

E.L.K. Energy Inc.
OEB Staff Questions
February 23, 2018

OEB Staff Question – 1

Ref: Section 1. Application and Sheet 4. Billing Det. for Def-Var

E.L.K. confirmed that pre-populated tariff of rates and charges, load and customer data and Group 1 balances as reported through E.L.K.'s RRR filing are correct in the rate generator.

- a) OEB staff notes that the kW billing determinants for the Sentinel customer class appears to be low compared to the billing determinant used in E.L.K.'s 2016 (EB-2015-0064) application. The lower billing determinant is therefore calculating a high rate rider for the disposition of Group 1 account balances in this application, which is also resulting in a very high bill impact for this customer class. Please confirm that the 14 kW is the correct billing determinant for this customer class. If this billing determinant is incorrect, please advise and OEB staff will update the model.

E.L.K. Response:

The 14kW is incorrect. The correct billing determinant for this class should be 411kW which is consistent with prior years.

OEB Staff Question – 2

Ref: Section 6, Review and Disposition of Group 1 Deferral and Variance Account Balances and Sheet 3. Continuity Schedule

E.L.K. stated that the total amount requested for disposition as at December 31, 2016 in its Group 1 account balances is a debit of \$849,927. E.L.K. included a credit amount of \$85,933 (related to the disposition of account 1562 from EB-2011-0099) in sub-account 1595 (2011) and indicated, by clicking on the check box, to dispose of this residual amount.

- a) Please confirm when the last time E.L.K. disposed of its Group 1 account balances. Were these amounts approved on a final basis?

E.L.K. Response:

The last time E.L.K. disposed of its Group 1 account balances was part of its 2017 IRM. Yes these amounts were approved on a final basis. As part of the settlement, The Parties agree with E.L.K. Energy's request for approval for disposition of the balance of its Group 1 deferral and variance accounts with the exception of accounts 1588 and 1589. These 2 accounts (being accounts 1588 and 1589) will be included as part of the regulatory audit discussed in the decision. The parties also agreed that the disposition of all other Group 1 deferral and variance account balances (excluding accounts 1595, 1588 and 1589) be over 6 months.

- b) Please input all associated interest amounts for the 2016 account balances being requested for disposition.

E.L.K. Response:

Interest amounts for the 2016 account balances have been entered.

- c) Please confirm the residual credit amount of \$85,933 is related only to the disposition of account 1562 from EB-2011-0099

E.L.K. Response:

Yes, E.L.K. confirms the residual credit of \$85,933 is related only to the disposition of account 1562 from EB-2011-0099

- I. Please confirm the disposition period for the rate rider associated with this balance.

E.L.K. Response:

The disposition period for the rate rider associated with this balance ended April 30, 2016.

- II. Why is there amounts under OEB-Approved Disposition during 2013 column and OEB-Approved Disposition during 2014 column for this sub-account?

E.L.K. Response:

The amounts was disposed as part of EB-2011-0099. This is consistent with E.L.K.'s 2017 IRM submission.

- III. Please complete worksheet 3. Continuity Schedule for this sub-account 1595 (2011) from when the amount was first approved for disposition, including all recoveries (or refunds), and all interest amounts. Please refer to footnote #3 on this worksheet for instructions.

E.L.K. Response:

E.L.K. has made the adjustment in the resubmitted IRM model by segregating the interest from principal.

- d) Although, E.L.K. is not requesting disposition of these accounts at this time, please complete the continuity schedule on this worksheet 3. Continuity Schedule for accounts 1588 and 1589, including associated interest amounts.

E.L.K. Response:

Similar to E.L.K.'s 2017 IRM submission, E.L.K. was instructed not to include these 2 accounts within the model.

- e) On worksheet 3. Continuity Schedule, please allocate out the variances related to CBR Class B customers from account 1580 and show them as a separate item under sub-account CBR Class B 1580.

E.L.K. Response:

E.L.K. does not have any Class A customers as at December 31, 2016 and therefore included all as part of the 1580 main account.

OEB Staff Question – 3

Ref: Sheet 9. Shared Tax Savings and Sheet 8. STS – Tax Change

E.L.K. noted in its application that it completed this worksheet to calculate if there are savings due to ratepayers as a result of corporate tax savings implemented since the 2012 COS application. E.L.K. noted that the model generated a 2018 tax recovery of \$15,362.

- a) OEB staff notes that the input values on this sheet differ from the approved values from the Revenue Requirement Workform in E.L.K.'s 2012 COS application (EB-2011-0099). Please provide supporting documentation for each input value E.L.K. used. If necessary, OEB staff will update the sheet with the correct values.

E.L.K. Response:

Sheet 9. Data Shared Tax Savings was pulled from Tab 8 of the approved 2017 IRM Model. Do to the fact that E.L.K. had not completed its IFRS process on capital assets back in our 2012 COS application the Board asked us to adjust our numbers after we updated for our IFRS process. These numbers are the same numbers in our 2017 IRM which has been reviewed and approved by the OEB and all intervenors.

OEB Staff Question – 4

Ref: Sheet 11. Specific Service Charge, Allowances and Loss Factors

E.L.K. requested to obtain clarity by adding the description "including Street Lighting Attachments" to the "Specific service charge for access to the power poles - \$/pole/year (with the exception of wireless attachments)" to state "Specific service charge for access to the power poles including streetlight attachments".

- a) Please confirm that E.L.K. is requesting to have the wording on the Tariff of Rates and Charges updated for this specific service charge to state "Specific service charge for access to the power

poles including streetlight attachments - \$/pole/year (with the exception of wireless attachments)”.

- b) Who is this clarity intended for?
- c) The OEB is currently in the process of a comprehensive policy review (EB-2015-0304) of miscellaneous rates and charges applied by local distribution companies for specific activities or services they provide to their customers, including wireline pole attachment charges. Please comment on E.L.K.’s justification for adding the additional wording to this specific service charge given that this policy review proceeding is currently in progress.

E.L.K. Response:

E.L.K. confirms that it is requesting to have the wording on the Tariff of Rates and Charges updated for this specific service charge to state “Specific service charge for access to the power poles including streetlight attachments - \$/pole/year (with the exception of wireless attachments)”. The clarity is intended for E.L.K. so that it supports future charges for streetlight attachments to power poles. E.L.K. was looking for greater clarity.