

CUSTOMER IMPACTS

1.0 PURPOSE

This evidence describes the impact of the proposed 2021 hydroelectric payment amount (“HPA”) on a residential electricity customer consuming 700 kWh per month (the “typical residential customer”) and typical large industrial customers and medium/large business customers.

2.0 CUSTOMER IMPACTS

OPG has estimated the impact on customers in a manner that is consistent with previous OPG proceedings, based on the incremental annual changes in OPG’s weighted average total payments¹ that would result from the 2021 hydroelectric payment amount (Ex. I1-1-1) proposed in this Application. The changes in the weighted average total payments are applied to the typical residential customer’s usage of OPG generation, after adjusting for line losses and accounting for OPG’s share of the province’s generation.²

Typical residential consumption is 737 kWh, based on the monthly consumption (700kWh) used in the OEB “Bill Calculator” for estimating monthly electricity bills (using Time of Use pricing), increased to include line losses at an assumed factor of 1.0525. OPG runs the “Bill Calculator” on the OEB’s website at: <https://www.oeb.ca/consumer-protection/energy-contracts/bill-calculator> for all local distribution companies available in the bill calculator and uses a simple average of all of the bills as the typical bill. The typical residential customer bill based on information updated as of June 2020 is \$114.10/month.

As described in Ex. I1-1-1, OPG has calculated the HPA to be \$43.88/MWh using an estimated escalation of 1.7%, which reflects the approved X-factor value of 0.3% and an estimated inflation factor value of 2.0% based on current Statistics Canada data tables for 2018 and 2019. Consistent with the approach used to estimate customer bill impacts in EB-2016-0152³, EB-

¹ As set out in the EB-2018-0243 Settlement Proposal, Attachment A, Table 5, line 11, and EB-2019-0209, Exhibit I, Tab 1, Schedule 2, Table 3, line 11.

² Based on forecast demand for 2021 (134.3 TWh) from Table 3-1 of IESO Reliability Outlook Update from July 2020 to December 2021, released June 2020.

³ EB-2016-0152 PAO, Appendix B, Table 1, Notes 1 and 2.

1 2018-0243⁴, and EB-2019-0209⁵, OPG has applied this 1.7% estimated escalation factor to
2 calculate an updated illustrative HPA for 2021⁶.

3 As shown in Table 1, OPG estimates the incremental impact of the proposed 2021 HPA on a
4 typical residential customer's monthly bill to be \$0.01, or 0.01% over the 2021 period. This
5 increase is attributable to the difference between the higher price-cap index value of 1.7% for
6 the 2021 HPA and the 1.5% value used in EB-2019-0209.

7 Using the same approach as in EB-2016-0152⁷ and EB-2018-0243⁸, the estimated customer
8 bill impacts of the 2021 HPA for medium/large businesses and large industrial customers in the
9 Alectra (PowerStream), Hydro One Networks Inc. and Toronto Hydro-Electric System Limited
10 service areas for the January 1, 2021 to December 31, 2021 period are provided in Ex. I1-1-2,
11 Tables 2b, 2c and 2d.⁹

⁴ EB-2018-0243 Decision and Payment Amounts Order (December 13, 2018), Page 2.

⁵ EB-2019-0209 Decision and Payment Amounts Order (December 12, 2019), Page 2.

⁶ As noted in Ex. I1-1-1, OPG will update the Application to reflect index values for rates applications, typically published by the OEB in the fall of the preceding year, if they differ from the annual sub-index changes used by OPG in Ex. I1-1-1.

⁷ EB-2016-0152 PAO, Appendix I.

⁸ EB-2018-0243 Settlement Proposal, Attachment A.

⁹ These are the same service areas presented for such customers in EB-2016-0152, EB-2018-0243 and EB-2019-0209