Instructions on the Use of the Tariff Schedule and Bill Impacts Model

Version 1.0

Background

The Tariff Schedule and Bill Impacts Model is a stand-alone Microsoft Excel model that is used for generating a spreadsheet version of the proposed Tariff Schedule (the Tariff of Rates and Charges), and for calculating the bill impacts comparing current OEB-approved rates against the proposed rates, for various customer profiles in all customer rate classes.

This stand-alone model is to be used in the filing of cost of service rate applications. It may also be used for Custom IR applications. The Tariff Schedule and Bill Impacts model is not to be used for rate adjustment applications filed using the Price Cap IR and Annual Index approaches as the tariff schedule and the generation of bill impacts are integral to the OEB-issued model for those types of applications. In fact, the stand-alone Tariff Schedule and Bill Impacts model for cost of service is directly derived from the approach employed in the Price Cap model. This has two benefits. First, the methodology for calculating bill impacts is the same, regardless of the rate-setting methodology employed. Second, using a consistent layout and methodology should make it easier to maintain and update the models as needed, and for utility staff using the approaches to learn the model inputs and operation, which will not materially differ regardless of the type of rate application.

This stand-alone model replaces the previous appendices 2-Z (the tariff schedule) and 2-W (bill impacts) that were part of the Appendices for Chapter 2 Cost of Service Electricity Distribution Rate Applications. Due to long familiarity, the Bill Impacts sheet retains the label of 2-W. The Tariff Schedule, which now precedes the Bill Impacts sheet is now labelled as 2-TS (for Tariff Schedule).

Usage of the Tariff Schedule and Bill Impacts Model

An applicant filing a cost of service application is required to file a completed Tariff Schedule and Bill Impacts model.

The applicant should also attempt to keep this model up-to-date during the processing of the application, as is necessary and appropriate. This does not mean that an updated model should be filed with every update to the evidence; however, the applicant should be prepared to file an updated version when there are material changes and at material points in the proceeding (such as for a settlement conference or during an oral hearing). An updated Tariff Schedule and Bill Impacts Model must be filed as part of the Draft Rate Order as directed by a Decision of the OEB panel. Alternatively, if a complete

Settlement Agreement is reached, an updated Tariff Schedule and Bill Impacts Model must be filed as part of the proposed Settlement Agreement for which OEB approval is sought.

For any filing of the Tariff Schedule and Bill Impacts model, the model must be filed in both working Microsoft Excel (.xlsm) and Adobe Acrobat (.pdf) formats.

Overview

The Tariff Schedule and Bill Impacts is a fundamental re-design of these two schedules (or appendices) for cost of service rate applications. Previously, these were separate appendices with no interactions. The Bill Impacts (2-W) preceded the Tariff Schedule (2-Z). While the design was in many ways simpler, it also required many more inputs, as both current and proposed rates had to be entered on both sheets – and multiple times on 2-W. Opportunities for manual input errors existed. Appendix 2-W employed macros – as does the current design – making it hard for users to understand the design before usage. It also made it difficult, in some instances, even to alter the bill impacts methodology when this changed (such as with respect to elimination of the OCEB or the introduction of new rates in line with changed energy policy and regulation).

The new design follows a more logical flow, whereby the utility's current OEB-approved Tariff of Rates and Charges is generated, and is verified by the utility staff. The applicant then generates (largely through inputs) the proposed Tariff of Rates and Charges (2-TS).

Once the current and proposed Tariff Schedules are generated, bill impacts can be easily generated. Inputs for the bill impacts are for the customer class, consumption and demand profile, as applicable, and certain other parameters. No rates need to be input (as was the case with the previous 2-W) as these are taken from the current and proposed Tariff Schedules. Two inputs that are required (and this differs from the bill impacts calculation for the Price Cap IR/Annual Index model) are the current and proposed loss factors, by class, as these will vary in a cost of service application.

Sheet-by-Sheet Detail

Sheet 1 – Information Sheet

Sheet 1 contains basic information on the utility and the application. It has limited inputs. Some of these are informational, but several are also critical to the proper functioning of the model.

The inputs are as follows:

1. Row 14 – Utility Name. The utility selects its name from the drop-down list in cells F14-L14. A pop-up dialog box will ask for the utility's ID. This is the same utility-specific ID as is used for the Price Cap IR/Annual Index model. Inputting the utility name is critical as this identifies the current Tariff Schedule on sheet 2.
2. Row 18 – EB-number. This is the EB number in the format EB-year-0xxx for the current application, and will be used on Sheet 4 2-TS.
3. Row 20 – Name of Contact and Title. Name and position of the preparer. For informational purposes only.
4. Row 22 – Phone number. Telephone number, including extension, of the contact. For informational purposes only.
5. Row 24 – E-mail address. Email address of the contact. For informational purposes only.
6. Row 26 – Rates effective date. Date that the proposed rates are to be effective. Input in an appropriate Microsoft Excel format. Will be displayed as month-dd-yy.
7. Row 28 – Rate-Setting Method. From the drop-down list in F28-H28, select the rate-setting method of either Cost of Service or Custom IR. For Informational purposes only.
8. Row 30 – Rate Year that Class 1 Accounts were last cleared. Select the year from the drop-down list in cells F30-H30. For informational purposes only.
9. Row 32 – Last Cost of Service Rebasing Year. Select the year from the drop-down list in cells F32-H32. For informational purposes only.

Sheet 2 -2-TSC Current Tariff Schedule

Based on the utility name selected in F14-L14 on Sheet 1, Sheet 2 will be populated with the current OEB-approved Tariff of Rates and Charges for that utility. This is populated based on a rates database integral to the model.

The utility should confirm that this sheet corresponds **exactly** with its current approved Tariff of Rates and Charges per its most recent Decision and Rate Order.

There is a text bubble in BL1-BQ10. If there are discrepancies, contact OEB staff to resolve these before proceeding.

If the populated 2-TSC corresponds with the current approved Tariff of Rates and Charges, the utility staff should check the checkbox in the text bubble in BL1-BQ10. This confirms that this sheet is correct and prevents it from being re-generated.

Sheet 3 – Regulatory Charges

Sheet 3 contains values for common regulatory charges set or approved by the OEB through separate processes. These regulatory charges are the following:

1. Wholesale Market Service Rate
2. Rural or Remote Rate Protection Charge
3. Standard Supply Service – Administrative Charge
4. Ontario Electricity Support Program

The rates in column D are those rates as currently approved at the time that the Tariff Schedule and Bill Impacts model is issued. The applicant will only need to change (update) the values on this sheet if the rates are subsequently changed by the OEB.

Sheet 4 – 2-TS Proposed Tariff Sheet

Sheet 4 will be where the utility does most of the work, as this is where the proposed Tariff Sheet is generated. The approach is similar to how it is done in the Price Cap IR/Annual Index model. However, in a cost of service (or Custom IR) application where the applicant is rebasing its rates, there can be a lot more changes to rates. Rate adjustments are not formulaic. Customer classes can be added. Thus, there is more flexibility in this page than is the case in the Price Cap IR/Annual Index model.

When you click on Tab 4, the sheet should automatically populate with a copy of the current tariff schedule. A list of the current Customer Rate Classes is provided in B16-E27. The starting point for sheet 4 is the current Tariff Schedule from Sheet 2 (with the rate riders that have expired before the effective date of the proposed tariff removed). Make sure that the check box around cell CI10 is **unchecked** at this point.

Additional (new) customer classes can be entered. To add a new customer class, the utility must place the new customer class above an existing class by selecting "This Class" in a cell from the drop-down list in column CG16-CG27 (titled "Add Before") (this will create a new blank line where the utility can add the customer class between its existing classes). After the new blank line is created, the utility must select the appropriate name for the new customer class from the drop-down menu, then click the "Create New Class" button around CD14. In the column CD16-CD27, the utility can select the existing customer class that the new class is associated with or derived from (if applicable). This will identify the rates from the current Tariff Schedule that will be used for generating bill impacts for the new class. If the utility would like to link the new class with an existing class, this should be done prior to clicking the "Create New Class" button.

Once all customer classes are entered or generated, the utility should edit the proposed tariff schedule beginning in row 30.

Inputs follow the standard convention of OEB-issued models. Pale green cells require inputs, while pale blue cells have limited inputs selected from drop-down lists.

For each class, the layout is per the standard format for the published tariff of rates and charges.

First is the definition/description of the customer class. Following is the "Application" which contains generally standard wording on the application of rates and charges for that class. The wording can be changed, but should only be done so as is necessary. Changes in the wording should be documented in the application evidence.

Most of the work will be done with updating the specific tariff elements, in terms of descriptions and values. Standard editing as is done in Microsoft Excel for changing cell values, or adding or deleting rows, or copying and pasting can be used.

The following are general tips and techniques for completing Sheet 4 2-TS.

1. For standard tariff elements such as the Monthly Service Charge or the Distribution Volumetric Rate, if the charge quantum is the only element changing, then the new value can be input in the cell in column E. Negative values are input with a leading minus sign and should show up as red parenthesized values. Values that are unchanged remain the same.
2. Confirm that the current rate riders that are expiring before the proposed effective rate year have been deleted in their entirety. If the expired rate riders have not been automatically removed, manually select the entire row to the left of column A and delete the row.
3. New rows (for new rates and rate riders) can be added by clicking on the following row number to the left of column A and then right-clicking and selecting insert (row).
4. It is often easier to add the entries for new rate riders and adders by copying a similar existing one and editing the entries. Copy the existing row and paste in the new blank row, and then edit the cell entries. This needs to be done with respect to the description in B-C, the charge determinant in column D, the rate in column E and the bill sub-total identifier in column I.
5. Rate rider descriptions should take the format of "Rate Rider for the Disposition of …". The user should also end the descriptor for a rate rider with the expiration date, in the format of "effective until month dd, year" (e.g. effective until October 31, 2018".
6. Row heights can be freely altered.
7. The charge determinant ("$", "$/kWh", "$/kW" or "$/kVa") should be selected from the drop down list in column D. There must be a charge determinant for every tariff item.
8. It is important that there be a value set in column I for every tariff item. Available values are "A", "B", "C" and "T". These correspond with sub-totals A, B, C and the total bill, and determine where specific rates and rate rider charges appear on

the bill impacts page. The monthly service charge, the distribution volumetric rate and certain other charges, including rate riders, related to a utility's core distribution business will be in sub-total A. Most deferral and variance account rate riders and other pass-through charges will be in sub-total B. In instances where group 1 and group 2 deferral and variance accounts are combined into one rate rider, the applicant should label this as "B", unless it is the applicant's view that a significant portion of the balance being recovered by the rider is attributable to a group 2 account (or accounts). Other "delivery" charges such as the RTSRs will be in C. Commodity and other regulatory charges are identified only under the total bill. An error message will pop up if column I is not populated for a row when the user attempts to proceed.

9. Under Allowances, the Transformer Ownership Allowance Credit should be entered or updated. The credit is entered as a negative amount and displays as a red parenthesized number. The Primary Metering Allowance loss adjustment is entered as a negative percentage (e.g. -1.0 for a -1.0% loss adjustment).

10. Specific Service Charges can be added, deleted or altered as necessary. Any changes must be documented and supported in the application evidence.

11. Under loss factors, the applicant should adjust the entries in column E for the new proposed loss factors, as determined in Appendix 2-R.

12. In situations where the implementation date and the effective date of the proposed tariff are different, the utility must manually update those lines to reflect their proposal prior to completing Sheet 4 2-TS.

IMPORTANT: Upon completion of inputting the proposed tariff on Sheet 4 2-TS, click the "Update Tariff Schedule" button around cell CH14. Immediately after you must check the check-box around cell CI10 and save the model. Use "Save as" to save the model under a new name. It is important to ensure that the check box is checked after making the changes, as this prevents the model from re-generating this sheet. If the check box in CI10 is not checked, then Sheet 4 will be re-generated each time and all changes will be lost. Further changes can be made after this.

Once complete, sheet 4 can be used to generate the proposed Tariff of Rates and Charges in standard format. Use the "Create Tariff in Separate File" button around CD9 for this purpose. Ensure that Column I is excluded from any printed version.

Sheet 5 – 2-W Bill Impacts

The last sheet calculates the bill impacts, and requires only inputs for the classes, and customer profiles within each class, for which bill impacts are generated.

Sheet 5 is generated through a two-stage process.

Table 1 is first populated with all the rate classes beginning in row 30. The utility should use the auto-populated row of each rate class to enter its typical consumption profile. Below the last auto-populated row, users can add additional scenarios (by selecting the rate class in the drop-down list for each such scenario) in the blue coded cells marked with "*Add additional scenarios if required*". The consumption profile for each additional scenario is to be input. These profiles would be "typical" but different than the defaults, and, taken all together, provide a range of the impacts that many customers could experience.

1. For each row, the Units for the volumetric rate charges are selected from the drop-down list in column G. Possible values are "kWh", "kW" or "kVA".
2. For each row, in column H, from the drop-down list the commodity charge basis is selected. This is "RPP" for customers billed for commodity under the Regulated Price Plan. Non-RPP customers will have commodity prices based on "non-RPP (Retailer)" or "non-RPP (Other)".
3. The current loss factor is input in column I and the proposed loss factor in column J. These will normally be the loss factors for secondary metered customers whose demand is less than 5000 kW per month. Large use customer classes with demand > 5000 kW per month will use the secondary or primary metered loss factors, as applicable.
4. The monthly consumption level is entered in column K, as appropriate for a customer in that class.
5. For demand-billed customer classes (Units = "kW" or "kVA"), the monthly demand level should be input in column L. For demand-billed scenarios, the kWh and kW/kVA profile must be reasonable.
6. For each row, the RTSR profile is selected from the drop-down list in column M. For rate classes like Residential and GS<50 kW, where the RTSR charges are calculated on an energy (kWh) basis, "N/A" should be selected in the RTSR profile column. For other rate classes where the RTSR charges are calculated on demand (kW or kVA) basis, "DEMAND" should be selected in this column. If the RTSR rates calculated in the model are for interval metered customers of a rate class, "DEMAND – INTERVAL" should be selected for this class in column M. Please note that if the RTSR profile cell is blank for any rate class, the individual bill impact table will not display any RTSR rates for this class.
7. For Unmetered Scattered Load (USL), Sentinel Lighting and Street Lighting customer classes, in column N, the user inputs the number of devices or connections on which fixed charge amounts are charged.

After all the billing parameters have been entered for the additional scenarios, users should click the button "Click Here to Save Your Additional Scenarios" to save the scenarios added.

Once Table 1 has been fully populated, click on the button labelled "UPDATE" around O36-P36. This will generate, following Table 2, the bill impacts for each customer class and profile listed in Table 1.

Once Sheet 5 has been generated and the user is satisfied with the accuracy of the results, the model should be saved. In general, it is preferable to save with the "Save As" option and save under a new (and descriptive) name.

The model can be updated – typically in sheets 4 and 5 – as necessary during the course of the proceeding.