Rideau St. Lawrence Distribution Inc.

OEB Staff Questions

EB-2019-0066

**Rideau St. Lawrence Distribution Inc.**

**Follow-up Questions – February 18, 2020**

**EB-2019-0066**

**Staff Question-17**

Ref: (1) 2017 Global Adjustment (GA) Analysis Workform, January 31, 2020

 (2) 2018 GA Analysis Workform, November 4, 2019

 (3) EB-2017-0265, 2016 GA Analysis Workform, December 20, 2017

 (4) 2020 IRM Rate Generator Model, Tab 3, January 31, 2020

 (5) EB-2018-0065, 2019 IRM Rate Generator Model, Tab 3, March 28, 2019

 (6) EB-2017-0265, 2018 IRM Rate Generator Model, Tab 3, March 22, 2018

 (7) Staff-8

 (8) RSL\_Appendix\_A\_to\_GA\_Workform\_20191121\_20191122, page 1

**Preamble:**

At the above noted second reference (2018 GA Analysis Workform), Rideau St. Lawrence reflected an amount in line 3b “Add difference between current year accrual/forecast to actual from long term load transfers” of $18,205. Rideau St. Lawrence described this amount as “Deduct net LTLT Revenue.” This amount was also not shown as a 2018 principal adjustment at the above noted fourth reference (2020 IRM Rate Generator Model).

At the above noted first reference, Rideau St. Lawrence revised its 2017 GA Analysis Workform in the current proceeding to reflect a new amount in line 3b “Add difference between current year accrual/forecast to actual from long term load transfers” of $49,250. Rideau St. Lawrence described this amount as “Deduct net LTLT.” This amount was also not shown as a 2017 principal adjustment either at the above noted fourth reference (2020 IRM Rate Generator Model) or fifth reference (2019 IRM Rate Generator Model).

This amount of $49,250 was also not shown on the 2018 GA Analysis Workform on line 3a “Remove difference between prior year accrual/forecast to actual from long term load transfers.” A credit amount of $49,250 should have been reflected on the 2018 GA Analysis Workform (above noted second reference) on line 3a to reverse the amount shown on the revised 2017 GA Analysis Workform. This amount was also not shown as a 2018 principal adjustment at the above noted fourth reference (2020 IRM Rate Generator Model).

At the above noted third reference (2016 GA Analysis Workform), an amount of $14,156 was recorded line 3b “Add difference between current year accrual to forecast from long term load transfers.” However, this amount was not included as a 2016 principal adjustment at the above noted sixth reference (2018 IRM Rate Generator Model). Therefore there is nothing to reverse in the 2017 GA Analysis Workform.

**Questions:**

1. Please explain whether the sign of the $18,205 amount shown on the 2018 GA Analysis Workform should be a credit or a debit, given Rideau St. Lawrence’s explanation that the net LTLT was deducted and not added.
2. Please confirm that the amount of $14,156 that was recorded line 3b on the 2016 GA Analysis Workform does not need to be reversed on line 3a on the 2017 GA Analysis Workform, as this amount was not included as a 2016 principal adjustment in the 2018 IRM Rate Generator Model, where the 2016 balances were cleared on a final basis.
3. Please explain whether the sign of the $49,250 amount shown on the revised 2017 GA Analysis Workform should be a credit or a debit, given Rideau St. Lawrence’s explanation that the net LTLT was deducted and not added.
4. Please update the 2018 GA Analysis Workform to reflect the reversal of the 2017 accrual of $49,250.
5. Please revise Tab 3 of the 2020 IRM Rate Generator Model to reflect the amounts of $49,250 as both 2017 and 2018 principal adjustments as both an accrual and a reversal.
6. Please revise Tab 3 of the 2020 IRM Rate Generator Model to reflect the amount of $18,205 as a 2018 principal adjustment accrual.
7. Please also update the Account 1588 tables as shown at the above noted seventh reference (Staff-8) and eighth reference (RSL\_Appendix\_A\_to\_GA\_Workform\_20191121\_20191122, page 1), as well as if any Account 1588 principal adjustments for 2017 and 2018 need to be made for LTLT on the 2020 IRM Rate Generator Model.

**Staff Question-18**

Ref: (1) Staff-2

 (2) 2020 IRM Rate Generator Model, Tab 3, January 31, 2020

 (3) Staff-8

 (4) RSL\_Appendix\_A\_to\_GA\_Workform\_20191121\_20191122, page 1

(5) 2017 Global Adjustment (GA) Analysis Workform, January 31, 2020

 (6) 2018 GA Analysis Workform, November 4, 2019

**Preamble:**

At the above noted first reference, Rideau St. Lawrence listed 2017 and 2018 adjustments that are required to both Account 1588 and Account 1589, to reflect the differences between its original approach to RPP settlements and the OEB’s approach articulated in the new accounting guidance. However, these adjustments are not reflected as 2017 and 2018 principal adjustments at the above noted second reference. Although OEB staff notes that the net impact of the 2017 and 2018 principal adjustments would be small, each of these adjustments on a standalone basis are generally not small.

**Questions:**

1. Please revise Tab 3 of the 2020 IRM Rate Generator Model to reflect these amounts as 2017 and 2018 principal adjustments to both Account 1588 and Account 1589.
2. Please also update the 2017 GA Analysis Workform and 2018 GA Analysis Workform.
3. Please also update the Account 1588 tables as shown at the above noted third reference (Staff-8) and fourth reference (RSL\_Appendix\_A\_to\_GA\_Workform\_20191121\_20191122, page 1).

**Staff Question-19**

Ref: (1) 2018 GA Analysis Workform, November 4, 2019

(2) Staff-8

 (3) RSL\_Appendix\_A\_to\_GA\_Workform\_20191121\_20191122, page 1

(4) 2020 IRM Rate Generator Model, Tab 3, January 31, 2020

**Preamble:**

At the above noted first reference (2018 GA Analysis Workform), Rideau St. Lawrence did not include an amount on line 1b “True-up of GA Charges based on Actual Non-RPP Volumes - current year.”

**Questions:**

1. Please explain why no amount was included on line 1b “True-up of GA Charges based on Actual Non-RPP Volumes - current year.”
2. Please update the 2018 GA Analysis Workform and 2020 IRM Rate Generator Model as 2018 principal adjustments, if required, as well as addressing any associated impacts on Account 1588 in the 2020 IRM Rate Generator Model.
3. Please also update the Account 1588 tables as shown at the above noted second reference (Staff-8) and third reference (RSL\_Appendix\_A\_to\_GA\_Workform\_20191121\_20191122, page 1).

**Staff Question-20**

Ref: (1) 2017 GA Analysis Workform, January 31, 2020

 (2) EB-2017-0265, Staff 5-b, December 21, 2017

**Preamble:**

At the above noted first reference (2017 GA Analysis Workform), Rideau St. Lawrence included an adjustment of $47,286 on line 1a “True-up of GA Charges based on Actual Non-RPP Volumes - prior year.” Rideau St. Lawrence provided an explanation for this item as “True-up of Non-RPP GA charge for 2016 was recorded in the beginning of 2017. Not included in 2018 disposition.”

At the above noted second reference, Rideau St. Lawrence stated that this amount was booked in the 2017 GL.

**Question:**

1. Please provide more detail regarding this adjustment of $47,286 and why it is not included as a 2017 principal adjustment in the 2020 IRM Rate Generator Model, and if there are any impacts on Account 1588.