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BY EMAIL

December 3, 2019

Justin Allen
Ottawa River Power Corporation
283 Pembroke Street West, Box 1087
Pembroke ON K8A 6Y6
jallen@orpowercorp.com

Dear Mr. Allen:

**Re: Ottawa River Power Corporation
Application for 2020 Rates
Board File No. EB-2019-0063**

A preliminary review of the application has identified that certain sections of the evidence supporting the application do not comply with the Ontario Energy Board's Filing Requirements¹ for incentive rate-setting applications and/or the associated spreadsheets, models and workforms. As a result, the Ontario Energy Board (OEB) is unable to process Ottawa River Power Corporation's (Ottawa River Power) application at this time. The OEB will commence processing the application after the noted information is filed.

¹ Chapter 3 of the *Filing Requirements for Electricity Distribution Applications Rate Applications*, dated July 12, 2018 and the Addendum to Filing Requirements For Electricity Distribution Rate Applications - 2020 Rate Applications, dated July 15, 2019

The missing information is noted below:

Chapter 3 Filing Requirement Reference (page #)	Description
<p>Page 13</p>	<p>When clearing balances from the GA variance account, distributors must establish a separate rate rider included in the delivery component of the bill that would apply prospectively to non-RPP Class B customers.</p> <p>Please check off the boxes to clear Account 1588 and Account 1589 in Tab 3, cells BU28 and BU29, of the IRM Rate Generator Model, in part to establish a separate rate rider relating to Account 1589. After selecting 'yes' in cells BU28 and BU29, please confirm that Ottawa River Power now exceeds the Group 1 DVA disposition threshold of \$0.001/kWh on tab 4 of the IRM model.</p> <p>As the Group 1 balances now exceed the disposition threshold, if Ottawa River Power chooses to dispose of Group 1 DVA balances in this proceeding, please complete tab 6.1 GA of the IRM model. If Ottawa River Power chooses not to seek disposition, please provide the reasons for not disposing.</p>
<p>Page 15</p>	<p>Given issues that have arisen with commodity accounts 1588 RSVA Power and 1589 RSVA GA balances, the OEB now requires a certification by the Chief Executive Officer, Chief Financial Officer, or equivalent. The application must include a certification that the distributor has robust processes and internal controls in place for the preparation, review, verification and oversight of the account balances being disposed, consistent with the certification requirements in Chapter 1 of the filing requirements.</p> <p>Please provide this certification.</p>

Chapter 3 Filing Requirement Reference (page #)	Description
<p>Addendum Pages 12-13</p>	<p>On February 21, 2019, the OEB issued its letter entitled <i>Accounting Guidance related to Accounts 1588 Power and 1589 RSVA Global Adjustment</i>, as well as the related accounting guidance for Accounts 1588 and 1589. The accounting guidance is effective January 1, 2019 and is to be implemented by August 31, 2019. Distributors are expected to consider the accounting guidance in the context of historical balances that have yet to be disposed on a final basis (including the 2018 balances that may be requested for disposition in this rate application). Further, as part of their 2020 rate applications, distributors are required to provide a status update on the implementation of the new accounting guidance, a review of historical balances, results of the review, and any adjustments made to account balances.</p> <p>In the Addendum to Filing Requirements For Electricity Distribution Rate Applications - 2020 Rate Applications, dated July 15, 2019 (Addendum), the OEB sets out its expectations for final disposition of commodity pass-through account balances.</p> <p>Although Ottawa River Power states that it has updated² its accounting practices based on the accounting guidance, it has not provided any information with respect to its review of historical balances and related adjustments.</p> <p>Please provide an update on the status of Ottawa River Power's review of historical balances in Accounts 1588 and 1589. Please describe when the new accounting guidance was implemented, including the effective date of this implementation (i.e. retroactive to which month and year). Please also clarify whether Ottawa River Power is proposing to dispose Accounts 1588 and 1589 on an interim or final basis. If final disposition is requested, please provide the information per the Addendum.</p>

² Manager's Summary, page 15

The OEB expects that Ottawa River Power will file the above listed required information as soon as possible.

If any of the information that is identified as missing is located in sections other than those identified in the Filing Requirements, or if any of the information is not applicable in your circumstances, please provide an explanation when re-filing the application.

Any questions relating to this letter should be directed to Jerry Wang, Analyst, at 416-440-7637 or Jerry.Wang@oeb.ca. The OEB's toll-free number is 1-888-632-6273.

Yours truly,

Original signed by

Christine E. Long
Registrar and Board Secretary