**Centre Wellington Hydro Ltd.**

**Application Analysis (EB-2016-0062)**

**Tab 3 – Continuity Schedule**

1. OEB staff is unable to reconcile the values submitted by Centre Wellington Hydro for OEB Approved Disposition during 2015 for both Principal and Interest for Account 1595 for all years. The reported figures do not agree with those found in the 2015 Decision and Rate Order. Please explain the discrepancy.
* For the principle, the sum of accounts as entered is $132,314, whereas the total entered in Account 1595 (2015) is -$242,570.
* For the interest, the sum of accounts as entered is $81,235, whereas the total entered in Account 1595 (2015) is $27,186.

In CWH’s EB-2014-0062 the total of Group 1 accounts is $242,570 for principal and ($27,186) for interest for a total disposal amount of $215,384.

The amounts shown in the continuity schedule submitted as part of the original application in the amount of $215,549 for a principal of $132,314 and $81,235 in interest is $165 lower than the amount approved in the decision.

The discrepancy is due to the incorrect recording of amounts in the principal and interest columns of the continuity schedule at the initial time of disposal and showing the adjustment for interest approved in the 2015 IRM EB-2014-0062 as OEB-Approved disposition during 2015 instead of the Interest Jan 1 to Dec 31, 2015 column.

CWH will adjust the deferral and variance continuity schedule to agree with the approved disposals. The December 31, 2015 amounts are correct as reflected In the schedule submitted.

1. The figures reported for approved disposition in 2013 are slightly different from those reported in the 2013 Decision and Rate Order, please verify your submission.

In 2009 the principle amount recorded included the carry charges, therefore the total is correct but the allocation between principle and interest is different.

1. Please explain why there is a figure reported for Account 1595 Disposition and Recovery/Refund of Regulatory Balances in 2012? Given it was agreed that, Centre Wellington need not dispose of Group 1 accounts in 2012.

The amount recorded in the Disposition and Recovery column is comprised of two components. One component is PILs (refund of $267,652), which was in Rate Order, (EB-2012-0052) dated August 16, 2012 and the other component is the disposition of Special Purchase Charge (SPC) (recovery of $2,357.13) in Rate Order dated April 26, 2012 (EB-2011-0160).

**Manager’s Summary – 8. Deferral and Variance Accounts**

OEB staff notes that Centre Wellington wishes to dispose of its deferral and variance account over the period of one year. However, they are below the agreed threshold and do not provide justification or report what the rate riders would be. Please provide a justification and amend the application to include the proposed rate riders.

CWH agrees that the deferral and variance of Group 1 accounts are under the agreed threshold and is willing to postpone the disposal of the balance of Group 1 until its 2018 Cost of Service application.

However, CWH would like to proceed with the disposal of the LRAMVA amount of $82,489.55. This amount is for the CDM period of 2011 to 2014 and the amounts has been adjusted to agree with OEB process as established in the review.

CWH originally applied for disposition of the LRAMVA amount in the 2016 IRM (EB-2015-0059), however, the OEB Board requested that the disposal be deferred until the OEB had the opportunity to review its LRAMVA policy.

**Customer Classification**

Please confirm if there has been any movement of customers from Class A to Class B or from Class B to Class A.

There has been no movement of customers from Class A to Class B or from Class B to Class A

**LRAMVA**

Question 1

Ref: Application (page 14 and Table 4) and LRAMVA workform (Tab 1)

1. Please confirm that the LRAMVA disposition requested in this application is for the 2011 to 2014 period with a total balance of $82,489.55, comprised of $80,088.54 (principle) and $2,401.01 (carrying charges).

CWH, confirms that the LRAM disposition request in this application is for the 2011 to 2014 period with a total balance of $82,489.55.

1. Please confirm that no LRAMVA amounts related to the 2011 to 2014 period were previously disposed of and that Centre Wellington postponed recovery due to the OEB’s LRAMVA policy review.

CWH confirms that no LRAMVA amounts related to the 2011 to 2014 period were previously disposed of and that CWH postponed recovery due to the OEB’s LRAMVA policy review.

Question 2

Ref: Tabs 1 and 2 of LRAMVA workform

EB-2012-0113, Decision and Order

1. Please confirm whether there was any LRAMVA threshold amount applied to the 2011 and 2012 years. Table 2 (Tab 2) appears to show that some forecasted savings were applied against the actual savings, but Table 1 (Tab 1) does not include any forecast amounts in 2011 and 2012 compared to the actual lost revenues.

CWH confirms that there was no LRAMVA threshold amount applied to 2011 or 2012. The results were input for information purposes and to match past decisions. The amounts entered for the period of 2011 and 2012 do not affect the total LRAMVA balance sought for disposition.



1. In Table 2, in the rows for the 2013 and 2014 forecast year, under the column “kWh”, 2,288,799 kWh is included. This figure does not reconcile with the column “kWh (check)” for the 2013 and 2014 rows. Please provide rationale for the discrepancy.

CWH believes that the two values being compared are two different values and should not match. One value being the LRAMVA and the other value being CDM allocation. CWH notes that it used the same methodology that Lakefront Utilities used in its Cost of Service and which was agreed upon by both Board Staff and Interveners.

1. Please provide rationale for the over-ridden values and confirm the source of this information, as noted in Table 3 (Tab 2).

This adjustment is also a result of Lakefront Utilities proceeding where the utility was instructed to overwrite the CDM allocation which was approved in a previous decision. As it stands, the model calculates a CDM allocation however the utility needs to be able to overwrite the model’s calculations with Board Approved CDM adjustment and its per class allocation.