**Wasaga Distribution Incorporated**

**Staff 2nd Round Follow-Up Questions**

**Wasaga Distribution Responses**

**February 27, 2018**

**Question #1**

**Ref: Account 1595 (2011) Analysis Workform; Disposition of Account 1595 (2011) in 2018 IRM application**

1. In response to OEB staff follow-up question #1 a) iii), Wasaga Distribution completed Account 1595 (2011) Analysis Workform. OEB staff notes that the signs of the OEB-approved dollar amounts (blue highlighted cells) have been reversed by Wasaga Distribution. Also, for the transaction amounts (recovered or refunded through rate riders, yellow highlighted cells in workform), Wasaga Distribution did not use the correct signs. For example, for the amount refunded to customers through a credit rate rider, the transaction amount should have a positive sign.

OEB staff has corrected the signs of the OEB-approved disposition amounts and the transaction amounts in the attached updated Account 1595 (2011) Analysis Workform. Please review and confirm this is a fair representation.

WDI Response:

WDI confirms this is a fair representation.

1. In its application, Wasaga Distribution requests to dispose a credit balance of $568,217 (including carrying charges) in Account 1595 (2011). In review of the components of this account that Wasaga Distribution provided in the Account 1595 (2011) Analysis Workform, it’s noted that within the total residual balance, there is a debit balance of $134,971 (before interest on net principal) related to the DVA rate rider which is applicable to all customers; and a significant credit balance of $696,576 (before interest on net principal) related to the GA rate rider which is applicable to Non-RPP customers.

If Wasaga Distribution’s residual balance in Account 1595 (2011) was to be approved on a separate basis whereby a separate rate rider was to be calculated for the component of GA residual balance applicable to Non-RPP customers and a rate rider was to be calculated for the component of all other DVA account balances in Account 1595 (2011); please calculate two rate riders for the components of Account 1595 (2011) and provide an updated version of IRM model and the supporting rate rider calculations.

WDI Response:

WDI agrees with Board staff that it would be appropriate to calculate a separate Rate Rider outside of the IRM Rate Generator.

WDI has attached a new WDI IRM Rate Generator that has removed the Account 1595 (2011) from the calculation and has included two tables below for the calculation of the debit and credit portions of the Account 1595 (2011) balance.



All of which is respectfully submitted.