



BY EMAIL

August 21, 2020

Malcolm McCallum
Westario Power Inc.
24 Eastridge Road
Walkerton ON N0G 2V0
malcolm.mccallum@westario.com

Dear Mr. McCallum:

Re: EB-2020-0062 Westario Power Inc. - Application for 2021 Rates

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 Westario Power Inc. (Westario Power) application at this time. The OEB will commence processing the application after the noted information is filed.

The missing information includes:

Chapter 3 Filing Requirement Reference (page #)	Description
Page 13	On page 13 of the Chapter 3 Filing Requirements, the OEB states that "if the distributor is adjusting the Account 1589 balance that was previously approved on an interim basis, the GA Analysis Workform is required to be completed from the year after the distributor last received final disposition for Account 1589."

¹ Chapter 3 of the *Filing Requirements for Electricity Distribution Applications Rate Applications*, dated May 14, 2020

	<p>In Section 8 of the Manager's Summary, Westario states that "there are no adjustments to any deferral and variance account balances previously approved by the OEB on a final basis were made. An OEB audit of Westario Power's 1588 and 1589 account balances was completed for the years 2016–2018. There are prior period adjustments required for either of these accounts that were disposed of on an interim balance". However, Westario Power did not provide the GA Analysis Workform from the year after the last final disposition. Instead, it has only provided the GA Analysis Workform for 2019.</p> <p>Please provide the GA Analysis Workform for the years 2016, 2017 and 2018. Please also fill out the "Principal Adjustments" Tab in the GA Analysis Workform, given there are prior period adjustments.</p>
n/a	<p>Page 9 of Westario Power's 2020 IRM Decision and Rate Order states the following:</p> <p><i>"While Westario Power has implemented certain adjustments to accounts 1588 and 1589 for the period 2016-2018 that would suggest it has made significant progress toward implementing the OEB's February 2019 accounting guidance, the OEB is not prepared to dispose of the 2016 to 2018 variances on a final basis in advance of the completion of the OEB's inspection. However, the OEB agrees with Westario Power that disposition at this time would assist in mitigating the accumulation of carrying charges as well as having regard to intergenerational inequity. The OEB therefore approves the disposition of the requested balances on an interim basis.</i></p> <p><i>The OEB expects that Westario Power will provide further verification of its Group 1 account balances (as of December 31, 2019) in its 2021 incentive rate-setting application."</i></p> <p>Other than the Certification of Evidence filed in Appendix 5, Westario Power has not filed any further verification of its Group 1 account balances.</p> <p>Please provide details of the further verification. Please also provide a copy of the OEB's inspection report.</p>
Pages 13-14	<p>On pages 13 and 14 of the Chapter 3 Filing Requirements, the OEB states that "distributors are also expected to consider this accounting guidance in the context of historical pre-2019 balances that have yet to be disposed on a final basis. In order to request final disposition of these historical balances as part of the current application, distributors must provide confirmation that these historical balances</p>

	<p>have been considered and provide a summary of the review performed. Distributors must also discuss the results of the review, whether any systemic issues were noted, and whether any material adjustments to the account balances have been recorded. A summary and description of each adjustment made to the historical balances must be provided in the application.”</p> <p>Other than the Certification of Evidence filed in Appendix 5, Westario Power has not provided a summary of the review of the historical balances that were disposed on an interim basis, the results of the review and a summary and description of each adjustment made to the historical balances.</p> <p>Please provide a summary of the review and the results of the review, as well as a summary and description of each adjustment made to the historical balances.</p>
--	--

The OEB expects that Westario 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 Arturo Lau at arturo.lau@oeb.ca or at 416-440-8109. The OEB's toll-free number is 1-888-632-6273.

Yours truly,

Original Signed By

Christine E. Long
Registrar and Board Secretary