

2020 IRM Checklist

Wellington North Power Inc.

EB-2019-0073

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Date: November 22nd 2019

IRM REQUIREMENTS		Evidence Reference, Notes
3.1.2 Components of the Application Filing , Pg. 3-4		
Pg. 3	Manager's summary documenting and explain all rate adjustments requested	Section 11 of written application
3	Contact info - primary contact may be a person within the applicant's organization other than the primary license contact	Section 2 of written application
4	Completed Rate Generator Model and supplementary work forms, Excel and PDF	Filed as an attachment "2020 IRM Rate Generator Model 20190808-v2-WellingtonNorth EB-2019-0073" Also see Appendix D in written application
4	Current tariff sheet, PDF	Filed as an attachment "2019 Tariff of Rates and Charges EB-2018-0076" Also see Appendix A in written application
4	Supporting documentation (e.g. relevant past decisions, RRRW etc.)	Appendix E in written application "2019 Decision & Rate Order (EB-2018-0076)"
4	Statement as to who will be affected by the application, specific customer groups affected by particular request	Section 8 of written application
4	Applicant's internet address	Section 7 of written application
4	Statement confirming accuracy of billing determinants pre-populated in model	Section 9 of written application
4	Text searchable PDF format for all documents	Confirmed
3.1.3 Applications and Electronic Models, Pg. 5-6		
5	Populated GA Analysis Workform	GA Analysis Workform model populated Filed as attached "2020 GA Analysis Workform v1.9 WellingtonNorth-EB2019-0073"
5	If required, for distributors seeking revenue to cost ratio adjustments due to previous OEB decision, the Revenue to Cost Ratio Adjustment Workform must be filed	Not applicable - discussed in application Section 11.3
5	For an incremental or pre-approved advanced capital module (ICM/ACM) cost recovery and associated rate rider(s), a distributor must file the Capital Module Applicable to ACM and ICM	Not applicable
5	A distributor seeking to dispose of lost revenue amounts from conservation and demand management activities, during an IRM term, must file the Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) Workform	Not applicable - discussed in application Section 11.9
5 & 6	Account 1595 Analysis Workform - for distributors who meet the requirements for disposition of residual balances in 1595 sub-accounts	1595 Analysis Workform model populated Filed as attached "1595 Analysis Workform 20190637"
Addendum, Page 15	All distributors must file the responses to the questions in Appendix A of the GA Analysis Workform.	Responses to Appendix A questions of GA Analysis workform included in Section 11.8.9 of written application
3.2.2 Revenue to Cost Ratio Adjustments		
8	Completed revenue-to-cost ratio adjustment workform to adjust the revenue-to-cost ratio if previously approved by the OEB	Not applicable - refer to Section 11.3 of written application
3.2.3 Rate Design for Residential Electricity Customers		
<i>Residential Rate Design - Exceptions and Mitigation (applicable only to distributors that have not completed the rate design transition)</i>		
9	Extension of OEB-approved transition period, if necessary	Applicant has achieved 100% Residential rate design transition See Section 11.4 of written application
9	Alternative/additional strategy in the event that an additional transition year is insufficient, or that no extension is necessary, however substantiated with reasons	Not applicable
9	Calculation of the combined impact of the fixed rate increase and any other changes in the cost of distribution service for those residential RPP customers who are at the 10th percentile of overall consumption	Not applicable
9	Description of the method used to derive the 10th consumption percentile. The description should include a discussion regarding the nature of the data that was used (e.g. was the source data for all residential customers or a representative sample of residential customers).	Not applicable
9	If the total bill impact of the elements proposed in the application is 10% or greater for RPP customers consuming at the 10th percentile, a distributor must file a plan to mitigate the impact for the whole residential class or indicate why such a plan is not required	Not applicable
10	Mitigation plan if total bill increases for any customer class exceed 10%	Not applicable
3.2.4 Electricity Distribution Retail Transmission Service Rates		
3.2.5 Review and Disposition of Group 1 DVA Balances, Pg. 10-16		
10	Justification if any account balance in excess of the threshold should not be disposed	Not applicable Section 11.8 of written application shows Applicant is not seeking disposal of balances
11	Completed tab 3 - continuity schedule in Rate Generator Model	Confirmed
11	Explanation of variance between amounts proposed for disposition and amounts reported in RRR for each account	Section 11.8.1 of written application
11	Statement as to whether any adjustments have been made to balances previously approved by the OEB on a final basis If yes, explanations provided for the nature and amounts of the adjustments and supporting documentation under a section titled "Adjustments to Deferral and Variance Accounts"	Section 11.8 of written application
12	GA rate riders calculated on an energy basis (kWh)	Not applicable Section 11.8 of written application shows Applicant is not seeking disposal of balances
General	Propose rate riders for recovery or refund of balances that are proposed for disposition. The default disposition period is one year; if the applicant is proposing an alternative recovery period must provide explanation.	Not applicable Section 11.8 of written application shows Applicant is not seeking disposal of balances

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3.2.5.1 Wholesale Market Participants		
12	Establish separate rate riders to recover balances in the RSVA's from Market Participants who must not be allocated the RSVA balances related to charges for which the WMP's settle directly with the IESO.	Not applicable Section 11.8.2 of written application states Applicant has no Wholesale Market Participants
3.2.5.2 Global Adjustment		
13	Establishment of a separate rate rider included in the delivery component of the bill that would apply prospectively to Non-RPP Class B customers when clearing balances from the GA Variance Account	Not applicable Section 11.8 of written application shows Applicant is not seeking disposal of balances
14 & Addendum, Pages 16 - 17	For each year that the accumulated balance of Account 1589 has not been disposed, regardless of whether or not distributors are seeking disposition of Group 1 accounts in the current proceeding, all distributors are required to file the GA Analysis Workform in live Excel format and responses to questions in Appendix A of the GA Analysis Workform Instructions; explain discrepancies. Unexplained discrepancies calculated separately for each calendar year	GA Analysis Workform model populated and filed as attached "2020 GA Analysis Workform v1.9 WellingtonNorth-EB2019-0073" Responses to Appendix A questions of GA Analysis workform included in Section 11.8.9 of written application
14	Description of settlement process with IESO or host distributor, specify GA rate used for each rate class, itemize process for providing estimates and describe true-up process, details of method for estimating RPP and non-RPP consumption, treatment of embedded generation/distribution, distributor's internal control tests in validating estimated and actual consumption figures used in RPP settlement process and subsequent true-up adjustments	Section 11.8.10 in written application describes settlement process
15	If distributor uses the actual GA rate to bill non-RPP Class B customers, a proposal must be made to exclude these customer classes from the allocations of the balance of Account 1589 and the calculation of the resulting rate riders	
15	Description of financial accounting practices related to recording transaction in 1588 and 1589	Section 11.8.5 in written application
14 & 15	Disclosure of nature, timing, and dollar impact of subsequent adjustments recorded after recording period that adjust the initial transactions from preliminary estimates to actual figures based on consumption data - complete GA Analysis Workform for each applicable fiscal year subsequent to the most recent year in which Accounts 1588 and 1589 were approved for disposition on a final basis by the OEB	See responses to Appendix A questions of GA Analysis workform included in Section 11.8.9 of written application
15	If a distributor uses the actual GA price to bill non-RPP Class B customers for an entire rate class, propose made to exclude these customer classes from the allocation of the balance of account 1589 RSVA GA and the calculation of the resulting rate riders - these rate classes are not to be charged/refunded the GA rate rider as they did not contribute to the accumulation of the balance of account 1589 RSVA GA	Not applicable. Applicant uses GA 1st Estimate as described in Section 11.8.10
3.2.5.3 Commodity Accounts 1588 and 1589		
15	RPP Settlement True-Up - distributors to follow guidance in May 23, 2017 letter pertaining to the period that is being requested for disposition for Accounts 1588 and 1589	Not applicable Section 11.8 of written application shows Applicant is not seeking disposal of balances
15	Certification by the CEO, CFO or equivalent that distributor has robust processes and internal controls in place for the preparation, review, verification and oversight of account balances being proposed for disposition	Section 11.8.6 in written application
Addendum, Pages 12 - 13	Status update on implementation of new accounting guidance (related to Accounts 1588 and 1589 - Feb 21, 2019), a review of historical balances, results of the review, and any adjustments made to account balances; for any adjustments made - include the reason, how it was quantified and the journal entry to adjust the balances	Section 11.8.7 in written application gives a status update of implementation of guidance
3.2.5.4 Capacity Based Recovery (CBR)		
16	Proposed disposition of Account 1580 sub-account CBR Class B in accordance with the OEB's CBR Accounting Guidance. - embedded distributors who are not charged CBR (therefore no balance in sub-account CBR Class B) must indicate this is the case for them - In the DVA continuity schedule, applicants must indicate whether they serve any Class A customers during the period where Account 1580 CBR Class B sub-account balance accumulated. - Account 1580 sub-account CBR Class A is not to be disposed through rates proceedings but rather follow the OEB's accounting guidance. - The DVA continuity schedule will allocate the portion of Account 1580 sub-account CBR Class B allocated to customers who transitioned between Class A and Class B based on consumption levels	Section 11.8.3 in written application discusses treatment of CBR Class B

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3.2.6 Lost Revenue Adjustment Mechanism Variance Account		
<p>Addendum, Pages 20 - 22</p>	<p>LRAMVA - disposition of balance. Distributors must provide version 4 of LRAMVA Work Form in a working Excel file when making LRAMVA requests for remaining amounts related to CFF activity. An application for lost revenues should include: Participation and Cost reports in Excel format, made available by the IESO.</p> <p>An application for lost revenues should also provide the following:</p> <ul style="list-style-type: none"> - statement identifying the year(s) of new lost revenues and prior year savings persistence claimed in the LRAMVA disposition - statement confirming LRAMVA based on verified savings results supported by the distributors final CDM Report and Persistence Savings Report (both filed in Excel format) and a statement indicating use of most recent input assumptions when calculating lost revenue - summary table with principal and carrying charges by rate class and resulting rate riders - statement providing the disposition period; rationale provided for disposing the balance in the LRAMVA if one or more classes do not generate significant rate riders - statement confirming LRAMVA reference amounts, rationale for the distributors circumstances if LRAMVA threshold not used - rationale confirming how rate class allocations for actual CDM savings were determined by class and program (Tab 3-A of LRAMVA Work Form) - statement confirming whether additional documentation was provided in support of projects that were not included in distributors final CDM Annual Report (Tab 8 of LRAMVA Work Form as applicable) - for a distributor's streetlighting project(s) which may have been completed in collaboration with local municipalities, the following must be provided: Explanation of the methodology to calculate streetlighting savings; Confirmation whether the streetlighting savings were calculated in accordance with OEB-approved load profiles for streetlighting projects; Confirmation whether the streetlighting project(s) received funding from the IESO and the appropriate net-to-gross assumption used to calculate streetlighting savings <p>For the recovery of lost revenues related to demand savings from street light upgrades, distributors should provide the following information:</p> <ul style="list-style-type: none"> o Explanation of the forecast demand savings from street lights, including assumptions built into the load forecast from the last CoS application o Confirmation that the street light upgrades represent incremental savings attributable to participation in the IESO program, and that any savings not attributable to the IESO program have been removed (for example, other upgrades under normal asset management plans) o Confirmation that the associated energy savings from the applicable IESO program have been removed from the LRAMVA workform so as not to double count savings (for example, if requesting lost revenue recovery for the demand savings from a street light upgrade program, the associated energy savings from the Retrofit program have been subtracted from the Retrofit total) o Confirmation that the distributor has received reports from the participating municipality that validate the number and type of bulbs 	<p>Section 11.9 in written application - Applicant is not requesting disposition of LRMA-VA account balance</p>
3.2.7 Tax Changes		
19 & 20	If applicable, tabs 8 and 9 of Rate Generator Model complete	Worksheets 8 and 9 of Rate Generator model populated - no tax changes
20	If one or more customer classes does not generate a rate rider to the fourth decimal place, a proposal that the entire 50/50 sharing amount will be transferred to Account 1595 for disposition at a future date	Not applicable
3.2.8 Z-Factor Claims, Pg. 20-21		
20	Evidence that costs incurred meet criteria of need, materiality and prudence - see 3rd Generation IRM Report	Section 11.11 of written application - no Z-factor claim being requested
20 & 21	<p>In addition distributor must:</p> <ul style="list-style-type: none"> - Notify OEB by letter of all Z-Factor events within 6 months of event (Confirm that letter is on file) - Apply to OEB for any cost recovery of amounts in OEB-approved deferral account claimed under Z-Factor treatment - Demonstrate that distributor could not have been able to plan or budget for the event and harm caused is genuinely incremental - Demonstrate that costs incurred within a 12-month period and are incremental to those already being recovered in rates as part of ongoing business exposure risk 	Section 11.11 of written application - no Z-factor claim being requested
3.2.8.2 Z-Factor Accounting Treatment		
21	Eligible Z-factor cost amounts recorded in Account 1572, Extraordinary Event Costs, of the OEB's USoA contained in the Accounting Procedures Handbook (APH) for electricity distributors.	Section 11.11 of written application - no Z-factor claim being requested
21	Carrying charges are calculated using simple interest applied to the monthly opening balances in the account and recorded in a separate Sub-Account of this account	Section 11.11 of written application - no Z-factor claim being requested
3.2.8.3 Recovery of Z-Factor Costs		
21	Description of manner in which distributor intends to allocate incremental costs, including rationale for approach and merits of alternative allocation methods	Section 11.11 of written application - no Z-factor claim being requested
21	Specification of whether rate rider(s) will apply on fixed or variable basis, or combination; length of disposition period and rational for proposal	Section 11.11 of written application - no Z-factor claim being requested
21	Residential rider on fixed basis	Section 11.11 of written application - no Z-factor claim being requested
21	Detailed calculation of incremental revenue requirement and resulting rate rider(s)	Section 11.11 of written application - no Z-factor claim being requested

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3.3.1 Advanced Capital Module, Pg. 22-23		
22	Evidence of passing "Means Test"	Section 11.12 of written application. No new ACM being requested. Applicant is requesting continuation of existing ACM
22	Information on relevant project or projects updated cost projections, confirmation that the project or projects are on schedule to be completed as planned and an updated ACM/ICM module in Excel format	Not applicable
22/23	If proposed recovery differs significantly from pre-approved amount, a detailed explanation is required as to why	Not applicable
23	If updated cost projects are 30% greater than pre-approved amount, distributor must treat project as new ICM, re-filed business case and other relevant material required	Not applicable
3.3.2 Incremental Capital Module, Pg. 23-29		
3.3.2.1 ICM Filing Requirements		
	The following should be provided when filing for incremental capital:	Section 11.12 of written application. No new ICM being requested.
25	An analysis demonstrating that the materiality threshold test has been met and that the amounts will have a significant influence on the operation of the distributor	Not applicable
25	Justification that the amounts to be incurred will be prudent - amounts represents the most cost-effective option (but not necessarily the least initial cost) for ratepayers	Not applicable
25	Justification that amounts being sought are directly related to the cause, which must be clearly outside of the base upon which current rates were derived	Not applicable
25	Evidence that the incremental revenue requested will not be recovered through other means (e.g., it is not, in full or in part, included in base rates or being funded by the expansion of service to include new customers and other load growth)	Not applicable
25	Details by project for the proposed capital spending plan for the expected in-service year	Not applicable
25	Description of the proposed capital projects and expected in-service dates	Not applicable
25	Calculation of the revenue requirement (i.e. the cost of capital, depreciation, and PILs) associated with each proposed incremental capital project	Not applicable
25	Calculation of each incremental project's revenue requirements that will be offset by revenue generated through other means (e.g. customer contributions in aid of construction)	Not applicable
25	Description of the actions the distributor would take in the event that the OEB does not approve the application	Not applicable
25	Calculation of a rate rider to recover the incremental revenue from each applicable customer class. The distributor must identify and provide a rationale for its proposed rider design, whether variable, fixed or a combination of fixed and variable riders. As discussed at section 3.2.3, any new rate rider for the residential class must be applied on a fixed basis	Not applicable
3.3.5 Off-Ramps		
30	A distributor whose earnings are in excess of the dead band (i.e. 300 basis points) but nevertheless applies for an increase to its base rates - an explanation to substantiate its reasons for doing so required	Not applicable
Appendix A		
Appendix A	Confirm disposition of residual balances for vintage Account 1595 have only been done once - distributors expected to seek disposition of the balance a year after a rate rider's sunset date has expired. No further dispositions of these accounts are generally expected unless justified by the distributor	Not applicable Section 11.8 of written application shows Applicant is not seeking disposal of balances and therefore is not seeking to dispose of residual balances in this rate application. Section 11.8.11 "Account 1595 Analysis" does show the residual balances from vintage 1595 dispositions (2014 and 2016 rate applications)
Appendix A & Addendum, Page 22	Distributors who meet the requirements for disposition of residual balances of Account 1595 sub-accounts, must complete the 1595 Analysis Workform. Account 1595 sub-accounts are eligible for disposition when one full year has elapsed since the associated rate riders' sunset dates have expired and the residual balances have been externally audited.	Not applicable Section 11.8 of written application shows Applicant is not seeking disposal of balances and therefore is not seeking to dispose of residual balances in this rate application
Appendix A	Material residual balances will require further analysis, consisting of separating the components of the residual balances by each applicable rate rider and by customer rate class. Distributors are expected to provide detailed explanations for any significant residual balances attributable to specific rate riders for each customer rate class. Explanations must include for example, volume differences between forecast volumes (used to calculate the rate riders) as compared to actual volumes at which the rate riders were billed.	Not applicable Section 11.8.11 "Account 1595 Analysis" does show the residual balances from vintage 1595 dispositions (2014 and 2016 rate applications); however as per Section 11.8 of written application, the Applicant is not seeking disposal of these residual balances in this rate application.