

Re: profiles.pdf

From: ferio.pugliese@hydroone.com
To: spencer.gill@hydroone.com, "Campbell, David (ENERGY)" <david.campbell2@ontario.ca>, "Teliszewsky, Andrew (ENERGY)" <andrew.teliszewsky@ontario.ca>
Cc: natalie.poole-moffatt@hydroone.com, daniel.levitan@hydroone.com, "Nekolaichuk, Colin (ENERGY)" <colin.nekolaichuk@ontario.ca>
Date: Sat, 18 Feb 2017 16:42:10 -0500

These profiles look great. Small detail I think it's very important to stipulate that these are Monthly savings and we should also provide the estimated aggregate annual savings if consumption were normalized.

Ferio Pugliese

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On 2017-02-18, 9:42 AM, "GILL Spencer" <Spencer.Gill@HydroOne.com> wrote:

>Hello David,
>
>I need my graphic artist to change the profiles. I expect this can be
>done first thing Tuesday.
>
>Answers:
>
>1. I have changed the HST credit to \$0 under current charges. I have
>attached updated spreadsheets for each customer profile so you can see
>the effect. Again, I will have the artist change the profile to reflect
>this on Tuesday morning.
>
>2a. The electricity reduction is -25%. This was a working assumption for
>RPP customers. Today Regulated Price Plan (RPP) customers pay
>approximately 46% of the total Global Adjustment today. Depending on how
>much total GA savings you are planning for, and to which customers you
>are applying it to will impact this reduction. If you need to have me
>update this reduction just let me know.
>
>2b. The delivery line savings come from the attached spreadsheet, which
>was an analysis we did using our 2015 revenue requirement and consumption
>profile. The green columns under R1 and R2 customers represent an
>approximation for expected delivery line savings. I calculated the
>current delivery charge and subtracted what is in the green column. These
>savings include:
>1) Rate Decoupling (moving to the fixed distribution charge). This you
>will see is driven by consumption. The average R1 customer uses
>approximately 1000kWh which is enough consumption to recover what our
>decoupled fixed charge will be by 2023, about \$55. At present we

>continue to charge per kWh, which means consumers who use more than
>1000kWh will pay more than \$55 for distribution charges. That said this
>is how we meet our revenue requirement. The Fixed and Fair spreadsheet
>approximates what our lost revenue could be if we were to cap the
>distribution charge. From an implementation perspective, we would
>likely set a volumetric threshold, say 1000kWh for R1, and charge \$0
>beyond this. We would also track the amount of lost revenue/customer
>savings, pop it on a bill message and recover the revenue from either
>the government or IESO whichever makes the most sense.
>
>2) Incremental Rural and Remote Rate protection for R1(\$18) and
>R2(\$27) customers. I calculated an incremental subsidy that would bring
>the 2023 fixed charge to be \$38, which is closer to the 2015 LDC average.
>If you wanted to get to a different number, say \$39, I could change
>the numbers to R1 (\$17) and R2 (\$26).
>
>3. You are correct. This was just an oversight.
>
>
>Feel free to call me if you have any questions,
>Spencer
>-----Original Message-----
>From: Campbell, David (ENERGY) [mailto:David.Campbell2@ontario.ca]
>Sent: Friday, February 17, 2017 7:32 PM
>To: GILL Spencer; Teliszewsky, Andrew (ENERGY)
>Cc: PUGLIESE Ferio; POOLE-MOFFATT Natalie; LISTER Warren; LEVITAN Daniel;
>Nekolaichuk, Colin (ENERGY)
>Subject: RE: profiles.pdf
>
>Hey Spencer,
>
>Thank you for these - they look great! This is exactly the sort of thing
>we're looking for.
>
>We've had a chance to look them over, and I had a couple of questions:
>1. Could we change the base case (the "Current Charges" bill) to one
>that doesn't include the 8% rebate? ie. A bill from December 2016. For
>the sake of both our policy discussions and our future communications,
>we want to always be comparing bills after the new rate mitigation
>package to bills as they were prior to the Speech from the Throne
>announcements.
>
>2. Could you explain how you did the calculations for reducing the
>commodity and delivery lines? It looks like for the Electricity line we
>have simply applied a 25% reduction, and for the Delivery line you've
>done some complicated work to figure out where it will be after the
>policy. Is that correct?
>
>3. A minor thing, but I noticed that "Allan K" didn't get the \$1.50
>reduction in his regulatory line. Did that one just slip through, or is
>he representative of some type of customer that won't be receiving that
>discount?
>
>Thanks again for all your help!
>
>Best,
>David
>
>-----Original Message-----
>From: Spencer.Gill@HydroOne.com [mailto:Spencer.Gill@HydroOne.com]
>Sent: February-17-17 4:58 PM
>To: Campbell, David (ENERGY); Teliszewsky, Andrew (ENERGY)
>Cc: Ferio.Pugliese@HydroOne.com; Natalie.Poole-Moffatt@HydroOne.com;
>Warren.Lister@HydroOne.com; Daniel.Levitan@HydroOne.com
>Subject: profiles.pdf

>
>Hello Andrew,
>
>Attached are profiles of hydro one customers.
>
>Please let me know if you have any questions.
>
>Take care,
>Spencer
>
>
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