

Follow-up Staff Questions:

## WDI Responses

Ref: 1595 Analysis Workform submitted November 22, 2018 (excerpt below)

## 1595 Analysis Workform

Components of the 1595 Account Balances:	Principal Balance Approved for Disposition	Carrying Charges Balance Approved for Disposition	Total Balances Approved for Disposition
Total Group 1 and Group 2 Balances excluding Account 1589 - Global Adjustment	-\$4,110,079	-\$53,711	-\$4,163,790
Account 1589 - Global Adjustment	\$1,619,162	\$35,393	\$1,654,555
Total Group 1 and Group 2 Balances	-\$2,490,917	-\$18,318	-\$2,509,235

## Deferral and Variance Account Disposition:

Deferral and Variance Accounts								
Deferral and Variance Accounts:	Amount	ALLOCATOR	Residential	GS < 50 KW	GS 50 - 999 kW	Street Lighting	Unmetered Scattered Load	Total
1580	\$ (426,884)	kWh	\$ (289,671)	\$ (59,569)	\$ (70,886)	\$ (5,748)	\$ (1,009)	\$ (426,884)
1550	\$ (560)	kWh	\$ (380)	\$ (78)	\$ (93)	\$ (8)	\$ (1)	\$ (560)
1584	\$ (309,078)	kWh	\$ (209,731)	\$ (43,130)	\$ (51,324)	\$ (4,162)	\$ (731)	\$ (309,078)
1586	\$ (575,422)	kWh	\$ (390,464)	\$ (80,297)	\$ (95,551)	\$ (7,748)	\$ (1,361)	\$ (575,422)
1588 Excl GA	\$ (3,188,399)	kWh	\$ (2,163,555)	\$ (444,925)	\$ (529,447)	\$ (42,933)	\$ (7,539)	\$ (3,188,399)
1588 - Global Adjustment	\$ 1,710,625	kwh - Non RPP	\$ 283,365	\$ 75,148	\$ 1,247,856	\$ 104,256	\$ -	\$ 1,710,625
1592	\$ (4,182)	kWh	\$ (2,838)	\$ (584)	\$ (694)	\$ (56)	\$ (10)	\$ (4,182)
<b>Subtotal - RSVA</b>	<b>\$ (2,793,900)</b>		<b>\$ (2,773,275)</b>	<b>\$ (553,436)</b>	<b>499,861</b>	<b>\$ 43,601</b>	<b>\$ (10,651)</b>	<b>\$ (2,793,900)</b>
1508	\$ 169,939	Dx Revenue	\$ 137,134	\$ 17,815	\$ 12,289	\$ 2,439	\$ 262	\$ 169,939
1582	\$ 8,041	kWh	\$ 5,456	\$ 1,122	\$ 1,335	\$ 108	\$ 19	\$ 8,041
1548	\$ -	# of Customers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1521	\$ (2,178)	kWh	\$ (1,478)	\$ (304)	\$ (362)	\$ (29)	\$ (5)	\$ (2,178)
<b>Subtotal - Non RSVA, Variable</b>	<b>\$ 175,801</b>		<b>\$ 141,112</b>	<b>\$ 18,633</b>	<b>13,262</b>	<b>\$ 2,517</b>	<b>\$ 276</b>	<b>\$ 175,801</b>
<b>Total to be Recovered</b>	<b>\$ (2,618,098)</b>		<b>\$ (2,632,163)</b>	<b>\$ (534,802)</b>	<b>513,123</b>	<b>\$ 46,118</b>	<b>\$ (10,375)</b>	<b>\$ (2,618,098)</b>
Balance to be collected or refunded (Excluding Global Adjustment)	\$ (4,328,723)		\$ (2,915,528)	\$ (609,950)	\$ (734,732)	\$ (58,138)	\$ (10,375)	\$ (4,328,723)
Number of years for Variable	2.417							
Balance to be collected or refunded per year, Variable	\$ (1,791,196)		\$ (1,206,425)	\$ (252,393)	\$ (304,027)	\$ (24,057)	\$ (4,293)	\$ (1,791,196)
<b>Class</b>			<b>Residential</b>	<b>GS &lt; 50 KW</b>	<b>GS 50 - 4,999 kW</b>	<b>Street Lighting</b>	<b>Unmetered Scattered</b>	
<b>Deferral and Variance Account Rate Riders, Variable (Excluding Global Adjustment)</b>			\$ (0.0142)	\$ (0.0144)	\$ (5.9140)	\$ (5.0420)	\$ (0.0145)	
<b>Billing Determinants</b>			kWh	kWh	kW	kW	kWh	
Global Adjustment Balance to be collected or refunded	\$ 1,710,625		\$ 283,365	\$ 75,148	\$ 1,247,856	\$ 104,256	\$ -	\$ 1,710,625

1. Total Balances approved for disposition on the 1595 Workform for 2012 do not match the approved settlement agreement for both of the riders on the Workform. Please explain and provide a corrected version of the Workform.

**WDI Response:**

The following is an excerpt from our approved Settlement proposal for WDI's 2012 Cost of Service. This chart more clearly shows the Principal and Interest that was approved for disposal.

Account Description	Account Number	Principal Amounts as of Dec-31 2011	Interest to Dec 31-11	Interest Jan 1-12 to Apr 30-12	Total Claim
RSVA - Wholesale Market Service Charge	1580	\$ (419,539)	\$ (5,673)	\$ (1,672)	\$ (426,884)
RSVA - One Time	1582	\$ 6,671	\$ 1,337	\$ 33	\$ 8,041
RSVA - Retail Transmission Network Charge	1584	\$ (305,093)	\$ (2,900)	\$ (1,085)	\$ (309,078)
RSVA - Retail Transmission Connection Charge	1586	\$ (562,830)	\$ (10,077)	\$ (2,515)	\$ (575,422)
RSVA - Power - (excluding GA)	1588	\$ (3,138,210)	\$ (38,614)	\$ (11,575)	\$ (3,188,399)
RSVA - Power - Global Adjustment	1588	\$ 1,675,232	\$ 26,600	\$ 8,793	\$ 1,710,625
Sub-Totals		\$ (2,743,769)	\$ (29,327)	\$ (8,021)	\$ (2,781,117)
Other Regulatory Assets	1508	\$ 150,967	\$ 18,207	\$ 765	\$ 169,939
Retail Cost Variance Account - Retail	1518				\$ -
Retail Cost Variance Account - STR	1548				\$ -
Smart Meters Revenue and Capital	1555				\$ -
Smart Meter Expenses	1556				\$ -
Low Voltage	1550	\$ (376)	\$ (257)	\$ 73	\$ (560)
Special Purpose Variance	1521	\$ (2,445)	\$ 267	\$ -	\$ (2,178)
PILS - Sub Account - HST/OVAT	1592	\$ (4,136)	\$ (31)	\$ (15)	\$ (4,182)
Sub-Totals		\$ 144,010	\$ 18,186	\$ 823	\$ 163,019
Totals per column		\$ (2,599,759)	\$ (11,141)	\$ (7,198)	\$ (2,618,098)

WDI inadvertently entered the approved disposition numbers PLUS the unbilled entry for December which is why the balances are different. WDI has corrected and will resubmit the 1595 Analysis Workform for 2012.

Jan 18, 2018

Follow up Staff Questions

EB-2018-0073

2. The 1562 rate rider has not been shown on the 1595 Workform. Please provide 1595 Workform for this rate rider that was also approved in 2012.

**Ref: 1595 Analysis Workform submitted November 22, 2018 (excerpt below)**

Components of the 1595 Account Balances:		Principal Balance Approved for Disposition	Carrying Charges Balance Approved for Disposition	Total Balances Approved for Disposition
Total Group 1 and Group 2 Balances excluding Account 1589 - Global Adjustment		-\$261,662	-\$9,101	-\$270,764
Account 1589 - Global Adjustment		\$252,189	\$9,731	\$261,920
Total Group 1 and Group 2 Balances		-\$9,474	\$630	-\$8,844

**WDI Response:**

The 1562 Rate Rider was approved as a separate Rate Rider and was not included in the Account 1595. WDI is demonstrating below the Settlement Proposal where 1562 was determined.

Account Description	Account Number	Principal to December 31, 2010	Interest to December 31, 2010	Estimated Interest		Disposition Total
				Jan 1 - Dec 31 2011	Jan 1 - Apr 30 2012	
PILs	1562	\$ (334,257)	\$ (61,592)	\$ (4,914)	\$ (1,638)	\$ (402,400)

**RESIDENTIAL SERVICE CLASSIFICATION:**

PILs Disposition Rate Rider – effective until November 30, 2013	\$/kWh	(0.0038)
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The 1562 Rate Rider was completely disposed of except for a small balance that was moved to the 1595 Sub-Account for the 2012 disposals.

### 3. Total Balances approved for disposition on the 1595 Workform for 2016

(-\$270,264) do not match the approved settlement agreement for both of the riders on the Workform. Please explain and provide a correct version of the Workform.

### EB-2015-0107 – Deferral and Variance Account Disposition

	macro that runs in the background generates the formula based on inputs on sheet 4.	Amounts from Sheet 2	Allocator	RESIDENTIAL	GENERAL SERVICE LESS THAN 50 KW
LV Variance Account	1550	73,511	kWh	51,134	9,887
Smart Metering Entity Charge Variance Account	1551	(5,290)	# of Customers	(4,976)	(315)
RSVA - Wholesale Market Service Charge	1580	1,172	kWh	837	162
RSVA - Retail Transmission Network Charge	1584	(86,773)	kWh	(60,359)	(11,670)
RSVA - Retail Transmission Connection Charge	1586	(204,858)	kWh	(142,499)	(27,552)
RSVA - Power (excluding Global Adjustment)	1588	(66,565)	kWh	(47,549)	(9,194)
RSVA - Global Adjustment	1589	261,919	Non-RPP kWh	36,557	26,054

### WDI Response:

WDI was approved for a disposition of \$(270,264). The principal amount shown in the chart above does not include Account 1568. The total of the principal disposition of the above account is \$(279,443) with the addition of Account 1598 of \$17,781 the principal total becomes \$(261,662) which agrees with the Principal Disposition of the 1595 Workform for 2016.

The interest for the above accounts totaled \$(9,776) with the addition of the interest from Account 1568 of \$675 the total interest becomes \$(9,101) which agrees to the Interest Disposition of the 1595 Workform for 2016.

No corrections to the Workform are needed.

**Ref: Additional Information filed November 22, 2018, DVA Continuity Schedule filed November 22, 2018**

Wasaga Distribution has stated that it discovered an error on the DVA Continuity Schedule that was originally submitted, but has provided no explanation of the error involved.

4. What is the nature of the error? Please describe in detail as to what and how the error was made.

**WDI Response:**

A discussion occurred with OEB staff – specifically Dan Gapic and he pointed out an entry error that was made on the continuity schedule. During the conversation with Board staff WDI explained that it would correct the entry error when it submitted the follow up questions from OEB Staff.

5. Please explain why the transactions for Account 1595 (2012) in year 2013 were changed from a debit of \$967,932 (original version) to a debit of \$1,091,369 (November 22<sup>nd</sup> version), an increase of a debit amount of \$123,437?
6. Please explain why the transactions for Account 1595 (2012) in year 2014 were changed from a debit of \$1,041,326 (original version) to a debit of \$1,126,291 (November 22<sup>nd</sup> version), an increase of a debit amount of \$84,965?
7. Please explain why is there an interest amount of a debit of \$75,711 recorded in 2016 on a beginning balance of \$38,699, and ending balance of \$118,023 for account 1595 (2014). The average balance being \$78,361, this works out to 97% interest. Please explain, and adjust the evidence as necessary.

**Ref: DVA Continuity Schedule filed November 22, 2018**

8. Please explain the variances between RRR 2.1.7 for 2017 vs. 2017 Balances per the Continuity Schedule.

**WDI Response:**

**The following is the response to Questions 5 to 8 which were all explained on the original submission of WDI's IRM Rate Application.**

**Excerpts of the explanation for the differences were all explained during the initial Managers Summary of the IRM Rate Application:**

**From page 12:**

**WDI Comments:**

- WDI reached out to Industry Relations to receive clarity on a question regarding the over-recovery of the balance in a 1595 Sub-Account for GA Recovery. The first response did not specifically help WDI with the question. However, when WDI reached out to Industry Relations again; WDI received a response (a Yes or No answer) from Dan Gopic (Board Staff – Industry Relations) which verified that once the principal balance was recovered any further recovery goes to interest and interest stops accruing at that point.
- Based on that response WDI then reviewed all the 1595 Sub-Accounts and made adjustments as required to EACH of these Sub-Accounts. Each Sub-Account will be discussed under a separate heading in the following paragraphs.
- In discussing this response from Board Staff with other LDC's WDI has discovered that we are not the only LDC applying the 1595 Sub-Account components incorrectly.
- WDI has ensured redundancy within its' processes to ensure the issue that happened specifically with 1595 (2011) does not occur again.
- WDI also diligently tracks its' recovery accounts to address any concerns of over or under recovery in analyzing the disposition accounts.

From page 12 to page 18 of the Manager's summary are of the differences were explained but the main points above were the basis for all the revisions.

**Ref: IRM Rate Generator Model filed November 22, 2018 and Additional Information #2. Filed November 22, 2018, WDI Proposed Rate Riders for 1595 Sub-Accounts**

9. The two columns highlighted below (see Excerpt from IRM Rate Generator Model – Continuity Schedule) total to a credit of \$285,930. This should be the claim amount. This total does not match the total of the two rate riders Wasaga has proposed for Account 1595 (see page 6 of Wasaga Distribution's responses to OES staff interrogatories). The net of the two amounts allocated is a net credit of \$406,041. Please explain the discrepancy between Tab 3 Continuity Schedule and the evidence contained on page 6 of Wasaga Distribution's interrogatory responses.

Account Number	Closing Principal Balances as of Dec 31, 2017 Adjusted for Disposition during 2018	Closing Interest Balances as of Dec 31, 2017 Adjusted for Disposition during 2018	2018 to Dec 31, 2018 on Dec 31, 2017 balance adjusted for disposition during 2018 <sup>2</sup>	2019 to Apr 30, 2019 on Dec 31, 2017 balance adjusted for disposition during 2018 <sup>2</sup>	Total Interest
1595	47,142	49,261	878	341	50,480
1595	(542,594)	(22,526)	(10,106)	(3,925)	(36,556)
1595	118,023	26,300	550	214	27,063
1595	29,824	16,737	555	216	17,509
1595	1,421	1,722	26	10	1,759

**WDI Response:**

The IRM Rate Generator Model is correct. The main data entry error on WDI's responses was missing the GA Principal amount in 1595-2014. WDI has corrected the entry error and recalculated the proposed separate Rate Riders for these accounts (if this is the decision OEB Staff chooses to take.)

	Proposed Rate Riders					
PRINCIPAL & INTEREST			171,466.32			
BILLING DETERMINANTS FOR RATE RIDERS:						
Group 1 DVA Excluding 1589	kWh	kW	kWh Allocn %	Allocn to Class	Rate Rider (one year)	Proposed Rate Rider (two years)
Residential	87,878,523		0.6893	118,198.75	0.0013	0.0007
General Service Less Than 50 kW	17,031,696		0.1336	22,908.05	0.0013	0.0007
General Service 50 to 4,9999 kW	18,861,071	54,997	0.1480	25,368.60	0.4613	0.2307
Wholesale Market Participant	2,803,203	5,558	0.0220	3,770.38	0.6784	0.3392
Unmetered Scattered Load	148,721		0.0012	200.03	0.0013	0.0007
Street Lighting	758,728	2,244	0.0060	1,020.51	0.4548	0.2274
TOTAL	127,481,942	62,799		171,466.32		
BILLING DETERMINANTS FOR RATE RIDERS:			-457,396.44			
1589 GA	kWh	kW	kWh Allocn %	Allocn to Class	Proposed Rate Rider (one year)	
Residential	1,675,850		0.0882	-40,345.57	-0.0241	-0.0121
General Service Less Than 50 kW	1,460,192		0.0769	-35,153.67	-0.0241	-0.0121
General Service 50 to 4,9999 kW	15,104,290	49,439	0.7950	-363,631.06	-7.3551	-3.6776
Unmetered Scattered Load	0		0.0000	0.00	0.0000	0.0000
Street Lighting	758,728	2,244	0.0399	-18,266.14	-8.1400	-4.0700
TOTAL	18,999,060	51,683		-457,396.44		

10. Wasaga Distribution has proposed to create separate rate riders for Account 1595. This proposal is not consistent with the OEB policy, where all Group 1 accounts (excluding GA) are grouped together to create the rate rider. Please provide rationale for deviating from the OEB policy.

#### WDI Response:

In discussions with OEB staff it was felt that this would be a more favourable and equitable division of the 1595 Sub-Accounts that go back to 2011. This method would also not create an inequity to one class of customers. WDI felt that this was fairer proposal than lumping them in with all Group 1 accounts.



11. Please recalculate rate riders consistent with the OEB policy for Group 1 accounts (i.e. including all 1595 sub-accounts).
12. Please recalculate bill impacts using the recalculated rate riders for Group 1 that include all sub-accounts of Account 1595.

### WDI Response:

WDI will provide both of these requests in a new IRM Rate Generator and provide bill impact charts below.

Table 1

RATE CLASSES / CATEGORIES (eg: Residential TOU, Residential Retailer)	Units	RPP? Non-RPP Retailer? Non-RPP Other?	Current Loss Factor (eg: 1.0351)	Proposed Loss Factor	Consumption (kWh)	Demand kW (if applicable)	RTSR Demand or Demand- Interval?	Billing Determinant Applied to Fixed Charge for Unmetered Classes (e.g. # of devices/connections)
RESIDENTIAL SERVICE CLASSIFICATION	kWh	RPP	1.0802	1.0802	750		N/A	
GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION	kWh	RPP	1.0802	1.0802	2,000		N/A	
GENERAL SERVICE 50 to 4,999 kW SERVICE CLASSIFICATION	kW	Non-RPP (Other)	1.0802	1.0802	170,000	300	DEMAND	
UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION	kWh	RPP	1.0802	1.0802	250		N/A	1
STREET LIGHTING SERVICE CLASSIFICATION	kW	Non-RPP (Other)	1.0802	1.0802	42,000	125	DEMAND	3,029
RESIDENTIAL SERVICE CLASSIFICATION 10th Percentile	kWh	RPP	1.0802	1.0802	187		N/A	
RESIDENTIAL SERVICE CLASSIFICATION 10th Percentile	kWh	Non-RPP (Retailer)	1.0802	1.0802	187		N/A	
RESIDENTIAL SERVICE CLASSIFICATION	kWh	Non-RPP (Retailer)	1.0802	1.0802	750		N/A	

Table 2

RATE CLASSES / CATEGORIES (eg: Residential TOU, Residential Retailer)	Units	Sub-Total						Total	
		A		B		C		Total Bill	
		\$	%	\$	%	\$	%	\$	%
RESIDENTIAL SERVICE CLASSIFICATION - RPP	kWh	\$ (0.39)	-1.7%	\$ (0.01)	0.0%	\$ (0.25)	-0.7%	\$ (0.27)	-0.3%
GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION - RPP	kWh	\$ 0.58	1.3%	\$ 1.78	3.2%	\$ 1.13	1.5%	\$ 1.19	0.5%
GENERAL SERVICE 50 to 4,999 kW SERVICE CLASSIFICATION - Non-RPP (Other)	kW	\$ 19.35	1.2%	\$ (126.25)	-8.7%	\$ (160.06)	-6.1%	\$ (180.87)	-0.7%
UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION - RPP	kWh	\$ 0.07	1.1%	\$ 0.77	10.0%	\$ 0.69	6.7%	\$ 0.78	2.2%
STREET LIGHTING SERVICE CLASSIFICATION - Non-RPP (Other)	kW	\$ 62.04	1.2%	\$ (292.43)	-5.9%	\$ (303.20)	-5.7%	\$ (342.61)	-2.9%
RESIDENTIAL SERVICE CLASSIFICATION - RPP	kWh	\$ 1.92	9.2%	\$ 2.02	9.0%	\$ 1.96	8.0%	\$ 2.05	4.8%
RESIDENTIAL SERVICE CLASSIFICATION - Non-RPP (Retailer)	kWh	\$ 1.92	9.2%	\$ 1.76	7.7%	\$ 1.69	6.8%	\$ 1.91	3.7%
RESIDENTIAL SERVICE CLASSIFICATION - Non-RPP (Retailer)	kWh	\$ (0.39)	-1.7%	\$ (1.06)	-3.7%	\$ (1.30)	-3.5%	\$ (1.47)	-1.1%

All of which is respectfully submitted.