**Orangeville Hydro Limited**

**EB-2019-0060**

**Staff Question-1**

**Ref: Sheet 1. Information Sheet, cell F34**

In reference to Question #2 of the Information Sheet, Orangeville Hydro indicated that the 2014 balances of Accounts 1588 and 1589 were last approved for disposition in 2016.

In the OEB’s Decision and Rate Order for Orangeville Hydro’s 2017 rate application (EB-2016-0098), the OEB approved the disposition of the balances in accounts 1588 and 1589 as of December 31, 2015.

Does Orangeville Hydro agree that the response to Question #2 of the Information Sheet should be 2015 and not 2014? If so, please correct the attached model.

Orangeville Hydro Response

Yes, Orangeville Hydro agrees that the response to Question #2 should be 2015. The model is now correct.

**Staff Question-2**

**Ref: Sheet 1. Information Sheet, cell F37**

In reference to Question #3 of the Information Sheet, Orangeville Hydro indicated that the Group 1 DVA balances were last approved for disposition in 2014.

In the OEB’s Decision and Rate Order for Orangeville Hydro’s 2018 rate application (EB-2017-0068), the OEB approved the disposition of the balances of all Group 1 accounts (except accounts 1588 and 1589) as of December 31, 2016.

Does Orangeville Hydro agree that the response to Question #3 of the Information Sheet should be 2016 and not 2014? If so, please correct the attached model.

Orangeville Hydro Response

Yes, Orangeville Hydro agrees that the response to Question #3 should be 2016. The model is now correct.

**Staff Question-3**

**Ref: IRM Rate Generator, Sheet 6**

The following table displays the class A consumption data as entered by Orangeville Hydro on Sheet 6 of the IRM Rate Generator model as well as Orangeville Hydro’s RRR filing figures for the 2018 and 2019 years.



1. Please explain the variances in kilowatt hours between what has been filed in the IRM rate generator model and the RRR filing.
2. If necessary, please update the attached model.

Orangeville Hydro Response

The Class A consumption data has been reviewed and is correct, therefore the attached model is correct. The RRR filing numbers are incorrect. A RRR revision request will be sent to the OEB. OHL has included consumption data for Class A customers for all three years, even though we are not requesting disposition of account 1589 for 2017 or 2018.

**Staff Question-4**

**Ref: LRAMVA**

Orangeville has requested approval of an LRAMVA amount of $63,587. This amount is for lost revenues in 2018 from programs delivered in 2018 as well as lost revenues from persisting savings from programs delivered between 2011 and 2017.

1. Orangeville has included 490,872 kWh of savings to the Save on Energy Instant Discount Program. This does not appear to match the savings in the P&C Report. Please review the 2018 incremental energy savings from the April 2019 P&C Report and discuss why the following savings are not shown in the work form:
   1. Save on Energy Heating and Cooling Program 101,423 kWh
   2. Save on Energy Instant Discount Program 377,270 kWh
   3. Save on Energy Smart Thermostat Program 7,022 kWh
   4. If any changes are required, please update the work form and indicate the impact to the LRAMVA total.

Orangeville Hydro Response

The Save on Energy Heating and Cooling Program incremental savings of 101,423kWh, The Save On Energy Instant Discount Program of 380,397 kWh and the Save on Energy Smart Thermostat Program of 7,022 kWh have been included in the LRAMVA workform. The impact of Staff Question 4-a to the LRAMVA total is -$9.70.

1. Similar to the question above, please discuss the difference between the Save on Energy Small Business Lighting energy savings total included within the work form (78,687 kWh) and the total shown in the April 2019 P&C Report (56,161 kWh).

Orangeville Hydro Response

For the Save on Energy Small Business Lighting energy savings, Orangeville Hydro utilized the IESO’s 2017 Program Evaluation, also known as the “2017 Final Verified Annual LDC CDM Program Results” to determine the net to gross rates to be applied to the 2018 program year savings. Upon responding to Staff Questions, OHL was able to use the Detailed Project Level Savings file as provided by the IESO for the 2018 CFF Program year to obtain the Net Energy Savings that match the April 2019 P&C report, as follows:



OHL followed the same methodology to get to the Net kWh savings as a result of this finding, based on the Detailed Project Level Savings file as provided by the IESO.

The results were as follows for Retrofit:



The results were as follows for Business Refrigeration Program:



OHL concludes that the April 2019 P&C report is incomplete, and has submitted in the LRAMVA work form the total obtained from the Detailed Project Level Savings for non-residential programs as the more accurate 2019 Unverified results.

1. Please provide an explanation that supports the inclusion of persisting savings from 2011, 2012, 2013 and 2014 CDM programs in 2018 when Orangeville had an updated load forecast and CDM threshold approved as part of its 2014 COS. Please provide the basis for the 2014 LRAMVA threshold and clearly indicate that actuals from 2011, 2012, 2013 or 2014 were not factored into the load forecast.

Orangeville Hydro Response

OHL has continued to include the persisting savings from 2011, 2012, 2013 and 2014 CDM programs in 2018. Although an estimate of CDM savings was included in OHL’s 2014 load forecast, it was based on estimated savings. The LRAMVA model allows LDC’s to recover the difference between the forecasted savings and the actual savings which is why these amounts were left in the model for the period of 2011-2014.

OHL has included a revised OHL\_2020\_Generic\_LRAMVA\_Work\_Form20200219.

**OEB-Staff Question-5**

Orangeville Hydro has indicated that it has implemented the OEB’s February 21, 2019 accounting guidance retroactive to January 1, 2019, and has only reviewed its 2016 historical balances in Accounts 1588 and 1589 in the context of the new accounting guidance. To that end, is Orangeville Hydro seeking final disposition for only its 2016 historical balances as part of its current application?

Orangeville Hydro response

Yes, although Orangeville Hydro has implemented the accounting guidance for 2016 to January 1, 2019, Orangeville Hydro has chosen to request disposition of 2016 balances only.

**OEB-Staff Question-6**

**Ref: GA Analysis Workform**

Please explain the nature of adjustments 2a and 2b in Note 5 of the 2016 GA Analysis Workform. In particular, please explain what these adjustment pertain to, why are they needed, and how were they calculated. Also, in the context of the difference between the 1st GA estimate and the actual GA, please explain why it is appropriate to record the adjustment in 2a as a credit and 2b as a debit.

Orangeville Hydro Response

Please see the table below for calculations. Adjustments 2a and 2b pertain to the adjustment between the 1st estimate billed revenues and the Non-RPP revenues calculated at actual GA estimate. When calculated both amounts were a decrease in GA based on the final GA amount, which would increase the GA variance amount in the year it pertains to. The amount is 2a is a reversal because it pertains to 2015 Unbilled that should be reversed in 2016.



**OEB Staff Question-7**

**Ref: GA Analysis Workform**

Per Note 5 in the 2016 GA Analysis Workform, Orangeville Hydro has indicated that a total principal adjustment credit of $190,147 is required for Account 1589. Please reconcile this balance to the 2016 principal adjustment that Orangeville Hydro has actually recorded in the 2016 DVA continuity schedule.

Orangeville Hydro Response

Please see table below for explanation. The amount has changed slightly as it now includes the adjustment from OEB Staff Question #9.



**OEB Staff Question-8**

**Ref: GA Analysis Workform**

Please confirm that adjustment 1b represents the true-up of the RPP vs Non-RPP split charge type 148.

Orangeville Hydro Response

Yes, the amount in adjustment 1b pertains to the true up of the RPP vs Non-RPP split for charge type 148. It is the adjustment between charge type 148 on the IESO invoice from the initial submission and the Power GA split from 2nd true up of the OEB accounting guidance.

**OEB Staff Question-9**

**Ref: GA Analysis Workform**

Please quantify the impact of the difference between actual system losses and billed TLFs and input the amount in Note 5 of the GA Analysis Workform.

Orangeville Hydro Response

The difference between the actual system losses and billed TLFs is -$ 25,712. This has been input into Note **7** of the GA Analysis Workform.

**OEB Staff Question-10**

**Ref: GA Analysis Workform**

Orangeville Hydro has recorded a principal adjustment credit of $153,255 to Account 1588 in the 2016 GA Analysis Workform. Please provide a breakdown and supporting explanation for each of the adjustments that comprises the total amount.

Orangeville Hydro Response

The principal adjustment has changed with the revisions of the GA Workform through using the OEB accounting guidance to be an adjustment of $44,720. Please see below for the updated Analysis for Account 1588.

