**Oshawa PUC Networks Inc. (Oshawa PUC)**

**2020 IRM Application**

**EB-2019-0062**

**Application Analysis**

**October 28, 2019**

*Oshawa Power’s responses to OEB staff questions are found below in blue.*

*Updates to responses provided on Nov 4th, 2019 are found below in green.*

**Staff Follow-up Question #1**

**Ref: Staff Question #1**

From the document attached in response to initial Staff Question #1, under

1. “Review current process for recording and posting 1598 monthly settlement journals”, it states the allocation between TOU and tired blocks is based on billed data.
	1. Please explain whether the determination of RPP volumes for RPP settlements is also based on billed consumption.

*RPP volume for settlement with IESO is based on billed consumption, adjusted using estimated unbilled consumption, to reflect actual consumption for the month.*

* 1. Please explain whether the RPP volumes, the TOU and tiered blocks allocations initially based on billed data are trued up to be based on actual consumption on a monthly basis.

*Yes.*

*On a monthly basis, RPP volumes for RPP settlement (ie, RPP vs Market Price variance submission), are based on:*

*- Current month billed data trued-up for estimated unbilled consumption.*

*- The unbilled consumption is based on current month total system load. This total is allocated between RPP and non-RPP consumption using an allocation rate based on most recent available RPP/non-RPP split.*

*- For purposes of posting true-up to RSVA Power and RSVA GA, the volumes are trued-up to “billed plus actual unbilled” to reflect actual consumption volume at year-end.*

*- Due to limitations of our billing system, we are only able to obtain an actual unbilled consumption amount at year-end, specifically 6 weeks after Dec 31st. Any differences between the allocation rate used monthly are adjusted at year-end with actual unbilled consumption.*

* 1. If not, please quantify the total monthly true ups for 2017 and 2018 (with consideration of part b) iii. below). Please also revise the Account 1588 reconciliation in Appendix A, GA Analysis Workform and the DVA Continuity Schedule.

*As per response to part ii above, true-ups are done monthly as current month billed data trued-up for estimated unbilled consumption.*

*We interpret ‘actual’ on a monthly basis to equal billed data adjusted for estimated unbilled. We are tied to what our billing system is able to provide in the prescribed timelines associated with the settlement process.*

1. “Reviewed current year-end process for recording and posting actual unbilled consumption”, it states that unbilled usage for prior year consumption is trued up only at year-end.
	1. Please explain whether revenue journal entries or the RPP settlements are trued up from unbilled to actual consumption.

*Revenues for power and GA are trued-up from estimated unbilled to actual consumption. This occurs on a yearly basis, using the unbilled data generated by our billing system. This ensures that the variances posted to RSVA power and GA reflect total consumption in the year.*

*As per our response to question 1 a) ii) RPP volumes for RPP settlement are based on current month billed data trued-up to actual consumption using estimated unbilled consumption.*

*Oshawa performs the following true-ups on a monthly basis for RPP settlement:*

*1) RPP volumes based on billed data are trued up for estimated unbilled consumption.*

*2) Previous month’s billed volumes are trued-up to actual price of power and GA rates.*

* 1. If the RPP settlement is trued up to actual consumption at year-end, please explain how the year-end true up is calculated (e.g. total of true ups calculated on a monthly basis, true-up to total annual volumes using year-end allocations).

*As per response to part I above, the respective unbilled amounts are added to the billed revenue amount at year end. This ensures the revenue piece is trued-up to actual volume.*

* 1. (With consideration of part a) iii. above) If the year-end RPP settlement true-up is not calculated on a monthly basis, please quantify the impact to Account 1588 by calculating the true up to actual consumption on a monthly basis, using RPP volumes, TOU and tiered block allocations based on actual monthly consumption for 2017 and 2018. Please also revise the Account 1588 reconciliation in Appendix A, GA Analysis Workform and the DVA Continuity Schedule.

*See response in part a iii)*

* 1. If the year-end RPP settlement true-up is not calculated on a monthly basis, please explain whether this will be changed as a part of the implementation of the new accounting guidance. If not, why not.

*As per our response in question 1 a) ii) RPP volumes for RPP settlement are based on current month billed data trued-up for estimated unbilled consumption. This is done monthly.*

1. “Conclusion” it states that an adjustment will be prepared on an annual basis to true up the RPP/non-RPP allocation of CT 148. Please explain how this annual true up is calculated (e.g. applying the monthly actual allocation percentages to the monthly CT 148, applying the year-end actual allocation percentage to the total annual CT 148).

*The annual true-up for non-RPP and RPP GA is calculated as follows:*

*Part A: the monthly non-RPP class B billed consumption is taken from billing reports from CIS. An unbilled amount is added, and prior month’s unbilled is subtracted. This monthly consumption volume is multiplied by final GA rate to calculate the Consumption at Actual Rate Paid.*

*This is how table 4 of the GA Analysis Workform calculates the consumption at final rate.*

*Part B: The class B non-RPP GA charge is calculated. Total GA charge from IESO invoice (which is based on actual consumption from the IESO), less RPP portion of GA (calculated in 1598 settlement), less class A customers GA charge, gives you the class B non-RPP GA charge from IESO.*

*Part C: the difference between parts A and B are calculated by month (on an annual basis), to produce the difference between RPP and non-RPP GA. The difference is either a credit to the GA expense account, and a debit to the Cost of Power expense account, or vice versa.*

* 1. Please explain whether it is feasible to obtain actual unbilled consumption on a monthly basis going forward.

*In response to OEB Staff Question #3, on the Oct 16th submission, the billing system cannot run in a timely fashion on a monthly basis to produce an unbilled value. It requires a 6 week period for information to be available; as a result actual unbilled is trued-up for year-end only.*

* 1. The new accounting guidance trues up the RPP/non-RPP allocation of CT 148 when actual monthly consumption is available. Please explain how the proposed year-end true up will be in line with the new accounting guidance.

*The proposed year-end true up, although it does not post the adjusting true-up on a monthly basis, does calculate the true-up for each month, and posts a cumulative adjustment for the year, which ensures the balances in the deferral accounts are aligned to actuals at year-end.*

1. The Report is dated August 23, 2019 and concluded that an adjustment will be prepared on an annual basis to true up the allocation of CT 148. In response to question 4, Oshawa PUC is proposing adjustments for the CT 148 true up for 2017 and 2018. However, on page 13 of the Manager’s Summary, it stated that no material adjustments were noted. Please clarify why Oshawa PUC did not propose these adjustments as part of its original application.

*Pursuant to the OEB staff questions on October 8th, the conclusion in the Report dated Aug 23rd was updated to reflect the requirement for this true-up. The original application, was based on a conclusion that no material adjustments would be necessary. The conclusion in the Manager’s Summary will be updated to reflect consistency between the internal report and the rate application.*

**Staff Follow-up Question #2**

**Ref: Staff Question #2**

In the 2017 Account 1588 reconciliation, the “adjusted net change in principal balance in the DVA Continuity Schedule” is $2,703,632 which is equal to the transactions in the year reduced by the 2017 approved disposition amount ($2,831,332 - $127,700) in the DVA Continuity Schedule. The “net change in principal balances” are to represent the transactions in the year, not impacted by the approved disposition amount. It appears that the balance in the GL of $1,115,686 is already reduced by the 2017 approved disposition amount of ($127,700).

1. Please confirm this. If not, please revise the table so that the first and last row only show the transactions in the year, excluding any disposition impact.

*The net change in principal netted the disposition amount. Revised table below shows only the transactions in the year, not impacted by the approved disposition amount.*

|  |  |  |
| --- | --- | --- |
| **Reconciliation of Account 1588 - 2017** |  |  |
|  |  |  |
|  |  **Principal Adjustments**  | **Was the amount a "Principal Adjustment" in the previous year? (Y/N)** |
| Net Change in Principal Balance in the GL |  $1,243,386 |   |
| **Reversals of Principal Adjustments - previous year**  |
| 1. Reversal of Cost of Power accrual from previous year
 |  |  |
| 1. Reversal of CT 1142 true-up from the previous year
 |  |  |
| 1. Unbilled to billed adjustment for previous year
 |  |  |
| 1. Reversal of RPP vs. Non-RPP allocation
 |  |  |
| **Sub-Total Reversals from previous year (A):** |   |   |
|  |  |   |
| **Principal Adjustments - current year**  |
| 1. Cost of power accrual for 2017 vs Actual per IESO bill
 |  |   |
| 1. True-up of CT 1142 for 2017 consumption recorded in 2018 GL
 |  |   |
| 1. Unbilled accrued vs. billed for 2017 consumption
 |  |   |
| 1. True-up of RPP vs. Non-RPP allocation of CT 148 based on actual 2017 consumption
 | $1,587,946 |   |
| 1. Other
 |  |  |
| **Sub-Total Principal Adjustments for 2017 consumption (B)** |  $1,587,946 |   |
| **Total Principal Adjustments shown for 2017 (A + B)** |  $1,587,946 |   |
| Adjusted Net Change in Principal Balance in the DVA Continuity Schedule |    $2,831,332 |   |

*Update:*

*Oshawa further investigated the principal change in RSVA Power account and found two journal entries that were mis-posted to RSVA WMS, but should have been posted to RSVA Power. These were OFHP RPP Settlement amounts from CT1142 for the July and August 2017 IESO invoices. We corrected the principal between 1580 and 1588. Corrected balance for RSVA Power is below. RSVA balances for 1580 and 1588 have also been updated in IRM Rate Generator Model.*



|  |  |  |
| --- | --- | --- |
| **Reconciliation of Account 1588 - 2017** |  |  |
|  |  |  |
|  |  **Principal Adjustments**  | **Was the amount a "Principal Adjustment" in the previous year? (Y/N)** |
| Net Change in Principal Balance in the GL |  $402,184 |   |
| **Reversals of Principal Adjustments - previous year**  |
| 1. Reversal of Cost of Power accrual from previous year
 |  |  |
| 1. Reversal of CT 1142 true-up from the previous year
 |  |  |
| 1. Unbilled to billed adjustment for previous year
 |  |  |
| 1. Reversal of RPP vs. Non-RPP allocation
 |  |  |
| **Sub-Total Reversals from previous year (A):** |   |   |
|  |  |   |
| **Principal Adjustments - current year**  |
| 1. Cost of power accrual for 2017 vs Actual per IESO bill
 |  |   |
| 1. True-up of CT 1142 for 2017 consumption recorded in 2018 GL
 |  |   |
| 1. Unbilled accrued vs. billed for 2017 consumption
 |  |   |
| 1. True-up of RPP vs. Non-RPP allocation of CT 148 based on actual 2017 consumption
 | $1,587,946 |   |
| 1. Other
 |  |  |
| **Sub-Total Principal Adjustments for 2017 consumption (B)** |  $1,587,946 |   |
| **Total Principal Adjustments shown for 2017 (A + B)** |  $1,587,946 |   |
| Adjusted Net Change in Principal Balance in the DVA Continuity Schedule |    $1,990,130 |   |

**Staff Follow-up Question #3**

**Ref: Staff Question #2**

Typically, large balances are not expected for Account 1588 as it should only hold the difference between actual and approved line losses. Oshawa PUC has made principal adjustments to Account 1588 for 2017 and 2018 so that the account would capture only the calendar year’s activity.

1. Please explain the high transactions of $2,703,632 in 2017 and ($3,356,572) in 2018 for Account 1588 in consideration of line losses.

*The principal adjustments made are the allocation difference due to RPP and non-RPP GA split true-up.*

*- The monthly determination of RPP GA to be charged on the IESO invoice is based off billed data reports for the particular month (ie. Jan billing report used as proxy for Jan GA charge from IESO). This then determines the allocation of the IESO GA charge between RPP and non-RPP classes.*

*- The non-RPP amount is the total Class B GA Charge (charge type 148) less the RPP amount determined as above. A reconciling credit amount of $1,587,946 in 2017, and a reconciling debit amount of $2,969,517 in 2018 were identified to RSVA GA (1589) account.*

*- These amounts should be allocated to RSVA Power (1588) as it is a correcting adjustment to the monthly determination of RPP GA as submitted to the IESO via the 1598 Settlement process.*

*Per Continuity Schedule in IRM Rate Generator Model, after reconciling items are made to the principal balance.*

|  |  |  |
| --- | --- | --- |
|  | *2017 Ending Principal Balance* | *2018 Ending Principal Balance* |
| *RSVA-Power* | *$2,831,333* | *$(705,204)* |
| *RSVA-GA* | *$(89,038)* | *$128,452* |

*Update:*

*Please see updates that were made under Staff Follow Up Question #2 above.*

**Staff Follow-up Question #4**

**Ref: Staff Questions #2 and #4**

Principal adjustments are to be shown separately from transactions in the DVA Continuity Schedule. Question 2 shows Account 1588 principal adjustments for 2017 and 2018. Question 4 shows principal adjustments in the GA Analysis Workform for Account 1589.

1. Please revise the DVA Continuity Schedule to show the principal adjustments and transactions separately.

*The IRM Rate Generator Model is re-submitted with updates made to the Continuity Schedule tab as requested.*

**Staff Follow-up Question #5**

**Ref: Staff Question #4**

1. Response to initial Staff Question #4 part a) indicates that the Non-RPP Class B including Loss Factor Billed Consumption included losses on Class A customer consumption. Please explain how the loss consumption for Class A was identified.

*The loss consumption for Class A customers was identified through review of the GA Analysis workform as a result of OEB staff questions.*

*It was identified that the Class consumption that was removed from the total non-RPP consumption was ‘pre-losses’. This was adjusted to remove the Class A consumption with losses.*

1. Response to initial Staff Question #4 part a) indicates that unbilled kWh for Jan to Nov was revised to reflect the respective 2017 and 2018 estimated unbilled rate. Please explain how this is a change from the unbilled kWh that was included in the GA Analysis Workform of the initial application. Please clarify what the original unbilled kWh in the initial GA Analysis Workform represented.

*The original unbilled kwh (col H in table 4) in the initial GA Analysis Workform used a generic unbilled rate that applied to all customers types (RPP and non-RPP).*

*An analysis was done to determine the unbilled rate for non-RPP customers only, to better represent the portion of Class B non-RPP unbilled consumption.*

1. Response to initial Staff Question #4 part d) i. states that it has been recording GA modifier credits to non-RPP customers in the GA expense account.
	1. Please provide the journal entries used to record the transactions related to the GA modifier credits.

*GA is charged to the customer at the 1st estimate rate (1st estimate rate \* consumption). Then the GA Modifier credit is calculated (GAM rate \* consumption), and is subtracted from the gross GA charge. This produces a net GA amount to be charged on the customer’s bill.*

*For example:*

*Total GA $100*

*GAM ($30)*

*Net GA $70*

*The revenue billing journal posted would be:*

*DR. Customer receivable $70*

*CR. GA billed (revenue) $70*

* 1. Please explain why there is a balance that pertains to the GA modifier when transactions relating to the GA modifier are just flow-through transactions due to timing.

*Oshawa has not been flowing these costs through to the IESO. These costs have been accumulating in the GA expense account.*

* 1. Oshawa PUC indicates that it will take the appropriate steps to correct the settlement of GA modifier credits with the IESO. Please explain how the GA modifier credits affected the settlement with the IESO.

*Oshawa has not been settling the GA modifier credits with the IESO. They were not included on the IESO settlement.*

*Going forward, Oshawa will begin flowing the GA Modifier credits through the “Ontario Fair Hydro Plan for Eligible non-RPP Customers – LDC & USMP” settlement submission with the IESO.*

*The journal that will be posted as a result of this correction is (per example in part i):*

*DR. Customer receivable $100*

*CR. GA billed (revenue) $100*

*DR. OFHP suspense acct $30*

*CR. Customer receivable $30*

* 1. When did Oshawa PUC start recording the GA Modifier in Account 1589?

*Since the beginning of the GA Modifier credit, ie, with bills affecting July 1st, 2017 consumption.*

* 1. When did Oshawa PUC identify that the GA Modifier should not be recorded in Account 1589?

*In reviewing/responding to the OEB staff questions Oshawa identified that GA Modifier should not be recorded in account 1589.*

1. Response to initial Staff Question #4 part d) ii. states that the GA Modifier credits issued to Class A customers has been removed as reconciling item and a principal adjustment.
	1. Please explain why it is no longer a reconciling item and principal adjustment.

*Oshawa’s response to initial Staff Question #4 was “For this reason this is a reconciling item, and the principal balance of RSVA GA will be appropriately adjusted to remove the GA Modifier credits.”*

*This indicates that the GA modifier credits are a reconciling item, and a principal adjustment. The statement refers to the removal of the GA modifier credits from the RSVA GA principal balance. Once the principal is adjusted, the GA modifier amounts are no longer a reconciling item.*

* 1. Please explain how the treatment of the GA Modifier credits issued to Class A customers differs from that of GA Modifier credits for Class B customers as noted in reconciling item 10.

*Please refer to response in e) below. It appears the OEB is referring to the outdated GA Analysis Workform.*

*Reconciling item #10 pertains to the true-up of non-RPP balances in RSVA GA and RSVA Power in the updated GA Analysis Workform.*

1. Please provide a monthly analysis showing the quantification of the GA modifier transactions for Class A and Class B customers. Please also show how this analysis ties to the reconciling items of ($1,070,000) and ($5,400,000) for Class B customers in 2017 and 2018, respectively and $2,418,000 for Class A customers in 2018.

*It appears the OEB is referring to the outdated GA Analysis Workform (submitted August 12th, “EB-2019-0062\_2020\_GA\_Analysis\_Workform\_v1.9\_20190812.xlsx”). The reconciling item in 2018 for $2,418,000 no longer exists in the updated model filed Oct 16th (“EB-2019-0062\_2020\_GA\_Analysis\_Workform\_v1.9\_20191016.xlsx”)*

*The monthly analysis of GA modifier credits was completed by querying the CIS system with the stat codes that pertain to GA modifier.*

*Below is a summary of the balances for each stat code, and the GA Modifier credits totals issued to customers 2017 and 2018.*



*Update:*

*As per Teleconference on Nov 7th, Oshawa would like to clarify that all GA Modifier credits are removed from RSVA GA for both classes A and B.*

**Staff Follow-up Question #6**

**Ref: Staff Question #7**

1. Per response to initial Staff Question #7 c), it appears that Oshawa Power is requesting that the account be effective January 1, 2015 as Oshawa Power is seeking recovery of the cumulative loss starting from 2015. The response to initial Staff Question #7 a) states that an effective date of January 1, 2019 is proposed as it would allow the recording the amount of the cumulative variance up to December 31 2018. If the account is established as at January 1, 2019, no balance prior to January 1, 2019 would be recorded in the account. Please confirm that Oshawa Power is requesting an effective date of January 1, 2015. If not, please clarify.

*Confirmed. The effective date of the account is January 1, 2015 to allow for an adjusting entry in 2019 to record the proposed cumulative lost revenues from January 1, 2015 through to December 31, 2018.*

1. In response to initial Staff Question #7 a) Oshawa Power indicates that it is seeking disposition of the cumulative variance lost as at December 31, 2018 in the current 2020 rate application. It will request disposition of the account in each of Oshawa PUC’s “interim rate applications”. Note that IRM applications are intended to be mechanistic and do not address the disposition of Group 2 accounts.
	1. The draft accounting order filed in response to initial Staff Question #7 b) indicates that the account will be disposed at Oshawa PUC’s next rebasing. Please clarify if Oshawa is proposing to dispose at each IRM or Annual IR rate application or at its next rebasing application.

*As noted, Group 2 accounts are not addressed through interim rate applications. Oshawa proposes to dispose of the account as part of its next cost of service rate application.*

* 1. Please confirm that Oshawa Power is proposing disposition of the proposed account in the current rate application and provide the rationale for doing so.

*Oshawa withdraws its proposal to dispose of the account in the current rate application. Disposition of the cumulative balance will be included in Oshawa’s next rebasing application.*

**Staff Follow-up Question #7**

**Ref: Staff Question #10**

1. For the 2017 ROE recalculated to include lost revenues, it states lost revenue impact in 2018. Please clarify whether the inclusion of the lost revenue did not change the ROE. Otherwise, please clarify what is meant by that statement and why the recalculated ROE did not change.

*Oshawa is proposing to offset lost revenues attributed to the new regulations introduced in 2017 with overearnings achieved in 2015 and 2016 based upon the amounts approved by the OEB in Oshawa’s last rebasing application for rates in 2015 through 2019. Effectively, Oshawa is proposing to return overearnings in the accounts impacted by the Moratorium and related regulatory changes to its customers.*

*The cumulative impact of Oshawa’s proposed methodology does not result in net lost revenues until 2018. Therefore, 2017 ROE is not impacted. Only the 2018 ROE has been adjusted for the cumulative loss amount.*

1. For 2017 to 2020, please indicate the actual or forecasted revenue lost based on the number of collection notices issued/reconnections performed.

*The following table provides the estimated number of notices issued and reconnections performed, and the estimated lost revenue impacted by the Moratorium. In addition, the table reflects the overearnings that Oshawa is proposing to share with customers to offset the lost revenue.*



**Staff Follow-up Question #8**

**Ref: Response to Staff Questions 11 a) and c)**

In part a) it was noted that 10,721 kW of savings represents the street light upgrades undertaken as part of the 2015 saveOnEnergy retrofit program. However, in part c) Oshawa PUC confirmed that the upgrades for street lights took place between 2016 and 2017. In part d) it was further noted that the replacements began in October 2016 to the end of 2017.

As demand savings from street lights are included as part of the LRAMVA, the related energy savings included in the IESO’s saveOnEnergy retrofit program(s) should be deducted from the respective program so as not to double count savings in the LRAMVA.

*Energy savings for streetlights have been removed from the saveOnEnergy retrofit program.*

1. Please explain how the street light upgrades were undertaken as part of the 2015 retrofit program, when it appears that savings were realized from street light upgrades in 2016 and 2017.

*We were referring to the year the IESO’s saveOnEnergy retrofit program(s) were introduced, under the CFF 2015-2020, not the year the replacement took place. Oshawa confirms the actual streetlight retrofit program began in 2016 and completed in 2017.*

*Streetlights were in our load forecast in 2015, they were not replaced until 2016/2017.*

1. Based on your response to part a), please show the kWh deduction from the street light savings as a separate line adjustment in Table 5-b and/or 5-c as applicable.

*Please see table 5-b and 5-c. Streetlight savings were added to 2016 and 2017.*

1. Please highlight all changes made to Tab 5 of the LRAMVA workform, and complete Table A-2 of tab 2 in the LRAMVA workform to document the changes.

*All changes to Tab 5 have been documented in tab “1-a. Summary of Changes” table A-2.*

**Staff Follow-up Question #9**

**Ref: Response to Staff Question 11 e)**

There was no explicit calculation or explanation of how 12,678 light bulb replacements equated to net, actual savings of 10,721 kW. Rather, Oshawa PUC indicated that an independent third party study was conducted to determine actual savings of 10,721 kW.

1. Please file the independent third party study that supports the demand savings and the lost revenues claimed from the street light upgrades. Please also file any applicable attachments or appendices to show the light bulb conversions, pre- and post-conversion usage levels, the explicit savings calculations and the net-to-gross-assumption(s) used by the third party consultant.

*Report from third party audit has been submitted. Document is titled “March 26 2016 City of Oshawa - Investment Grade Audit of Streetlights by Realterm Energy.pdf”. The report identified the number of lights, the type of lights to be retrofitted, and the proposed replacements.*

*This report informed the load forecast used by Oshawa for 2015 to 2019 rates for streetlights. Additionally, the reported was used to calculate actual savings once the retrofit project was completed. Actual replacement began in October 2016 and was completed in August 2017. The following table provides the calculations for the actual energy savings:*



1. If the above cannot be provided, please provide a detailed explanation of the methodology used to calculate actual street light demand saving. Please file the detailed data and supporting analysis.

*Oshawa applied the information included in the third-party audit report as the basis for calculating the streetlight savings.*

*The report identified 12,678 lamps to be replaced with LED’s; 10,372 labelled as Cobraheads and 2,306 were decorative. There were six types of Cobraheads and nineteen different decorative lamps. The report also outlined the replacement lamps to be used in the program; there were twenty LED replacement types for the Cobraheads and an additional fifteen LED’s to replace decorative lamps. In addition to the number of replacements, the report identified the savings attribute to each of the replacement LED’s matched to the original light fixtures.*

*In order to calculate savings, Oshawa tracked the total replacements as they were installed in each of the two categories identified by the third-party. For each month, Oshawa used the average savings per LED for each of the two categories and applied it to the number of fixtures replaced in each month, representing a billing cycle; half of the average savings were used in the first month of installation and full savings were applied each of the following months.*

*Once the program was completed, the savings were annualized to calculate the actual savings for each of the years during the replacement period with persistent savings equaling the annualized total of the fully installed month.*

*The table in part a) above summarizes the results. Oshawa believes any differences from the replacement program included in the report would not change the results in a material manner. Oshawa does not have the level of detail requested in the methodology described above.*

1. Please confirm that the proposed methodology to calculate street light savings aligns with the methodology outlined in the tab 8 templates of the LRAMVA workform. If a different methodology is proposed, please explain the differences and why Oshawa PUC’s methodology should be accepted by the OEB.

*Oshawa believes the methodology meets the substance outlined in the tab 8 templates of the LRAMVA workform. The table in in part a) above has been inserted in tab 8 of the LRAMVA workform as a representation of the methodology used.*

1. Please re-calculate the street light demand savings based on the tab 8 templates originally included in version 4 of the LRAMVA.

*Please refer to parts a), b) and c) above. Oshawa does not believe it has retained the information in the form outlined in the templates included in tab 8 of the LRAMVA workform.*

*Update:*

*After the teleconference with the OEB on Nov 7th, Oshawa contacted the IESO and they provided us the detailed project lists for 2015, 2016 and 2017. Oshawa reviewed the lists and noted that net verified streetlights savings of 6,288,659 kwh were included in the 2017 Save on Energy retrofit program. Streetlight savings were not included in the 2015 or 2016 IESO reports.*

*Oshawa is providing a copy of the 2017 detailed Project List report from the IESO. Row 1250, application number 157566, represents the streetlight savings in the IESO report.*

*Per the IESO’s report, streetlights had reported savings of 6,624,287 kwh, using the realization rate of 106% attributed by the IESO provides gross verified savings of 6,999,138 kwh. A net-to-gross ratio of 90%, which builds in free ridership, results in net verified savings of 6,288,659 kwh for streetlights. These net savings were removed from row 65 of tab “7. Persistence Report” in the LRAMVA Workform.*

*Subsequently, in tab “5. 2015-2020 LRAM” row 487 has been updated to reflect the net retrofit program savings attributed to all initiatives, other than streetlights.*

*Our calculations for streetlights are provided in tab 8 of the workform. They are on a demand (kW) basis and attributed to the billing periods associated with when the savings were realized (ie, over 2016 and 2017). The IESO (as per their Project List report) have associated all streetlight savings in 2017.*

*The resulting LRAMVA balances for each rate class in tab “1. LRAMVA Summary” was used to update the LRAMVA balance in the Continuity tab in the IRM Rate Generator Model, and resultant rate riders.*

**Staff Follow-up Question #10**

**Ref: Response to Staff Questions 12 a, b and c)**

In part a), Oshawa PUC confirmed that there is no settlement agreement for the 2015 CIR application. Oshawa PUC stated that it used 12,166,667 kWh as the LRAMVA threshold, identified in Appendix 2-I, to be consistent with the OEB’s instructions in the LRAMVA workform.

In part b), Oshawa PUC confirmed that it applied annual CDM adjustments (identified in part b) of the pre-amble) against its 2015 to 2019 load forecasts. The annual CDM adjustments were identified under the “Total Billed” column of the “Rate Class Energy Model” tab in the Weather Normalization Regression Model.

1. Please confirm that the extract of CDM adjustments compiled by OEB staff in part b) of the pre-amble represents the cumulative CDM impact that was applied against the 2015 to 2019 load forecasts.

*Yes, confirmed.*

*The following is the CDM extract that was included by OEB staff in question #12, part b of the initial OEB staff questions.*



1. Please confirm that 2015 to 2019 rates were calculated based on the cumulative impact of CDM on load.

*Yes, confirmed*

1. Please confirm which table provided in the responses to part b) of Staff 12 should be used as the LRAMVA threshold from 2015 to 2019.

*The table provided in part a) staff follow-up question #10 above, should be used as the LRAMVA threshold for 2015 to 2019.*

*The second table provided in response to initial staff question #12 (below) includes an error, whereby we accumulated the savings for streetlights incorrectly.*



1. Please revise the auto-populated cells in Table 2-c of the LRAMVA workform to include the LRAMVA threshold for 2015, 2016 and 2017.

*Table 2-c of tab “2. LRAMVA Threshold” has been revised with the load forecast as the LRAMVA threshold for years 2015, 2016 and 2017.*