User Instructions for Completion of 2011 IRM2 Rate Generator for Electricity Distributors

Chapter 1 Getting Started

Objective of Rate Generator

Mechanism to calculate an electricity distributor's IRM2 rate adjustment.

Glossary

Billing Determinants – Are retail components applied against applicable tariffs to determine an end user customer's energy bill.

Scope and Purpose of Instructions

This document is designed to help the user complete the 2011 IRM2 Rate Generator.

Tools to Complete Rate Generator

- 2011 Models (2011 IRM Deferral and Variance Account Workform & Smart Meter Rate Calculation Model)
- 2010 Board Decision and Order
- 2010 Rate Generator Model
- Chapter 3 of the Filing Requirements for Transmission and Distribution Applications, version 2.0, July 9, 2010
- Report of the Board on Electricity Distributors' Deferral and Variance Account Review Initiative (EDDVAR), July 31, 2009.
- 2006 EDR Decision
- 2006 PILs Model

Chapter 2 Using the 2011 IRM2 Rate Generator

Format of the Rate Generator

The rate generator consists of various worksheets, which are password protected. The naming convention for the worksheets is a letter, then a number, and then a title. The input worksheets, where the user is expected to input data, are indicated by green worksheet tabs and cells. Yellow cells indicate a drop down menu, where the user selects their applicable

information. The formulaic worksheets, where inputted results are calculated, are indicated by blue worksheet tabs and cells.

Contact Board staff if any problems are to occur.

Completing the Rate Generator

Sheet: A1.1. LDC Information	*User Input Required:* Yes
Purpose: Identify applicant's name, application number, and licence number.	
Instructions: User will select their LDC from yellow drop down menu in cell D20. User will also input application contact information for Board staff to contact in case of any Board staff questions or concerns.	
Sheet: A2.1 Table of Contents	*User Input Required:* No
Purpose: Summarize all the worksheets in the rate generator.	
Instructions: User does not input any data into this worksheet.	
Sheet: A3.1 Sheet Selection	*User Input Required:* Yes
Purpose: Customize the rate generator to specific distributor's situation.	
Instructions: User will select from the yellow drop down menu "Show" if that particular worksheet is applicable to their LDC. User will select from the same drop down menu "Hide" if that particular worksheet is not applicable to their LDC. Note: The rate generator will change (once the user moves off the current worksheet) according to what the user has selected to "Show" and "Hide".	
Sheet: B1.1. Current and Applied for Rate Classes	*User Input Required:* Yes
Purpose: Indicates which rate classes are currently affected and will be affected by any rate	

adjustments.	
Instructions: User will select from the yellow drop down menu the rate group and rate class that are currently affected by rates. Note: The order of the rate groups and rate classes should be in the same order as in other Board work forms and worksheets.	
Sheet: C1.1 Current Smart Meter Funding Adder	*User Input Required:* Yes (if applicable)
Purpose: Summarize fixed current smart meter rate adder by rate class.	
Instructions: User will input current Board approved smart meter rate adder (from current Tariff of Rates and Charges schedule) into cell D28.	
Sheet: C2.1 Deferral Variance Account Disposition (2010)	*User Input Required:* Yes (if applicable)j
Purpose: Summarize breakdown of 2010 approved volumetric deferral and variance account rate rider by rate class.	
Instructions User will input sunset date of 2010 approved volumetric deferral and variance account rate rider (from current Tariff of Rates and Charges schedule) into cell D22. User will also input volumetric deferral and variance account rate rider into column “G” for applicable rate classes.	
Sheet: C2.2 Regulatory Asset Recovery	*User Input Required:* Yes (if applicable)
Purpose: Summarize breakdown of approved regulatory asset recovery rate rider by rate class.	
Instructions: User will input sunset date of regulatory account recovery rate rider (from current Tariff of Rates and Charges schedule) into cell D22. User will also input volumetric asset recovery rate rider into column “G” for applicable rate classes.	

Sheet: C2.3 Smart Meter Disposition 2	*User Input Required:* Yes (if applicable)
Purpose: Summarize breakdown of first smart meter rate rider by rate class.	
Instructions: User will input sunset date of current smart meter rate rider (from current Tariff of Rates and Charges schedule) into cell D22. User will also input the uniform service charge amount into cell D28.	
Sheet: C2.4 Smart Meter Disposition 3	*User Input Required:* Yes (if applicable)
Purpose: Summarize breakdown of second smart meter rate rider by rate class.	
Instructions: User will input sunset date of current smart meter rate rider (from current Tariff of Rates and Charges schedule) into cell D22. User will also input the uniform service charge amount into cell D28.	
Sheet: C2.5 Tier 2 Recovery	*User Input Required:* Yes (if applicable)
Purpose: Summarize breakdown of the rate rider for tier 2 recovery by rate class.	
Instructions: User will input sunset date of current tier 2 recovery rate rider (from current Tariff of Rates and Charges schedule) into cell D22. User will input fixed tier 2 amount into column “E” and volumetric tier 2 amount into column “G” for each applicable rate class.	
Sheet: C3.1 Current Low Voltage Volumetric Rate	*User Input Required:* Yes (if applicable)
Purpose: Summarize breakdown of current low voltage volumetric rate rider by rate class.	
Instructions: User will select from yellow drop down menu (cell D22) “Yes” – low voltage volumetric rate rider is shown on tariff of rates and charges or “No” – low voltage rate rider is embedded into volumetric rates. User will then click on “Update Sheet” button and input	

either current low voltage rate rider or re-based low voltage rate rider into column “F”.	
Sheet: C3.2 Current Rate Rider for Global Adjustment Sub-Account Disposition – Electricity Component	*User Input Required:* Yes (if applicable)
Purpose: Summarize breakdown of current volumetric rate rider for global adjustment sub-account (included in electricity component) by rate class.	
Instructions: User will input sunset date for global adjustment sub-account rate rider into cell D22. User will also input volumetric global adjustment sub-account rate rider amount into column “G” for each applicable rate class.	
Sheet: C3.3 Current Rate Rider for Global Adjustment Sub-Account Disposition – Delivery Component	*User Input Required:* Yes (if applicable)
Purpose: Summarize breakdown of current volumetric rate rider for global adjustment sub-account (included as a delivery component) by rate class.	
Instructions: User will input sunset date for global adjustment sub-account rate rider into cell D22. User will also input volumetric global adjustment sub-account rate rider amount (from current Tariff of Rates and Charges schedule) into column “G” for each applicable rate class.	
Sheet: C4.1 Current Rates and Charges General	*User Input Required:* Yes
Purpose: Summarize all current rates and charges by rate class.	
Instructions: User will input monthly service charges for all rate classes. User will input current distribution volumetric rate for all rate classes. User will input current retail transmission rate – network service rates for all classes. User will also input current retail transmission rate – line and transformation connection service rates for all classes.	

Sheet: D1.1 PILs Adjustment Worksheet	*User Input Required:* Yes
Purpose: Calculate the 2011 payment in lieu of taxes (PILs) adjustment to income tax.	
Instructions: User will input 2006 regulatory taxable income from 2006 PILs Model (K-factor cell H93) into cell D22. User will input 2006 Corporate Income Tax Rate (%) also from 2006 PILs Model (K-factor cell E85) into cell D24. User will also input 2006 EDR base revenue requirement from distribution rates from 2006 EDR Model (K-factor cell E106) into cell D31.	
Sheet: D1.2 PILs Adjustment to Rates	*User Input Required:* No
Purpose: Summarize breakdown of PILs adjustment to variable and fixed rates by rate class.	
Instructions: User does not input any data into this worksheet.	
Sheet: D2.1 Ontario Capital Tax Adjustment Worksheet	*User Input Required:* Yes
Purpose: Calculate Ontario capital tax adjustment figures.	
Instructions: User will input rate base from 2010 Rate Generator Model (cell E17) into cell E26. User will input exemption amount from 2010 Rate Generator Model (cell E18) into cell E27. User will input taxable capital from 2010 Rate Generator Model (cell E114) into cell E40. User will input deduction from taxable capital from 2010 Rate Generator Model (cell E117) into cell E43. User will also input Ontario capital tax from 2010 Rate Generator Model (cell D23) into cell E59.	
Sheet: D2.2 Ontario Capital Tax Adjustment to Rates	*User Input Required:* No
Purpose: Summarize breakdown of Ontario capital tax adjustments to fixed and variable rates by rate class.	

Instructions: User does not input any data into this worksheet.	
Sheet: E1.1 Rate Rebalanced Base Distribution Rates	*User Input Required:* No
Purpose: Summarize breakdown of PILs adjustment and Ontario capital tax adjustment to fixed and variable rates by rate class.	
Instructions: User does not input any data into this worksheet.	
Sheet: F1.1 GDP-IPI Price Cap Adjustment Worksheet	*User Input Required:* No
Purpose: Calculate GDP-IPI price cap adjustment. Note: Current GDP-IPI calculation is using 2010 figures as a proxy. Once 2011 figures are updated Board staff will update GDP-IPI adjustment.	
Instructions: User does not input any data into this worksheet.	
Sheet: F1.2 GDP-IPI Price Cap Adjustment Worksheet	*User Input Required:* No
Purpose: Summarize breakdown of GDP-IPI price cap adjustment to fixed and variable rates by rate class.	
Instructions: User does not input any data into this worksheet	
Sheet: G1.1 After Price Cap Base Distribution Rates	*User Input Required:* No
Purpose: Calculate base fixed and variable rates after GDP-IPI adjustment by rate class.	

Instructions: User does not input any data into this worksheet.	
Sheet: J1.1 Applied for Smart Meter Funding Adder	*User Input Required:* Yes
Purpose: Summarize fixed applied for smart meter rate adder by rate class.	
Instructions: User will input applied for uniform service charge amount into cell D28.	
Sheet: J2.1 Deferral Variance Account Disposition (2010)	*User Input Required:* Yes (if applicable)
Purpose: Summarize breakdown of 2010 volumetric deferral and variance account disposition rate rider by rate class.	
Instructions: User will input sunset date of 2010 volumetric deferral and variance account rate rider into cell D22. User will also input volumetric deferral and variance account rate rider for each applicable rate class into column "G". Note: 2010 volumetric deferral and variance account rate rider does not include global adjustment portion	
Sheet: J2.2 Deferral Variance Account Disposition (2011)	*User Input Required:* Yes (if applicable)
Purpose: Summarize breakdown of applied for 2011 volumetric deferral and variance account disposition rate rider by rate class.	
Instructions: User will input proposed sunset date of 2011 volumetric deferral and variance account rate rider into cell D22. User will also input applied for volumetric deferral and variance account rate rider for reach applicable rate class into column "G". Note: 2011 volumetric deferral and variance account rate rider does not include global adjustment portion	

Sheet: J2.3 Regulatory Asset Recovery	*User Input Required:* Yes (if applicable)
Purpose: Summarize breakdown of volumetric regulatory asset recovery rate rider by rate class.	
Instructions: User will input sunset date of regulatory asset recovery rate rider into cell D22. User will also input volumetric regulatory asset recovery rate rider for reach applicable rate class into column "G".	
Sheet: J2.4 Smart Meter Disposition 2	*User Input Required:* Yes (if applicable)
Purpose: Summarize fixed smart meter disposition 2 rate rider by rate class.	
Instructions: User will input sunset date for smart meter disposition 2 rate rider into cell D22. User will also input fixed uniform service charge amount into cell D28.	
Sheet: J2.5 Smart Meter Disposition 3	*User Input Required:* Yes (if applicable)
Purpose: Summarize fixed smart meter disposition 3 rate rider by rate class.	
Instructions: User will input sunset date for smart meter disposition 2 rate rider into cell D22. User will also input fixed uniform service charge amount into cell D28.	
Sheet: J3.1 Applied for Low Voltage Volumetric Rate	*User Input Required:* No
Purpose: Summarize breakdown of applied for low voltage rates by rate class.	
Instructions: User does not input any data into this worksheet.	
Sheet: J3.2 Applied for Rate Rider for Global Adjustment Sub-Account Disposition – Electricity Component (2010)	*User Input Required:* Yes (if applicable)

Purpose: Summarize breakdown of 2010 volumetric global adjustment sub-account – electricity component rate rider by rate class.	
Instructions: User will input sunset date of 2010 volumetric deferral and variance account rate rider into cell D22. User will also input volumetric deferral and variance account rate rider for each applicable rate class into column "G".	
Sheet: J3.21 Applied for Rate Rider for Global Adjustment Sub-Account Disposition – Electricity Component (2011)	*User Input Required:* Yes (if applicable)
Purpose: Summarize breakdown of applied for 2011 volumetric global adjustment sub-account – electricity component rate rider by rate class.	
Instructions: User will input proposed sunset date of 2011 volumetric deferral and variance account rate rider into cell D22. User will also input applied for volumetric deferral and variance account rate rider for each applicable rate class into column "G".	
Sheet: J3.3 Applied for Rate Rider for Global Adjustment Sub-Account Disposition – Delivery Component (2010)	*User Input Required:* Yes (if applicable)
Purpose: Summarize breakdown of 2010 volumetric global adjustment sub-account – delivery component rate rider by rate class.	
Instructions: User will input sunset date of 2010 volumetric deferral and variance account rate rider into cell D22. User will also input volumetric deferral and variance account rate rider for each applicable rate class into column "G".	
Sheet: J3.31 Applied for Rate Rider for Global Adjustment Sub-Account Disposition – Delivery Component (2011)	*User Input Required:* Yes (if applicable)
Purpose: Summarize breakdown of applied for 2011 volumetric global adjustment sub-account –	

delivery component rate rider by rate class.	
Instructions: User will input proposed sunset date of 2011 volumetric deferral and variance account rate rider into cell D22. User will also input applied for volumetric deferral and variance account rate rider for each applicable rate class into column "G".	
Sheet: L1.1 Applied for TX Network General	*User Input Required:* Yes
Purpose: Calculate applied for Retail Transmission Rate – Network Service Rate by rate class.	
Instructions: User will input applied for Retail Transmission Rate – Network Service Rate adjustment (from 2011 RTSR Workform) for each applicable rate class into column "G".	
Sheet: L2.1 Applied for TX Connection General	*User Input Required:* Yes
Purpose: Calculate applied for Retail Transmission Rate – Network Connection Rate by rate class.	
Instructions: User will input applied for Retail Transmission Rate – Network Connection Rate adjustment (from 2011 RTSR Workform) for each applicable rate class into column "G".	
Sheet: M4.1 microFIT Generator	*User Input Required:* No
Purpose: Summarize monthly service charge for microFIT Generators.	
Instructions: User does not input any data into this worksheet.	
Sheet: N1.1 Applied for Monthly Rates and Charges	*User Input Required:* No
Purpose: Summarize applied for rates by rate class.	

Instructions: User does not input any data into this worksheet.	
Sheet: N3.1 Current and Applied for Loss Factors	*User Input Required:* Yes
Purpose: Summarize current and applied for loss factors.	
Instructions: User will input current and applied for loss factors into column “D”.	
Sheet: O1.1 Summary of Changes to General Service Charge	*User Input Required:* No
Purpose: Summarize changes to service charges by rate class.	
Instructions: User does not input any data into this worksheet.	
Sheet: O1.2 Summary of Changes to Tariff Rate Adders	*User Input Required:* No
Purpose: Summarize changes to rate adders by rate class	
Instructions: User does not input any data into this worksheet.	
Sheet: O1.3 Summary of Changes to Tariff Rate Riders	*User Input Required:* No
Purpose: Summarize changes to rate riders by rate class.	
Instructions: User does not input any data into this worksheet.	
Sheet: O2.1 Calculation of Bill Impacts	*User Input Required:* Yes (if applicable)

Purpose: Determine the estimated bill impacts with respect to applied for rates.	
Instructions: User will select from yellow drop down menu (cell C20) and select specific rate class to view estimated bill impact for that rate class. Note: Default options for RTSR Loss Adjusted cells D12 and D14 are "Yes" and "No", respectively.	
Sheet: P1.1 Current and Applied for Allowances	*User Input Required:* Yes (if applicable)
Purpose: Summarize current and applied for allowances.	
Instructions: User will input Transformer Allowance for Ownership into cell E22. User will also enter Primary Metering Allowance for transformer losses into cell E23.	
Sheet: P2.1 Current and Applied for Specific Service Charges	*User Input Required:* Yes
Purpose: Summarize all current and applied for specific service charges.	
Instructions: User will select from yellow drop down menu all applicable current and applied for specific service charges under each category: Customer administration; Non-Payment of Account and Other. User will also input corresponding charge ($) into column "E".	
Sheet: P3.1 Current and Applied for Retail Service Charges	*User Input Required:* No
Purpose: Summarize all current and applied for retail service charges.	
Instructions: User does not input any data into this worksheet.	

Submitting the Completed Rate Generator

User should save completed rate generator and submit electronic version and hard copy print out through the Board's online e-Filing services and with the Board Secretary's Office.