Northern Ontario Wires Inc.

OEB Staff Questions

EB-2017-0066

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**Staff Question-1**

1. With regards to the Dec. 31, 2016 balance in Account 1588, all components that flow into Account 1588 (i to iv in table below) should be all based on actuals at year end. Please complete the following table to a) indicate whether the component is based on estimates or actuals at year end and b) quantify the adjustment pertaining to each component that is trued up from estimate to actual

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Component** | **a) Estimate or Actual** | **Notes/Comments** | **b) Quantify True Up Adjustment** |
| i | Revenues (i.e. is unbilled revenues trued up by year end) | Actual | Actual revenues are used for unbilled revenue. Procedure uses the following month billing at allocates to proper period. | N/A |
| Ii | Expenses – Commodity: Charge Type 101 (i.e. is expense based on IESO invoice at year end) | Actual | Expenses is based off IESO Invoice at year end. | N/A |
| ijj | Expenses - GA RPP: Charge Type 148 with respect to the quantum dollar amount (i.e. is expense based on IESO invoice at year end) | Actual | Expenses is based off IESO Invoice at year end. | N/A |
| iv | Expenses - GA RPP: Charge Type 148 with respect and RPP/non-RPP pro-ration percentages | Actual | Actual GA Split using actual consumption for the month. Ie. January billing stats (December consumption) used to record December pro-ration. | N/A |
| v | RPP Settlement: Charge Type 142 including any data used for determining the RPP/HOEP/RPP GA components of the charge type | Actual | RPP Settlement uses correct consumption, and GA and HOEP rates to calculate the settlement true up. This adjust for GA first estimate used with consumption billed in the month.  These true ups are included in the subsequent months filing. As per board guidance, the 2016 balance per the DVA continuity includes the RPP settlement true up accrual. | $53,556 |

**Staff Question-2**

Please confirm the model is updated correctly.

**NOW Inc. confirms that the model appears to be updated correctly assuming the following:**

* **UTR rates for 2018 are to be $3.52 for Network, $0.88 for Connection, and $2.13 for Transformation.**
* **Price escalator is 1.2%.**

**NOW Inc. notes that EB-2016-0160, EB 2017-0359 for 2018 Ontario UTR Schedules effective January 1, 2018 that the Network rate is $3.59, Connection is $0.94 and Transformation is $2.33. If this is the correct information, than it is the only thing other than Hydro One sub-transmission rates (not yet available) that need to be updated. (See attached pdf).**