

RENFREW HYDRO INC.

2020 IRM APPLICATION

EB-2019-0065

Applicant's Responses to OEB Staff Questions



**Renfrew Hydro Inc.
EB-2019-0065**

OEB staff Question-1

Ref: 1595 Analysis Workform – Tab 1595 - 2012

- a) Please confirm that Tab 1595 – 2012 was selected in error and that Tab 1595 – 2015 should have been selected, if not please explain.

Renfrew Hydro Inc. – Response

Renfrew Hydro Inc. (RHI) confirms that Tab 1595 – 2012 was selected in error, and Tab 1595 – 2015 should have been selected.

- b) If confirmed, please fill out tab 1595 – 2015. This will allow OEB staff to reconcile the amounts to the continuity schedule on Tab 3 of IRM Rate Generator Model.

Renfrew Hydro Inc. - Response

RHI has completed Tab 1595 – 2015 and is refiling with these responses.

OEB staff Question-2

Ref: IRM Rate Generator Model – Tab 12 RTSR – Historical Wholesale

Line Connection		
Units Billed	Rate	Amount
	\$0.0000	
	\$0.0000	
	\$0.0000	
	\$0.0000	
	\$0.0000	
	\$0.0000	
	\$0.0000	
	\$0.0000	
11,186	\$0.7710	\$ 8,625
	\$0.0000	
	\$0.0000	
	\$0.0000	
11,186	\$ 0.7710	\$ 8,625

Line Connection

Please confirm Renfrew Hydro was not supplied by Hydro One Stewartville M3 express feeder during the month of September and the Cobden 23M2 feeder delivered power to Renfrew Hydro, if not please explain.

Renfrew Hydro Inc. – Response

RHI was supplied by both the Hydro One Stewartville M3 feeder and the Cobden 23M2 feeder during the month of September 2018. RHI experienced a loss of supply from the Stewartville feeder on September 22 and was switched to the Cobden feeder from September 22, 2018 to September 27, 2018.

OEB staff Question-3

Ref: Rate Generator Model, Tab 3 – Continuity Schedule

OEB staff notes that there was a formula error in the IRM Rate Generator Model posted on the OEB's webpage.

On tab 3 the formula for cell BM41 is =Sum(BM39,BM40) - BM37. The last portion of the formula (i.e. -BM37) is an error.

OEB staff has made the necessary correction to the Rate Generator Model and provided it along with these questions.

Please confirm Renfrew Hydro's acceptance of the revised model.

Renfrew Hydro Inc. – Response

RHI confirms acceptance of the revised model, and noted the change to the price escalator from 1.20% to 1.50% to agree with the 2019 rate-setting parameters used as a placeholder until the 2020 parameters are announced.

OEB staff Question-4

Ref: GA Analysis Workform, Tab – GA 2017

Please explain the variance between the calculated loss factor of 1.1073 in the GA Analysis Workform and the approved loss factor of 1.0810, for year 2017.

Renfrew Hydro Inc. - Response

RHI has revisited the figures used in the 2017 GA Analysis Workform and has discovered two errors:

1. Error #1 - RHI has revised the July 2017 Unbilled entry on the GA Analysis Workform from 3,399,234 to the correct amount of 3,021,222, changing the total 2017 Non-RPP Class B including loss to 42,292,764

Analysis of Expected GA Amount

2017				
Year				
Calendar Month	Non-RPP Class B Including Loss Factor Billed Consumption (kWh)	Deduct Previous Month Unbilled Loss Adjusted Consumption (kWh)	Add Current Month Unbilled Loss Adjusted Consumption (kWh)	Non-RPP Class B Including Loss Adjusted Consumption, Adjusted for Unbilled (kWh)
	F	G	H	I = F-G+H
January	3,967,759	3,967,759	4,229,635	4,229,635
February	4,229,635	4,229,635	3,826,457	3,826,457
March	3,826,457	3,826,457	4,423,949	4,423,949
April	4,423,949	4,423,949	3,662,473	3,662,473
May	3,662,473	3,662,473	3,913,895	3,913,895
June	3,913,895	3,913,895	4,095,750	4,095,750
July	4,095,750	4,095,750	3,021,222	3,021,222
August	3,021,222	3,021,222	3,056,930	3,056,930
September	3,056,930	3,056,930	2,968,988	2,968,988
October	2,968,988	2,968,988	2,937,199	2,937,199
November	2,937,199	2,937,199	3,040,927	3,040,927
December	3,040,927	3,040,927	3,115,339	3,115,339
Net Change in Expected GA Balance in the Year (i.e. Transactions in the Year)	43,145,184	43,145,184	42,292,764	42,292,764

2. Error #2 - RHI will also be revising the 2017 RPP and Non-RPP kWhs reported in 2.1.5 as follows:

Year-2017	Originally Reported in 2.1.5	Revision	Difference	% of Difference
Total Metered excluding WMP	85,164,725	85,164,725	-	
RPP	40,532,948	39,925,599	- 607,349	-1.5%
Non RPP	44,631,777	45,239,126	607,349	1.3%
Non-RPP Class A	6,097,514	6,097,514	-	
Non-RPP Class B	38,534,263	39,141,612	607,349	1.6%

The above corrections will change the calculated loss factor as shown below:

Revised Non-RPP Class B Including Loss Adjusted Consumption, Adjusted for Unbilled (kWh) (Error #1. from above)	42,292,764
Revised 2.1.5, Non-RPP Class B (Error #2. from above)	39,141,612
Calculated Loss Factor	1.081

OEB staff Question-5

Ref: Rate Generator Model, Tab 4 – Billing Det. for Def – Var

As per Section 3.2.5 of the 2019 Filing Requirements for Electricity Distribution Rate Applications, an applicant may elect to dispose of the Group 1 account balances below the threshold. OEB staff notes that Renfrew Hydro does not meet the threshold test of .0010 +/-, on Tab 4 of the rate generator model but has not disposed of their DVA balances since the 2017 rate year. There are three years of undisposed balances.

- a) In order to avoid intergenerational inequities would Renfrew Hydro be willing to dispose on an interim basis of all Deferral and Variance Account balances?

Renfrew Hydro Inc. – Response

RHI is willing to dispose all Deferral and Variance Account balances on an interim basis to avoid intergenerational inequities.

- b) If yes, please change Cell C29 to yes on Tab 4 and fill out the new tabs that appear.

Renfrew Hydro Inc. – Response

RHI has changed Cell C29 to yes and completed new tabs.

OEB staff Question-6

Ref: Tab 5 of LRAMVA workform

Renfrew Participation and Cost Report

Please confirm that Renfrew Hydro is not seeking to recover the 2018 unverified demand savings, as well as the 2017 unverified savings adjustments, as part of its LRAMVA claim.

Renfrew Hydro Inc. - Response

Please accept this as confirmation that Renfrew Hydro is not seeking to recover the 2018 unverified demand savings or the 2017 unverified savings adjustments, as part of our LRAMVA claim.