	53	0.0001

As noted above the remainder of the 1589 variance has been allocated to those customers that transitioned between Class A and Class B during the cumulative period.

**TABLE 5 – PROPOSED DVA Class A (1589) RIDERS**

<b>Transtion Customer</b>	<b>Allocated %</b>	<b>Class A 1589 Share</b>	<b>Rider (\$/mo)</b>
Customer 1	13.5%	\$ 27	\$ 2
Customer 2	13.5%	\$ 27	\$ 2
Customer 3	4.2%	\$ 8	\$ 1
Customer 4	43.4%	\$ 86	\$ 7
Customer 5	25.4%	\$ 51	\$ 4

a) Wholesale Market Participants

NBHDL does not have any Wholesale Market Participant customers.

b) Global Adjustment (GA) – *GA Analysis Workform*

NBHDL has completed the GA Analysis Workform, this is included in Appendix “E”.

c) Commodity Accounts 1588 and 1589 – *Certification of Evidence*

Given issues that have arisen with commodity accounts 1588 RSVA Power and 1589 RSVA GA balances, the OEB now requires a certification by the Chief Executive Officer (CEO), or Chief Financial Officer (CFO), or equivalent. The application must include a certification that the distributor has robust processes and internal controls in place for the preparation, review, verification and oversight of the account balances being disposed, consistent with the certification requirements in Chapter 1 of the filing requirements. This certification has been provided.

d) New Accounting Guidance – 1588 and 1589

On February 21, 2019, the OEB released a letter entitled *Accounting Guidance related to Accounts 1588 and 1589*. This was a change in practice but not overall theory to NBHDL’s current settlement process. Due to system limitations, NBHDL experienced an unforeseen delay in its implementation of the new standards. And as part of its 2021 COS (EB-2020-0043) NBHDL stated it was working towards implementing the new guidance in its entirety. As of 2020, NBHDL had completed its review and had applied the accounting guidance for the historical period 2017-2019 and its 2020 and 2021 RRR balances are consistent with the new accounting guidance.

e) Capacity Based Recovery (CBR)

NBHDL served one (1) Class A participant beginning July 1, 2015 and continued to have only one Class A customer through June 2017. Since that time, with the expansion of the Industrial Conservation Initiative program, NBHDL transitioned a total of 5 new customers to Class A, with 4 currently enrolled. As stated above, the Class A transition customers are responsible for 0.03% of the cumulative variance. Those fixed riders are as follows.

**TABLE 6 – PROPOSED DVA Class A (1580 CBR) RIDERS**

<b>Transition Customer</b>	<b>Allocated %</b>	<b>Class A 1580 CBR Share</b>	<b>Rider (\$/mo)</b>
Customer 3	100.0%	\$ 23	\$ 2

**5) NBRT LRAM Variance Account (LRAMVA)**

NBHDL is not requesting an LRAM disposition.

**6) NBRT Tax Changes**

In its *Supplemental Report of the Board on 3rd Generation Incentive Regulation for Ontario's Electricity Distributors*, the Board determined that a 50/50 sharing of the impact of legislated tax changes between shareholders and ratepayers is appropriate. The tax reduction will be allocated to customer rate classes on the basis of the last Board approved COS distribution revenue. The Board has determined that currently known tax changes from the level reflected in the Board-approved base rates will be reflected in the IRM adjustments.

NBHDL re-based in 2020 and the 2021 test year income tax calculations were based on a tax rate of 26.5%; the most current information and rates available. As there are no known tax changes from the level reflected in the Board-approved base rates, the Incremental Tax Savings is \$nil.

**7) NBRT Z-Factor Claims / Incremental Capital Module (ICM)**

NBHDL is not proposing to seek recovery for a Z-Factor claim or utilize the ICM option.

**8) NBRT Off-Ramps**

NBHDL reported its Return on Equity (ROE) for 2021 as 7.86% and this figure was included on NBHDL's 2021 published scorecard. The amount was inside the +/- 300 basis points of the Board approved ROE of 8.34% which was set in NBHDL's 2021 COS application.

**9) NBRT Low Voltage Service Charges**

For 2023 rates, NBHDL proposes to maintain the low voltage service charge rates as approved in its current tariff sheet.

## 10) NBRT Bill Impacts

Table 4 provides a summary of total bill impacts for the same rate classes/categories as those provided in “Tab 20.Bill Impacts” of the Model. The primary driver of the bill impacts shown in the columns related to sub-total A, B & C is the increase in RTSR rates, combined with the inflationary price escalation, and an offset of the proposed group 1 disposition. NBHDL considers the overall bill impacts to be reasonable.

**TABLE 7 – PROPOSED BILL IMPACTS**

Rate Classes	Categories	Units	Sub-Total						Total	
			A		B		C		A+B+C	
			\$	%	\$	%	\$	%	\$	%
Residential	RPP	kWh	\$ 1.14	3.4%	\$ 0.91	2.5%	\$ 0.91	1.8%	\$ 0.92	0.7%
GS<50 kW	RPP	kWh	\$ 2.34	3.3%	\$ 1.93	2.5%	\$ 1.93	1.7%	\$ 1.96	0.6%
GS 50 to 2,999 kW	Non-RPP (Other)	kW	\$ 19.65	3.4%	\$ 36.94	6.6%	\$ 37.39	3.6%	\$ 42.25	0.8%
GS>3000 kW	Non-RPP (Other)	kW	\$ 362.95	3.4%	\$ 350.26	3.2%	\$ 357.58	1.3%	\$ 404.07	0.2%
UMSL	RPP	kWh	\$ 0.29	3.5%	\$ 0.26	2.9%	\$ 0.26	2.3%	\$ 0.26	1.0%
Sentinel Lights	RPP	kW	\$ 0.86	3.4%	\$ 0.78	3.0%	\$ 0.78	2.5%	\$ 0.79	1.7%
Street Lighting	Non-RPP (Other)	kW	\$ 396.90	3.4%	\$ 362.40	3.1%	\$ 363.87	2.6%	\$ 411.17	1.1%
Residential	RPP	kWh	\$ 1.14	3.4%	\$ 1.10	3.2%	\$ 1.10	3.1%	\$ 1.12	2.4%
Residential	Non-RPP (Retailer)	kWh	\$ 1.14	3.4%	\$ 0.91	2.4%	\$ 0.91	1.8%	\$ 1.02	0.7%
Residential	Non-RPP (Retailer)	kWh	\$ 1.14	3.4%	\$ 1.10	3.2%	\$ 1.10	3.1%	\$ 1.25	2.4%
GS<50 kW	Non-RPP (Retailer)	kWh	\$ 2.34	3.3%	\$ 1.93	2.5%	\$ 1.93	1.7%	\$ 2.18	0.6%

NBRT’s proposed tariff can be found in Appendix “B”. Bill impacts by customer class are included in Appendix “C” and have also been updated to reflect NBRT’s proposal. The table below summarizes the monthly bill impacts by customer class.

**TABLE 8 – BILL IMPACT SUMMARY**

Class	Average Monthly Volume		RPP / Non-RPP	Total Current Bill	Total Proposed Bill	Total impact (\$)	Total impact (%)
	kWh	kW					
Residential	750	-	RPP	\$ 124.72	\$ 125.64	\$ 0.92	0.7%
Residential - 10th percentile	92	-	RPP	\$ 45.78	\$ 46.90	\$ 1.12	2.4%
GS<50 kW	2,000	-	RPP	\$ 308.85	\$ 310.81	\$ 1.96	0.6%
GS 50 to 2,999 kW	-	75	Non-RPP	\$ 5,061.46	\$ 5,103.71	\$ 42.25	0.8%
GS>3000 kW	-	2,440	Non-RPP	\$ 182,081.10	\$ 182,485.16	\$ 404.06	0.2%
UMSL	150	-	RPP	\$ 26.37	\$ 26.63	\$ 0.26	1.0%
Sentinel Lights	-	1	RPP	\$ 46.11	\$ 46.90	\$ 0.79	1.7%
Street Lighting	-	474	Non-RPP	\$ 37,260.27	\$ 37,671.44	\$ 411.17	1.1%

### **11) ERT Annual Adjustment Mechanism**

The annual adjustment mechanism indexes distribution base rates to reflect expected increases in a distributors' input prices (the inflation factor) less an adjustment to reflect appropriate rates of productivity and an efficiency incentive (the X-factor).

The inflation factor to be used in determining the annual adjustment mechanism is set at 3.7% and the OEB has determined that the appropriate value for the productivity factor is zero. In a letter issued July 18, 2022 by the OEB to all licensed distributors titled *Incentive Rate Setting: 2021 Benchmarking Update for Determination of 2022 Stretch Factor Assignments - Board File No.: EB-2010-0379*, NBHDL was identified as having their cohort unchanged. That is, ERT is ranked in the 2<sup>nd</sup> efficiency grouping which provides for an efficiency incentive of 0.15%. NBHDL has used this as a proxy for the calculation.

NBHDL has applied a 3.55% adjustment to the fixed service charge and distribution variable rate of all customer rate classes. NBHDL understands that the Board will update the ERT Model when the final parameters are established by the Board.

### **12) ERT Revenue-to-Cost Ratio Adjustments**

ERHDC's 2021 COS (EB-2020-0020) approved revenue-to-cost ratios were within the Board's target ranges and a phase in period was not proposed or required. Accordingly, NBHDL is not seeking Board authorization to change existing ratios. The approved ratios for each class are as follows:

**TABLE 9 – APPROVED REVENUE/COST RATIOS**

<b>Class</b>	<b>Approved Revenue to Cost Ratio</b>	<b>Board Target Low</b>	<b>Board Target High</b>
Residential	92.4%	85.0%	115.0%
GS<50 kW	120.0%	80.0%	120.0%
GS>50 kW	120.0%	80.0%	120.0%
Street Lighting	120.0%	70.0%	120.0%
Sentinal Lighting	80.0%	80.0%	120.0%
UMSL	107.0%	80.0%	120.0%

### **13) ERT Retail Transmission Service Rates**

NBHDL is charged retail transmission service rates for the Espanola Rate Territory by Hydro One Networks ("HON") and in turn has established approved rates to charge customers in order to recover these expenses.



Retail Transmission Service Rates (“RTSR”) are to be adjusted based on a comparison of historical transmission costs adjusted for new Uniform Transmission Rates (“UTR”) levels and revenues generated from existing RTSRs. NBHDL referred to the Board’s Guideline *G-2008-0001 - Electricity Distribution Retail Transmission Service Rates, Revision 4.0* – issued June 28, 2012 - in preparing its application and the model reflects the approach expected to minimize variances in USoA Accounts 1584 (Network) and 1586 (Connection).

NBHDL confirms that the rates entered in “10. RTSR Current Rates” of the Model are taken from the most recent Board-approved Tariff of Rates and Charges (EB-2021-0022). A copy of the Tariff can be found in Appendix “H”. NBHDL also confirms the accuracy of the billing determinants included in this tab as those found in NBHDL’s most recently reported RRR filing for the ERT; the 2021 annual filing, E2.1.5.4 –Demand and Revenue (see Appendix “N”). NBHDL further confirms the loss factor applied to the metered kWh which can also be found in ERT’s current Tariff in Appendix “H”.

Billing determinants in Tab “12. RTSR – Historical Wholesale” are based on ERT’s actual 2021 costs from Hydro One invoices for Espanola TS and Massey TS. In order to obtain the kW values shown, the billed amounts by category were divided by the UTR applicable in the invoice period.

NBHDL understands that once January 1, 2023 UTR and sub-transmission rates are determined, the Board will adjust ERT’s Model to incorporate this change.

#### **14) ERT Rate Design for Residential Customers**

ERHDC began the transition to fully fixed rates for residential customers as of May 1, 2021. NBHDL is continuing this transition over a period of 5 years as approved in its most recent Cost of Service Rate Application (EB-2020-0020). The transition was approved for an increase of 1/6 in year 1 with an equal 1/4 transition in years 2-5. Tab 16 in the 2022 IRM Rate Generator Model calculates an increase of the existing monthly fixed charges by the Price Cap Index of 3.55%. NBHDL requests the Board approve the adjustments as identified in the model. NBHDL does not request any further revenue to cost ratio adjustments as part of this application.

#### **15) ERT Deferral and Variance Account Rider**

The *Report of the Board on Electricity Distributors’ Deferral and Variance Account Review Report* (the “EDDVAR Report”) provides that during the IRM term, distributor’s Group 1 audited account balances will be reviewed and disposed if the preset disposition threshold of \$.001 per kWh (debit or credit) is exceeded. Consistent with a letter from the OEB on July 25, 2015, distributors may now elect to dispose Group 1 account balances below the threshold.

NBHDL has completed Tab “3. Continuity Schedule” of the Model and has reconciled December 31, 2021 audited balances with the April 30, 2022 RRR filing. NBHDL confirms that no adjustments have been made to any deferral or variance account balances that have been previously approved by the OEB on a final basis.

NBHDL confirms the accuracy of the billing determinants included in Tab “4. Billing Det. for Def-Var” as those found in ERHDC’s most recently reported RRR filing, E2.1.5.4 – Demand and Revenue (see Appendix “N”).

The total current claim balance in the Group 1 accounts (Accounts 1550, 1551, 1580, 1584, 1586, 1588, and 1589) is \$691,256 which leads to a threshold value test of (\$0.0126/kWh) which exceeds the materiality threshold of +/- \$0.001/kWh as defined in the Filing Requirements.

See Table 3 below for a complete Group 1 summary.

**TABLE 10 – PROPOSED DISPOSITION GROUP 1 ACCOUNTS**

Group 1 Account	Principal 2021	2022 Disposition	Interest 2021	2022 Disposition	Projected Interest (April 2023)	Total	Threshold kWh	Threshold Test (\$0.001)
1550 - Low Voltage	\$ 146,518	\$ (94,677)	\$ 5,985	\$ (2,948)	\$ 1,662	\$ 56,540		
1551 - SME	\$ (5,642)	\$ 100	\$ (269)	\$ 8	\$ (177)	\$ (5,980)		
1580 - WMS	\$ (8,347)	\$ 3,665	\$ (2,320)	\$ (265)	\$ (150)	\$ (7,417)		
1584 - Network	\$ 37,910	\$ (19,518)	\$ 2,528	\$ (130)	\$ 589	\$ 21,379		
1586 - Connection	\$ 102,665	\$ (53,531)	\$ 23,616	\$ 6,093	\$ 1,575	\$ 80,418		
1588 - Power	\$ 378,335	\$ -	\$ 19,802	\$ -	\$ 12,126	\$ 410,263		
1589 - GA	\$ 129,098	\$ -	\$ 2,819	\$ -	\$ 4,137	\$ 136,054		
<b>Group 1 Disposition</b>	<b>\$ 780,537</b>	<b>\$ (163,961)</b>	<b>\$ 52,161</b>	<b>\$ 2,758</b>	<b>\$ 19,762</b>	<b>\$ 691,256</b>	<b>54,822,585</b>	<b>\$ 0.0126</b>

ERT has had no Class A customers during the cumulative period, as Tabs 6, 6.1a, 6.1, 6.2a and 6.2 are not required.

**TABLE 11 – PROPOSED DVA (GROUP 1) RIDERS (excluding 1589)**

Class	Kwh	Kw	Disposition Unit	Allocation of Group 1 Balances	Rider
Residential	31,012,498	-	KwH	\$ 312,167	0.0101
GS<50 kW	9,512,388	-	KwH	\$ 96,679	0.0102
GS>50 kW	13,930,547	35,290	Kw	\$ 142,598	4.0407
UMSL	123,184	-	KwH	\$ 1,261	0.0102
Sentinal Lighting	22,648	65	Kw	\$ 232	3.5776
Street Lighting	221,320	744	Kw	\$ 2,266	3.0467

**TABLE 12 – PROPOSED DVA (1589) RIDERS**

<b>Class</b>	<b>Non-RPP Kwh</b>	<b>Allocated Class B 1589 Variance</b>	<b>GA Rider (\$/Kwh)</b>
Residential	422,979	3,974	0.0094
GS<50 kW	1,277,615	12,003	0.0094
GS>50 kW	12,549,307	117,897	0.0094
UMSL	10,764	101	0.0094
Street Lighting	221,320	2,079	0.0094

As identified on page 7 of the Decision and Rate Order (EB-2021-0022), Espanola deferred disposition of Accounts 1588 and 1589 because it identified what it believed to be potential errors in the invoicing from its host distributor related to GA Deferral charges. Specifically the back-up and representation of charges related to both Global Adjustment charges and the GA Deferral charges. The confusion related to inconsistencies between provided PDF copies of host distributor invoices and the host distributors excel invoices. The excel versions were prepopulated with consumption data that was different than the PDF invoice itself (this did not affect the charges as these figures are not formulas). Compounding the confusion was that the excel version combined the GA deferral amounts, while the PDF version did not. Please see Appendix “O”, for a reconciliation of the referenced charges.

a) Wholesale Market Participants

ERT does not have any Wholesale Market Participant customers.

b) Global Adjustment (GA) – *GA Analysis Workform*

NBHDL has completed the GA Analysis Workform, this is included in Appendix “E”.

c) Commodity Accounts 1588 and 1589 – *Certification of Evidence*

Given issues that have arisen with commodity accounts 1588 RSVA Power and 1589 RSVA GA balances, the OEB now requires a certification by the Chief Executive Officer (CEO), or Chief Financial Officer (CFO), or equivalent. The application must include a certification that the distributor has robust processes and internal controls in place for the preparation, review, verification and oversight of the account balances being disposed, consistent with the certification requirements in Chapter 1 of the filing requirements. This certification has been provided.

d) New Accounting Guidance – 1588 and 1589

On February 21, 2019, the OEB released a letter entitled *Accounting Guidance related to Accounts 1588 and 1589*. The following provides a description of ERHDC's settlement process and GA processes for RPP and Non-RPP amounts. ERHDC has reviewed and confirmed the processes are being followed as described below.

#### Settlement Process

- I. For GA, ERHDC uses the 1st Estimate for billing customers in all rate classes. NBHDL's ERT does not have any Class A customers.
- II. Monthly Settlement files are sent to HONI by the 2nd business day after the calendar month end.
- III. Consumption actuals – NBHDL's ERT uses actual meter readings from its meter data repository system. Conventional Meters are used for billing Tiered pricing customers and Smart Meters used for billing customers Time of Use ("TOU") pricing. Data is extracted monthly and customer consumption is segregated between RPP and non-RPP consumption using billing codes.
- IV. From the extracted data, actual RPP kWh and revenues are split between RPP categories (TOU On/Off/Mid or Tier 1, Tier 2). NBHDL's ERT billing system also tracks what revenue would have been for each RPP customer bill based on weighted average pricing. In addition, kWh's are tracked by calendar month so the effective GA rates can be determined. For RPP settlement purposes, revenue associated with RPP pricing is compared to tracked revenue that would have been billed using weighted average pricing and effective final GA rate and the difference is submitted to the Hydro One for settlement.
- V. Embedded Generation – the settlement relating to embedded generation (FIT, microFIT) is done based on contract price versus market price monthly.

#### **16) ERT LRAM Variance Account (LRAMVA)**

NBHDL is not requesting an LRAM disposition.

#### **17) ERT Tax Changes**

In its *Supplemental Report of the Board on 3rd Generation Incentive Regulation for Ontario's Electricity Distributors*, the Board determined that a 50/50 sharing of the impact of legislated tax changes between shareholders and ratepayers is appropriate. The tax reduction will be allocated to customer rate classes on the basis of the last Board approved COS distribution revenue. The Board has determined that currently known tax changes from the level reflected in the Board-approved base rates will be reflected in the IRM adjustments.

ERT re-based in 2020 and the 2021 test year income tax calculations were based on a tax rate of 26.5%; the most current information and rates available. As there are no known tax changes from the level reflected in the Board-approved base rates, the Incremental Tax Savings is \$nil.

**18) ERT Z-Factor Claims / Incremental Capital Module (ICM)**

NBHDL is not proposing to seek recovery for a Z-Factor claim or utilize the ICM option.

**19) ERT Off-Ramps**

ERHDC reported its Return on Equity (ROE) for ERT 2021 as 15.06% and this figure was included on ERHDC’s 2021 published scorecard. The amount was outside the +/- 300 basis points of the Board approved ROE of 8.34% which was set in ERHDC’s 2021 COS application. NBHDL has conducted a further review of the 2.1.5.6 submission in the 2021 RRR and has determined that there appears to be an issue with respect to the reported ROE figure. Below is a summary table of the calculated ROE:

**TABLE 13 – 2.1.5.6 AS FILED**

<b>2.1.5.6 - 2021 RRR Filing</b>		
<b>Income</b>		
Reported Net income	1,599,639	
Appendix 1 Adjustments	(1,130,702)	
Appendix 2 Adjustments	-	
Appendix 3 Adjustments	44,331	Add
Appendix 4 Adjustments	247,800	
Unrealized Gains/Losses	(577,075)	
	183,993	
PILs Reported	18,197	Add
Appendix 6 PILs Adjustments	(204,024)	Less
<b>Adjusted Regulated Net Income</b>	<b>406,214</b>	<b>(A)</b>
<b>Rate Base</b>		
WCA	652,262	
Average PP&E	6,089,049	
	6,741,311	
Deemed Equity @ 40%	2,696,524	(B)
<b>ROE</b>	<b>15.06%</b>	<b>(A)/(B)</b>

NBHDL believes there is an error in determining the “Appendix 6 PILs Adjustments”. The above table includes a PILs adjustment that includes PILs expense recovery of the net impact of ERT’s prior approved ICM recognition (\$1,095,000 Revenue, \$296.313 Expense, Net \$798,687). As this is a non taxable event in 2021, it should not have been included in the Appendix 6 PILs adjustments. This is demonstrated in the below table in the “Deductions” section of Schedule 1 from ERT’s 2021 tax return. Grouped within the highlighted line (line 6) is the removal of the net ICM impact from income for tax purposes:

**TABLE 14 – SCHEDULE 1 – ERT 2021 TAX**

**Deduct:**

**Other deductions:**

	1 Description <b>705</b>	2 Amount <b>395</b>
1	Movement in req deferred taxes	594,630
2	Actual benefits paid	9,286
3	Accrued future benefit costs	299
4	Interest rate swap mark to market adj	577,075
5	Deferred revenue amortization	11,133
6	Movement in req assets/liab	1,079,171
7	decrease in regulatory liabilities	260,893
8	other comprehensive income	4,566
	Total of column 2	2,537,053

NBHDL then submits that the below table with a recalculated ROE, is a truer measure of ERT’s regulated return, and submits that a revision to the 2021 RRR is appropriate. This table removes the net effect of the ICM recognition from the Appendix 6 PILs adjustments and calculates a 7.22% ROE.

**TABLE 15 – 2.1.5.6 REVISED**

<b>2.1.5.6 - 2021 RRR Filing</b>		
<b>Income</b>		
Reported Net income	1,599,639	
Appendix 1 Adjustments	(1,130,702)	
Appendix 2 Adjustments	-	
Appendix 3 Adjustments	44,331	Add
Appendix 4 Adjustments	247,800	
Unrealized Gains/Losses	(577,075)	
	183,993	
PILs Reported	18,197	Add
Appendix 6 PILs Adjustments	7,628	Less
<b>Adjusted Regulated Net Income</b>	<b>194,561</b>	<b>(A)</b>
<b>Rate Base</b>		
WCA	652,262	
Average PP&E	6,089,049	
	6,741,311	
Deemed Equity @ 40%	2,696,524	(B)
<b>ROE</b>	<b>7.22%</b>	<b>(A)/(B)</b>

The change in the Appendix 6 calculation is further reconciled below:

**TABLE 16 – APPENDIX 6 Reconciliation**

<b>App 6 - Tax Adjustment</b>			
		App 6 Calculated	
	Adjustments	As filed	Revised
PIL's included		18,197	18,197
APP1			
ICM	(798,687)	(211,652)	-
LRAM	(329,270)	(87,257)	(87,257)
CDM	(2,745)	(727)	(727)
APP3	44,331	11,748	11,748
APP4	247,800	65,667	65,667
<b>Tax Adjustment</b>		<b>(204,024)</b>	<b>7,628</b>

**20) ERT Low Voltage Service Charges**

For 2023 rates, NBHDL proposes to maintain the low voltage service charge rates as approved in ERT's current tariff sheet.

**21) ERT Bill Impacts**

Table 4 provides a summary of total bill impacts for the same rate classes/categories as those provided in "Tab 20.Bill Impacts" of the Model. The primary driver of the bill impacts shown in the columns related to sub-total A, B & C is the increase in RTSR rates, combined with the inflationary price escalation and the proposed Group 1 recovery. While there is a single class (GS>50) with a potential increase over the normal 10% threshold, this is entirely driven by the requested Group 1 disposition and the requested 12 month disposition, NBHDL considers the overall bill impacts to be reasonable. Should this be deemed as unacceptable, NBHDL proposes to change the disposition recovery period to 24 months.



**TABLE 17 – PROPOSED BILL IMPACTS**

Rate Classes	Categories	Units	Sub-Total						Total	
			A		B		C		A+B+C	
			\$	%	\$	%	\$	%	\$	%
Residential	RPP	kWh	\$ 2.20	5.8%	\$ 7.59	14.6%	\$ 7.51	11.9%	\$ 7.61	5.5%
GS<50 kW	RPP	kWh	\$ 3.55	3.5%	\$ 20.95	14.8%	\$ 20.70	11.9%	\$ 20.97	5.1%
GS 50 to 4,999 kW	Non-RPP (Other)	kW	\$ 26.73	3.4%	\$ 764.68	59.3%	\$ 759.59	40.5%	\$ 858.34	11.4%
UMSL	RPP	kWh	\$ 0.88	3.5%	\$ 4.21	12.8%	\$ 4.16	10.6%	\$ 4.21	5.0%
Sentinel Lights	RPP	kW	\$ 0.34	3.6%	\$ 0.92	8.3%	\$ 0.91	7.7%	\$ 0.92	4.6%
Street Lighting	Non-RPP (Retailer)	kW	\$ 49.77	1.8%	\$ 273.65	9.4%	\$ 272.25	8.8%	\$ 307.64	5.9%
Street Lighting	Non-RPP (Other)	kWh	\$ 22.29	2.1%	\$ 92.54	8.3%	\$ 92.10	7.9%	\$ 104.07	5.4%

ERT's proposed tariff can be found in Appendix "I". Bill impacts by customer class are included in Appendix "J" and have also been updated to reflect NBHDL's proposal. The table below summarizes the monthly bill impacts by customer class.

**TABLE 18 – BILL IMPACT SUMMARY**

Class	Monthly Volume		RPP / Non-RPP	Total Current Bill	Total Proposed Bill	Total impact (\$)	Total impact (%)
	kWh	kW					
Residential	750	-	RPP	\$ 137.88	\$ 145.49	\$ 7.61	5.5%
GS<50 kW	2,386	-	RPP	\$ 411.74	\$ 432.71	\$ 20.97	5.1%
GS 50 to 2,999 kW	-	115	Non-RPP	\$ 7,503.84	\$ 8,362.18	\$ 858.34	11.4%
GS>3000 kW	-	2,440	Non-RPP	\$ 182,081.10	\$ 181,881.61	\$ (199.49)	-0.1%
UMSL	456	-	RPP	\$ 84.72	\$ 88.94	\$ 4.22	5.0%
Sentinel Lights	-	0.2	RPP	\$ 21.25	\$ 21.17	\$ (0.08)	-0.4%
Street Lighting	-	42	Non-RPP	\$ 5,208.78	\$ 5,516.42	\$ 307.64	5.9%
Street Lighting	-	13	Non-RPP	\$ 1,911.37	\$ 2,015.45	\$ 104.08	5.4%

## **22) Conclusion**

In summary, other than a single ERT class, total bill impacts are well below the rate mitigation threshold and NBHDL considers the proposed rates and applicable disposition periods for both the NBRT and ERT to be both reasonable and prudent.