**Wasaga Distribution Incorporated**

 **EB-2017-0079**

**Staff Follow-Up Questions - February 8, 2018**

**Responses Filed – February 14, 2018**

**Question #1**

**Ref: IRM Model Tab 3 Continuity Schedule: Account 1595 (2010), Account 1595 (2011) and Account 1595 (2012)**

1. In response to OEB staff question #1 b), Wasaga Distribution stated that “The 1595 (2010) should actually be 1595 (2011) which was rate application EB-2010-0143.”
	* 1. Please confirm the explanations Wasaga Distribution provided for staff question #2 a) and #2 b) are actually for Account 1595 (2011).

WDI Response:

Confirmed

* + 1. If the answer to the above question is yes, please provide more details about the reason why Account 1595 (2011) has a significant balance (a credit amount of $568,217). Specifically, please expand the explanation on the following statement in Wasaga Distribution’s response to OEB staff question #2 b):

“the over-recovery is from the rate rider having a debit and credit that equalled out and having no effect on the balance.”

WDI Response:

Upon further investigation WDI is correcting its previous response to Question 2b). When the over recovery was discovered WDI made a request in EB-2012-0171 to have the over recovery corrected. However, when the rate riders were established during EB-201-0171 the rate rider for the reversal (Residential – for example) was $.0003 and only continued until April 30, **2015** while the new rate rider established for the correction was $(.0020) and stayed into effect until April 30, **2016**. This caused the over recovery balance.

* + 1. Please complete the attached “Account 1595 (2011) Analysis” workform to provide breakdown of the balance in Account 1595 (2011) into the GA component and the other DVA component, recognizing that there can be one component with the positive sign and the other with the negative sign.

 WDI Response:

WDI has completed the table to the best of its ability and has submitted the Workform with these responses.

1. In response to OEB staff question #1 b), Wasaga Distribution noted that “The 1595 (2011) should actually started in 2012 as the disposition was approved during WDI’s 2012 Cost of Service (EB-2011-0103). WDI will make the necessary adjustments to the continuity schedule.”

Please confirm if the balances Wasaga Distribution entered in the row of Account 1595 (2012) in the revised continuity schedule reflect balances/transactions in Account 1595 (2012), not Account 1595 (2011).

WDI Response:

Confirmed

1. In the most recent submitted IRM model, Account 1595 (2010), Account 1595 (2011) and Account 1595 (2012) are showing significant variances between RRR and 2016 year-end balances in column BV.

Please provide explanations for these variances. Please confirm the balances in these three accounts in RRR were reported corrected.

WDI Response:

The balances that were reported in the RRR filings they were reported on the incorrect lines as was discovered during Board Staff follow up questions. When the transactions were moved to the appropriate line this caused the variances in the year-end balances, however; the total of the variances has a zero balance. Since WDI has already requested revisions to 2.1.7 for 2015 and 2016 WDI will make the appropriate corrections for these Account 1595 balances.

**Please note: As of the date of these WDI responses WDI has not received approval for the revisions of RRR 2.1.7 for 2015 and 2016.**

**Question #2**

**Ref: Account 1588 Power**

In response to OEB staff question #5, Wasaga Distribution noted that “WDI provided the answers to this chart in the Preliminary GA questions that were filed on the OEB portal as well as to the case manager.” Please note that OEB staff question #5 is related to balances in Account 1588 Power, not related to Account 1589 GA which was included in the Preliminary GA questions.

Please provide answers to OEB staff question #5. (as following)

With regards to the amount being requested for disposition of USoA 1588 account balance as **at Dec. 31, 2015 and Dec. 31, 2016**, 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 for 2015 and 2016 to:

1. Indicate whether the component is based on estimates or actuals at year end, and
2. Quantify the adjustment pertaining to each component that is trued-up from estimate to actual

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Component** | **Estimate or Actual?** | **Notes/Comments** | **Quantify True Up Adjustment $ Amount** |
| i | Revenues (i.e. is an unbilled revenue true-up adjustment reflected in the balances being requested for disposition?)  | Actual | Unbilled revenue at year end is recorded based on actual data |  |
| ii | Expenses – Commodity: Charge Type 101 (i.e. is expense based on IESO invoice at year end) | Actual | Expenses related to commodity are based on the actual IESO invoice at year end. |  |
| iii | 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 related to the split between the GA for RPP customers and the GA for non-RPP customers are prorated based on the actual data at year end. |  |
| iv | Expenses - GA RPP: Charge Type 148 with respect to the RPP/non-RPP kWh volume proportions. | Actual | See response to iii) |  |
| v | RPP Settlement: Charge Type 142 including any data used for determining the RPP/HOEP/RPP GA components of the charge type | Actual | Charge Type 142 goes completely to Power as per OEB guidelines. |  |

WDI Response:

The above chart has been completed for both years – if there is a different answer between the two years it will be stated.

1. For each item in the table above, please confirm that the 2018 Rate Generator Model Tab 3 Continuity Schedule for 2015 and 2016 has been adjusted for settlement true-ups where settlement was originally based on estimate and trued up to actuals subsequent to 2015 and 2016.

WDI Response:

When WDI completed its’ initial Rate Application and filed the Rate Generator model WDI\_2018IRM Rate Generator Model\_20171106 the balances reflected in both Account 1588 and 1589 were the corrected amounts that were discovered/completed during the Special Purpose Audit Engagement. That report was submitted during the follow up questions from OEB Staff on November 27, 2017.