

**Lakefront Utilities  
EB-2020-0036**

**Staff Question-1**

Ref 1: Rate Generator Model, Tab 3 (LV Account Balance)

Ref 2: EB-2019-0050, IRM Rate Generator, Tab 3

Since the 2017 cost of service proceeding, the Account 1550 principal balance has increased from \$807,548 (2018) to \$1,606,198 (2019). With projected interest charges included up to December 31, 2020, Account 1550 has a debit balance of \$1,669,153. Although there has been no disposition of Group 1 balances since its last cost of service proceeding, the Account 1550 balance remains the largest Group 1 account balance.

- a) Please provide a quantitative analysis showing actual charges billed to customers and low voltages charges paid to Hydro One in 2017, 2018 and 2019.
- b) Does Lakefront Utilities' assess its 2019 closing balance for Account 1550 to be reasonable? Please explain.

**Staff Question-2**

Ref 1: Rate Generator Model, Tab 3 (CBR Class A Balance in RRR 2.1.7)

Account 1580 (sub-account CBR Class A) should have a nil balance. However, the 2.1.7 RRR balance reported for this account is \$9.37 as of December 31, 2019.

- a) Please explain why there is a balance of \$9.37 recorded in 2.1.7 RRR for Account 1580 (sub-account CBR Class A) as of December 31, 2019.
- b) Please explain what the interest amount of \$9.41 in the DVA continuity for Account 1580 (sub-account CBR Class A) relates to, as the principal balance for this account is nil as of December 31, 2019.

### Staff Question-3

Ref 1: Rate Generator Model, Tab 3, revised Oct 7, 2020 (Attachment)

Please review the 2015 principal adjustments column in Tab 3 of the Rate Generator Model (attachment) as updated by OEB staff. OEB staff entered \$63,811 in the 2015 principal adjustments column for Account 1580 sub-account CBR Class B, as this approved balance relates to the 2015 rate year.

It appears that Lakefront may have entered \$63,811 as a principal adjustment in the 2016 rate year column, as the applicable cell in the 2015 principal adjustments column was blacked out in the DVA continuity schedule.

- a) Please confirm whether Lakefront Utilities agrees with the proposed update in Tab 3 of the Rate Generator Model.

### Staff Question-4

Ref 1: GA Analysis Workform, Tab "GA 2016" (Note 2)

Ref 2: Rate Generator Model, Tab 4 (2016 consumption)

In Note 2 of Tab "GA 2016", there are discrepancies in the 2016 RPP and non-RPP volumes reported in the GA Analysis Workform and Tab 4 of the Rate Generator Model (RGM).

	GA Analysis Workform (non-RPP kWh, excl WMP)	RGM, Tab 4 metered consumption (non-RPP kWh, excl WMP)	% Difference
2016	128,847,964	133,964,971	-3.8%
	GA Analysis Workform (RPP kWh)	RGM, Tab 4 metered consumption (RPP kWh, calculated)	% Difference
2016	108,603,547	103,486,539	4.9%

- a) Please confirm there were no non-RPP class A volumes in 2016.
- b) Please explain why the total 2016 non-RPP volumes from the GA Analysis Workform (128,847,964 kWh) are 3.8% lower than the 2016 non-RPP volumes in Tab 4 of the Rate Generator Model (133,964,971 kWh).

- c) Please explain why the 2016 RPP volumes from the GA Analysis Workform (108,603,547 kWh) are 4.9% higher than the 2016 RPP volumes in Tab 4 of the Rate Generator Model (103,486,539 kWh).
- d) Please confirm accuracy of the calculated loss factor in 2016. Should the calculated loss factor be 1.0228 in 2016, or 3.19% lower than the approved loss factor of 1.0565 (rather than 0.7% higher)?
- e) Please advise whether RRR 2.1.5.4 needs to be amended based on the discrepancies in 2016 RPP and non-RPP volumes identified in the GA Analysis Workform and Rate Generator Model.

### Staff Question-5

Ref 1: GA Analysis Workform, Tab "GA 2019" (Note 2)

Ref 2: Rate Generator Model, Tab 4 (2019 consumption)

In Note 2 of Tab "GA 2019", there are discrepancies in the 2019 RPP and non-RPP volumes reported in the GA Analysis Workform and Tab 4 of the Rate Generator Model (RGM).

	GA Analysis Workform (non-RPP kWh, excl WMP)	RGM, Tab 4 metered consumption (non-RPP kWh, excl WMP)	% Difference
2019	136,543,890	128,231,390	6.5%
	GA Analysis Workform (RPP kWh)	RGM, Tab 4 metered consumption (RPP kWh, calculated)	% Difference
2019	110,491,127	118,803,627	-7.0%

- a) Please explain why the total 2019 non-RPP volumes from the GA Analysis Workform (136,543,890 kWh) are 6.5% higher than the 2019 non-RPP volumes in Tab 4 of the Rate Generator Model (128,231,390 kWh).
- b) Please confirm accuracy of the 2019 volumes for non-RPP class A and B customers in Note 2 of Tab "GA 2019". Please revise the entries as applicable.

- c) Please explain why the 2019 RPP volumes from the GA Analysis Workform (110,491,127 kWh) are 7% lower than the 2019 RPP volumes in Tab 4 of the Rate Generator Model (118,803,627kWh).
- d) Please confirm accuracy of the calculated loss factor of 1.0422 in 2019, as shown in Tab "GA 2019".
- e) Please advise whether RRR 2.1.5.4 needs to be amended based on the discrepancies in 2019 RPP and non-RPP volumes identified in the GA Analysis Workform and Rate Generator Model.

### **Staff Question-6**

Ref 1: 1595 Analysis Workform, Tabs "2014 and pre-2014(1)"

Ref 2: EB-2019-0050, Lakefront Responses to OEB Staff Questions (#5), October 15, 2019

In Tab "2014 and pre-2014(1)":

- a) Please select the 2012 year in the drop-down box, if Lakefront Utilities confirms that the analysis of 1595 account balances relate to sub-account 1595(2012).
- b) Please explain why the residual balance in subaccount 1595 (2012) was not cleared in the 2017 cost of service proceeding.
- c) Please clarify what the residual balance of \$100,353 within group 1 and 2 accounts still includes.

### **Staff Question-7**

Ref 1: Application, p. 7 (Status Update on Audit)

Ref 2: EB-2019-0050, Decision and Rate Order, p. 8

At the time of Application, Lakefront Utilities indicated that the OEB audit on the utility's RPP settlement processes has not yet commenced.

- a) If Lakefront Utilities has not received the OEB audit report in time for integration in this proceeding, please confirm its plans to implement any recommendations resulting from the OEB audit in its 2022 rate application.

- b) When Lakefront Utilities receives the results of the OEB audit, please confirm that it will consider all adjustments to be made to the applicable account balances and reflect the changes in the re-filed RRRs, DVA continuity schedule and related Workforms (including Account 1589 and Account 1595). As well, please confirm it will endeavor to implement the necessary changes to its RPP settlements.

### **Staff Question-8**

Ref: All models filed with 2021 IRM application

- a) Based on Lakefront Utilities' responses to the above questions, please re-file all applicable models, workforms and/or appendices to reflect updates.
- b) If there are any updates to RRR balances, please confirm that Lakefront Utilities will submit a revision request to the OEB's Performance Analytics & Reporting Group and notify the case manager when the RRR amendment is complete.
- c) Please summarize all updates to the application, model(s) and/or appendices submitted in this proceeding.