

BY EMAIL

November 14, 2019

Christine E. Long
Registrar and Board Secretary
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto ON M4P 1E4

Dear Ms. Long:

**Re: Alectra Utilities Corporation (Alectra Utilities)
Application for 2020 Electricity Distribution Rates
Ontario Energy Board (OEB) File Number: EB-2019-0018
Alectra Utilities' Reply Submission**

OEB staff is writing in respect of Alectra Utilities' request for Renewable Generation Connection Rate Protection (RGCRP) funding for the Enersource rate zone as part of its application.

In its submission, OEB staff did not support Alectra Utilities' request to collect the provincial RGCRP funding for the Enersource rate zone in the amount of \$160,560 as Alectra Utilities had not explained why it included in the current 2020 provincial funding request the true-up variance from 2010 to 2017 that had already been requested and approved in the 2019 RGCRP claim. As a result, OEB staff submitted that Alectra Utilities should update the Enersource calculations for the 2020 RGCRP provincial payment to exclude the 2010 to 2017 true-up variance.¹

In its reply submission, Alectra Utilities provided further explanation on its request for RGCRP funding for the Enersource rate zone.²

OEB staff has reviewed the analysis and explanation that Alectra Utilities provided in its reply submission. OEB staff has found no errors in the data or accuracy of the RGCRP calculations for the Enersource rate zone.³ Given the mechanistic nature of this matter, OEB staff provides the following summary of its understanding of the amount requested

¹ OEB Staff Submission, EB-2019-0018, September 13, 2019, page 33

² Alectra Utilities' Reply Submission, EB-2019-0018, September 23, 2019, pages 8 - 10

³ Alectra Utilities' Reply Submission, EB-2019-0018, September 23, 2019, Tables 1 - 4, pages 9 - 10

for 2020 rates.

Based on OEB staff's review of the reconciliation provided by Alectra Utilities, OEB staff agrees that the \$28,791 true-up variance amount included in the current provincial funding request only relates to 2018 and 2019. For the Enersource rate zone, Alectra Utilities explained that it conducts a true-up calculation of the funding entitlement two times for each given year. The first time is to true-up the original forecast to the updated forecast, and the second time is to true-up the updated forecast to the actual. Once the second true-up has been performed for a given year, and the actual funding entitlement is known, there would be no further updates to funding from the IESO. Therefore, OEB staff believes that there are no true-up variances for the period from 2010 to 2017 reflected in the funding request of \$160,560.

The funding request of \$160,560 is therefore made up of three amounts:

- 1) The 2020 original forecast funding of \$131,769
- 2) The 2019 first funding true-up of \$19,166 for the difference between the updated forecast of \$159,690 as compared to the original forecast of \$140,524
- 3) The 2018 second true-up of \$9,626 for the difference between the actual of \$148,247 as compared to the updated forecast of \$138,621

Alectra Utilities is seeking the recovery of amounts that relate to the year 2020 plus true-up adjustments relating only to 2018 and 2019. Based on the further explanation provided in Alectra Utilities' reply submission, OEB staff no longer opposes the request for the 2020 provincial RGCRP funding for the Enersource rate zone in the amount of \$160,560.

Yours truly,

Original Signed By

Katherine Wang
Advisor
Incentive Rate Setting & Regulatory Accounting