

Kitchener-Wilmot Hydro Inc. (Kitchener-Wilmot)

EB-2016-0088

Application Analysis

Interrogatory #1

Ref: Sheet 16, Rev2Cost_GDPIPI

A portion of Sheet 16 “Rev2Cost_GDPIPI” is reproduced below.

# of Residential Customers (approved in the last CoS)	82,577	Effective Year of Residential Rate Design Transition (yyyy)	2016
Billed kWh for Residential Class (approved in the last CoS)	651,725,155	OEB-approved # of Transition Years	4
Rate Design Transition Years Left	3		

OEB staff notes that the data entered in cell F13 does not reconcile to Kitchener-Wilmot’s “Billed kWh for Residential Class (approved in the last CoS)”. The correct number should be 651,728,155.

- a) Please confirm that the amount entered into the column is an error, and Board staff will make the relevant correction.

KWHI can confirm that this is a typographical error, and would appreciate Board Staff making the correction.

Interrogatory #2

Ref: A portion of Sheet 3 “Continuity Schedule” is reproduced below

		2015					
Account Descriptions	Account Number	OEB-Approved Disposition during 2015	Principal Adjustments ¹ during 2015	Closing Principal Balance as of Dec 31, 15	Opening Interest Amounts as of Jan 1, 15	Interest Jan 1 to Dec 31, 15	OEB-Approved Disposition during 2015
Group 1 Accounts							
LV Variance Account	1550			0	0		
Smart Metering Entity Charge Variance Account	1551	52,296		(30,894)	1,297	(106)	1,321
RSVA - Wholesale Market Service Charge	1580	(1,302,744)		(4,146,823)	(63,242)	(17,678)	(33,372)
Variance WMS – Sub-account CBR Class A	1580			2,963	0	8	
Variance WMS – Sub-account CBR Class B	1580			423,537	0	1,137	
RSVA - Retail Transmission Network Charge	1584	183,505		(943,919)	28,923	(2,077)	3,270
RSVA - Retail Transmission Connection Charge	1586	(85,458)		249,628	537	2,329	(2,309)
RSVA - Power	1588	(1,833,280)	(3,443,918)	3,238,751	(43,172)	40,532	(64,608)
RSVA - Global Adjustment	1589	467,515	3,443,918	(868,099)	51,503	4,311	54,180
Disposition and Recovery/Refund of Regulatory Balances (2009) ⁴	1595			0	0		
Disposition and Recovery/Refund of Regulatory Balances (2010) ⁴	1595			0	(0)		
Disposition and Recovery/Refund of Regulatory Balances (2011) ⁴	1595	105,600		0	(6,464)		(6,464)
Disposition and Recovery/Refund of Regulatory Balances (2012) ⁴	1595	(148,061)		0	147,376		147,376
Disposition and Recovery/Refund of Regulatory Balances (2013) ⁴	1595			0	0		
Disposition and Recovery/Refund of Regulatory Balances (2014) ⁴	1595			756,456	15,175	11,048	
Disposition and Recovery/Refund of Regulatory Balances (2015) ⁴	1595			(78,475)	0	(17,550)	
<i>Not to be disposed of unless rate rider has expired and balance has been audited</i>	1595						
RSVA - Global Adjustment	1589	467,515	3,443,918	(868,099)	51,503	4,311	54,180
Total Group 1 Balance excluding Account 1589 - Global Adjustment		(3,028,144)	(3,443,918)	(528,787)	80,429	17,644	45,214
Total Group 1 Balance		(2,560,629)	0	(1,396,886)	131,932	21,954	99,394
LRAM Variance Account (only input amounts if applying for disposition of this account)	1568	0		559,230	8,764	6,662	
Total including Account 1568		(2,560,629)	0	(837,656)	140,696	28,616	99,394

Kitchener-Wilmot stated that it adjusted the balance in Accounts 1588, and 1589 as a result of an error that it discovered during the interrogatory phase of its 2016 Rate Application (EB-2015-0084). These amounts are indicated on the continuity schedule in the rate generator model.

OEB staff notes that the 2016 IRM Decision and Order (EB-2015-0084) stated on page 8 of 28 that:

“I will not consider Kitchener-Wilmot Hydro’s proposed adjustment to its 2013 DVA balances. The 2013 DVA balances were disposed through a final rate order in Kitchener-Wilmot Hydro’s 2015 IR proceeding (EB-2014-0089) and adjusting them now raises questions of retroactive ratemaking that go beyond the scope of this proceeding.”

a) Please explain the rationale for making the adjustments.

KWHI made the balance adjustment to Accounts 1588 and 1589 to adjust the balances to the correct amounts. This simplifies the internal reconciliation of these two accounts. Disposition has not been applied for, and since the amounts are equal and offsetting, the total balance of the Group 1 accounts remains unchanged.