**Elexicon Energy – Veridian Rate Zone**

**EB-2019-0252**

**Follow-up Questions**

**Staff-18**

Ref: Application, p. 19

Preamble:

Elexicon Energy noted that the increase in its RTSRs of 5-9% for all classes reflect the increase in UTRs effective July 1, 2019. With the update in 2020 UTRs effective December 17, 2019 (EB-2019-0043), it resulted in RTSR increases of 9-12% across all rate class.

Questions:

1. In addition to the price increase in UTRs that impact the increase in RTSRs, please discuss whether Elexicon Energy prepared any analysis to determine whether there are additional factors that may be of relevance causing the increases. If yes, please discuss your findings.
2. Please discuss whether Elexicon Energy has examined the changes in historical wholesale demand relative to retail demand, and whether this may cause increases to the RTSRs.

**Staff-19**

Ref: Clarification on Staff-11 c, f

Preamble:

In response to Staff’s questions, Elexicon Energy provided the following:

1. The methodology used to forecast collection notices in 2019 is not consistent with the methodology from the 2014 COS; and therefore the volumes associated with reduced revenue are much lower than prior years.
2. There are continued collection efforts, but they only represent a subset of total number of collections (disconnection) notices issued and do not reflect the volume of additional or replacement collection activities/notices implemented during the winter moratorium.
3. Table G-2 shows an initial forecast of 3,729 based on actual notices that were charged from January to June 2019.
4. Elexicon Energy provided an actual figure of 12,000 disconnection notices issued total. Elexicon Energy noted that it will issue additional volumes of reminder notices to be compliant with the DSC effective March 1, 2020.

Questions:

1. Please confirm that Elexicon Energy intends on disposing of $1,301,854 as lost revenues through Account 1508 for 2019 (i.e. $1,143,711 and $111,857) as part of a future IRM application or a stand-alone application.
2. Please confirm that $1,143,711 will be recorded annually in 2020-2029 as actual collection of account revenues are zero.
3. As the prudence of account balances is reviewed when disposed, and as Group 2 account disposition is normally not included in an IRM application, please clarify whether Elexicon Energy prefers to dispose of the account balances during an IRM (over a stand-alone application) or is maintaining the option to do both (as noted in the Draft Accounting Order).
4. If annual disposition of Account 1508 is not approved by the OEB through an IRM application, please discuss whether applying for disposition of these account balances through a stand-alone application is the next preferred option. Please clarify why Elexicon Energy believes it is appropriate to retain both options in the Draft Accounting Order.
5. Please discuss the expected year-over-year bill impact of incorporating this amount for annual disposition, as part of an IRM application versus a stand-alone application.
6. Given the requirement to issue additional volumes of reminder notices, effective March 1, 2020 (i.e. response to Staff-11 c, ii), please indicate whether there are any possible changes to its collection account practices to limit collection cost activities (as it is noted that cost savings are already hard to achieve).

**Staff-20**

Ref: 2020 IRM Rate Generator (January 15, 2020) - attachment

Preamble:

OEB staff made the following updates to the 2020 IRM application:

* RTSRs – updated with the 2020 UTRs and Hydro One Sub-transmission rates
* Price Cap Inflation factor – updated with the most current 2% value
* RPP TOU price – updated with Nov 1, 2019 TOU rates

Question:

1. Please confirm that Elexicon Energy is in agreement with the following updates in the rate generator, and that the customer bill impacts are correct.

## Staff-21

Ref: (1) Staff-5

(2) EB-2018-0072, Staff-2

Preamble:

At the above noted first reference, Elexicon Energy provided a breakdown of the Account 1588 2017 transactions and principal adjustments.

At the above noted second reference, Elexicon Energy provided an explanation of the Account 1588 2017 amounts. Elexicon Energy included numbers in the above noted second reference that were not included in the above noted first reference.

Questions:

1. Please reconcile the table provided at the above noted first reference to the explanation and numbers provided at the above noted second reference.
2. After performing this reconciliation, if any further adjustments are required to any of the 2017 and 2018 Account 1588 and Account 1589 balances in this proceeding, please explain.