

Oakville Hydro Electricity Distribution Inc.
2021 Price Cap IR Application (EB-2021-0045)
Response to OEB Staff Interrogatories

Staff Question-1

Ref: Manager's Summary Appendix 3, Page 79 of 708

Ref: A portion of Tab 2 "Current Tariff Schedule" is reproduced below

microFIT SERVICE CLASSIFICATION		
This classification applies to an electricity generation facility contracted under the Independent Electricity System Operator's microFIT program and connected to the distributor's distribution system. Further servicing details are available in the distributor's Conditions of Service.		
APPLICATION		
The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.		
No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.		
Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.		
It should be noted that this schedule does not list any charges, assessments, or credits that are required by law to be invoiced by a distributor and that are not subject to the Ontario Energy Board approval, such as the Global Adjustment and the HST.		
MONTHLY RATES AND CHARGES - Delivery Component		
Service Charge	\$	5.40

OEB staff notes that Oakville Hydro's current tariff schedule is not the correct version as it did not reflect the microFIT service charge of \$4.55 as per EB-2019-0059¹. OEB Staff has provided a revised Rate Generator Model with this correction.

- a) Please confirm Oakville Hydro's acceptance of the change made in the updated model.

Response:

Oakville Hydro confirm its acceptance of the change made in the updated model.

¹ Partial Decision and Rate Order issued April 16, 2020, page 17.

Staff Question-2

Ref 1: Rate Generator Model, Tab 12 – RTSR Historical Wholesale

Ref 2: Rate Generator Model, Tab 11 – RTSR – UTRs & Sub-Tx

On Tab 12 RTSR Historical of the IRM model, Oakville Hydro entered the wholesale monthly billing information for the Network charge and Line Connection charge sections in the IESO table and Hydro One table, respectively.

A portion of reference 1 and 2 are reproduced below:

Hydro One	Network			Line Connection			Transformation Connection			Total Connection
Month	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Amount
January	53,364	\$3.1942	\$ 170,454		\$0.0000		53,364	\$1.7493	\$ 93,349	\$ 93,349
February	49,043	\$3.1942	\$ 156,653		\$0.0000		49,043	\$1.7493	\$ 85,791	\$ 85,791
March	48,191	\$3.1942	\$ 153,931		\$0.0000		48,479	\$1.7493	\$ 84,803	\$ 84,803
April	43,004	\$3.1942	\$ 137,363		\$0.0000		43,004	\$1.7493	\$ 75,226	\$ 75,226
May	47,520	\$3.1942	\$ 151,788		\$0.0000		47,520	\$1.7493	\$ 83,127	\$ 83,127
June	63,191	\$3.1942	\$ 201,845		\$0.0000		63,191	\$1.7493	\$ 110,540	\$ 110,540
July	67,620	\$3.2915	\$ 222,571		\$0.0000		67,620	\$1.9755	\$ 133,583	\$ 133,583
August	62,704	\$3.2915	\$ 206,390		\$0.0000		62,704	\$1.9755	\$ 123,872	\$ 123,872
September	55,442	\$3.2915	\$ 182,488		\$0.0000		55,442	\$1.9755	\$ 109,526	\$ 109,526
October	50,563	\$3.2915	\$ 166,428		\$0.0000		50,563	\$1.9755	\$ 99,887	\$ 99,887
November	42,892	\$3.2915	\$ 141,179		\$0.0000		42,892	\$1.9755	\$ 84,733	\$ 84,733
December	40,466	\$3.2915	\$ 133,194		\$0.0000		40,466	\$1.9755	\$ 79,940	\$ 79,940
Total	623,999	\$ 3.2440	\$ 2,024,284	-	\$ -	\$ -	624,287	\$ 1.8651	\$ 1,164,379	\$ 1,164,379

- a) With respect to the Line Connection charge, please confirm that Oakville Hydro is charged by Hydro One only for the Network and Transformation Connection (i.e. there is no Line Connection charge paid to Hydro One). If this is not the case, please explain why there is no Line Connection Rate populated in the section below.

Response:

Oakville Hydro confirms that it is charged by Hydro One only for the Network and Transformation Connection.

- b) Please explain why the Network, Connection and Transformation Connection rates from July to December do not reconcile to the 2019 UTR for Network, Connection and Transformation Connection rates. If necessary, please update the input cells affected by this misalignment.

Uniform Transmission Rates	Unit	2019 Jan to Jun	2019 Jul to Dec	2020	2021
Rate Description		Rate	Rate	Rate	Rate
Network Service Rate	kW	\$ 3.71	\$ 3.83	\$ 3.92	\$ 3.92
Line Connection Service Rate	kW	\$ 0.94	\$ 0.96	\$ 0.97	\$ 0.97
Transformation Connection Service Rate	kW	\$ 2.25	\$ 2.30	\$ 2.33	\$ 2.33

IESO Month	Network			Line Connection			Transformation Connection			Total Connection Amount
	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Units Billed	Rate	Amount	
January	193,141	\$3.71	\$ 716,553	210,754	\$0.94	\$ 198,109	174,181	\$2.25	\$ 391,907	\$ 590,01
February	190,905	\$3.71	\$ 708,258	202,199	\$0.94	\$ 190,067	165,612	\$2.25	\$ 372,627	\$ 562,69
March	188,619	\$3.71	\$ 699,776	199,133	\$0.94	\$ 187,185	162,337	\$2.25	\$ 365,258	\$ 552,44
April	161,658	\$3.71	\$ 599,751	179,013	\$0.94	\$ 168,272	149,141	\$2.25	\$ 335,567	\$ 503,83
May	156,732	\$3.71	\$ 581,476	167,934	\$0.94	\$ 157,858	139,620	\$2.25	\$ 314,145	\$ 472,00
June	238,056	\$3.71	\$ 883,188	257,027	\$0.94	\$ 241,605	214,858	\$2.25	\$ 483,430	\$ 725,03
July	249,426	\$3.71	\$ 925,372	281,105	\$0.94	\$ 264,239	225,311	\$2.25	\$ 506,949	\$ 771,18
August	264,495	\$3.71	\$ 981,277	274,230	\$0.94	\$ 257,776	226,520	\$2.25	\$ 509,671	\$ 767,44
September	232,170	\$3.71	\$ 861,352	243,136	\$0.94	\$ 228,548	197,242	\$2.25	\$ 443,794	\$ 672,34
October	204,526	\$3.71	\$ 758,792	209,381	\$0.94	\$ 196,818	173,842	\$2.25	\$ 391,145	\$ 587,96
November	193,896	\$3.71	\$ 718,611	211,102	\$0.94	\$ 198,436	171,435	\$2.25	\$ 385,728	\$ 584,16
December	215,904	\$3.71	\$ 801,002	227,766	\$0.94	\$ 214,100	181,905	\$2.25	\$ 409,287	\$ 623,38
Total	2,489,328	\$ 3.71	\$ 9,235,408	2,662,781	\$ 0.94	\$ 2,503,014	2,182,004	\$ 2.25	\$ 4,909,509	\$ 7,412,52

Response:

Oakville Hydro inadvertently populated the incorrect units billed for Network, Connection and Transformation Connection from July to December 2019. Oakville Hydro has updated the units billed in Tab 12 – RTSR Historical Wholesale of 2021 IRM Rate Generator Model, which will be filed separately.

Staff Question-3

Ref: Manager's Summary, Page 9

Ref: 2021 GA Analysis Workform

In its pre-filed evidence, Oakville Hydro indicated that, upon completion of the 2018 OEB inspection², it made corrections to the Account 1588 and 1589 balances as at December 31, 2018. However, per the decision and rate order³ for Oakville Hydro's 2019 rates, it appears that all adjustments from the inspection were made to the 2017 balances.

- a) Please confirm whether all adjustments arising from the inspection were made to the 2017 balances approved for disposition.

Response:

Oakville Hydro confirms that all adjustments arising from the inspection were made to the 2016 and 2017 balances approved for disposition.

- b) Please confirm that Oakville Hydro is referring to the fact that it recorded the corrections noted above in the 2018 general ledger, rather than in the 2017 general ledger.

Response:

Oakville Hydro confirms that it is referring to the fact that it recorded the corrections to the Account 1588 and 1589 balances in the 2018 general ledger.

² Inspection Report – Oakville Hydro Electricity Distribution Inc., Inspection of Processes Related to RPP Settlement and Global Adjustment, August 2018

³ Pages 9-10, EB-2018-0059, Revised January 7, 2019

- c) If not confirmed, please explain whether further adjustments were made beyond the adjustments made to the 2017 balances that was discussed in the 2019 rate application.

Response:

Oakville Hydro has confirmed that it is referring to the fact that it recorded the corrections to the Account 1588 and 1589 balances in the 2018 general ledger.

- d) If further adjustments were made, please quantify each of the adjustments, explain the reason for each of the adjustments, and indicate which fiscal year they are recorded in the general ledger.

Response:

Oakville Hydro has confirmed that it is referring to the fact that it recorded the corrections to the Account 1588 and 1589 balances in the 2018 general ledger.

- e) In the 2018 GA Analysis Workform, there is a reconciling item of (\$1,240,162) for “Embedded Generation charge per OEB August 2018 Inspection Report”. In the Inspection Report that was filed on record⁴ in the 2019 rate proceeding, an adjustment of \$1,240,162 was required for Account 1589.
- i. Please confirm that the \$1,240,162 adjustment was made to the 2017 balance approved for disposition.

Response:

Oakville Hydro confirms that the \$1,240,162 adjustment (\$1,744,327 debit adjustment and \$504,165 credit adjustment) were made to the 2017 balance approved for disposition. Please refer to response to OEB Staff Question #1 of 2019 IRM Interrogatories (EB-2018-0059)⁵

Account 1589	2016 Principal	2017 Principal	Sub-total	2016 Interest	2017 Interest	Total
Global Adjustment True Up	\$ 1,744,327	\$ (504,165)	\$ 1,240,162	\$ 19,188	\$ (5,546)	\$ 1,253,804

- ii. Please confirm that this adjustment was not recorded in the GL until 2018.

Response:

Oakville Hydro confirms that the \$1,240,162 adjustment was recorded in the 2018 GL.

⁴ Oakville Hydro Electricity Distribution Inc. - Inspection of Processes Related to RPP Settlement and Global Adjustment, filed September 5, 2018

⁵ Page 2-3, Response to OEB Staff Interrogatories(EB-2018-0059), filed November 2, 2018

- iii. Please confirm that this adjustment is included in the “Net Change in Principal Balance in the GL” of \$404,604 in the GA Analysis Workform, and therefore needs to be reversed.

Response:

Oakville Hydro confirms that the \$1,240,162 adjustment is included in the “Net Change in Principal Balance in the GL” of \$404,604 in the GA Analysis Workform, and therefore it needs to be reversed.

- iv. If the above i to iii is not confirmed, please explain the reason for the reconciling item in the 2018 GA Analysis Workform.

Response:

Oakville Hydro confirmed Question i to iii.

- v. If the above i to iii is confirmed, please explain why this adjustment is not a principal adjustment in the principal adjustment tab for 2018, which is reflected in the DVA Continuity Schedule.

Response:

The \$1,240,162 adjustment (\$1,744,327 debit adjustment and \$504,165 credit adjustment) is included as a principal adjustment in the principal adjustment tab for 2018 as shown in the tables on the following page.

Year	Account 1589 - RSVA Global Adjustment		
	Adjustment Description	Amount	Year Recorded in GL
2018	<i>Reversals of prior approved principal adjustments (auto-populated from table above)</i>		
	1 Remove prior year end unbilled to actual revenue differences	353,932.11	2018
	2 2016 GA Allocation -Per Inspection Report Page A-1 of 5	(1,744,327.00)	2018
	3 2017 GA Allocation -Per Inspection Report Page A-1 of 5	504,165.00	2018
	4		
	5		
	6		
	7		
	8		
	Total Reversal Principal Adjustments	(886,230)	
2018	<i>Current year principal adjustments</i>		
	1 CT 148 true-up of GA Charges based on actual Non-RPP volumes	(864,908)	2019
	2 Unbilled to actual revenue differences		
	3 Remove GA balances pertaining to Class A customers	401,039	2019
	4		
	5		
	6		
	7		
	8		
	Total Current Year Principal Adjustments	(463,869)	
	Total Principal Adjustments to be Included on DVA Continuity	(1,350,099)	

Year	Account 1588 - RSVA Power		
	Adjustment Description	Amount	Year Recorded in GL
2018	<i>Reversals of prior approved principal adjustments (auto-populated from table above)</i>		
	1 2016 GA Allocation -Per Inspection Report Page A-1 of 5	1,744,327.00	2,018
	2 2017 GA Allocation -Per Inspection Report Page A-1 of 5	(504,165.00)	2,018
	3 2016 Generation Adjustment (OEB inspection Report , Page A-1)	484,939.48	2,018
	4 2017 Generation Adjustment (OEB inspection Report , Page A-1)	482,395.88	2,018
	5		
	6		
	7		
	8		
	Total Reversal Principal Adjustments	2,207,497	
2018	<i>Current year principal adjustments</i>		
	1 CT 148 true-up of GA Charges based on actual RPP volumes	864,908	2,019
	2 CT 1142 true-up based on actuals		
	3 Unbilled to actual revenue differences		
	4 CT148 trueup of GA based on actual RPP volumnes for 2016 and 2017	(1,373,826)	2,018
	5		
	6		
	7		
	8		
	Total Current Year Principal Adjustments	(508,918)	
	Total Principal Adjustments to be Included on DVA Continuity Schedule	1,698,579	

- f) In the 2019 GA Analysis Workform, there is a reconciling item of (\$246,223) to “remove Class B GA due to change in reported generation for 2018”. Please provide further details on what this reconciling item is for. Please also explain how this reconciling item relates to the adjustments identified in the 2018 Inspection Report.

Response:

The reconciling item of (\$246,223) to “remove Class B GA due to change in reported generation for 2018” does not relate to the adjustments identified in the 2018 Inspection Report.

Oakville Hydro did not submit the "Embedded Generation Offsetting Load" in the correct field in the IESO's web portal from July 2018 to December 2018. This was corrected in 2019 by submitting the correct "Embedded Generation Offsetting Load" through the portal.

The IESO charged Oakville Hydro \$246,223 as Charge Type 2148 - Adjustment of Class B Global Adjustment due to change in reported embedded generation for July 2018 to December 2018 in Oakville Hydro's June 2019 invoice.

Oakville Hydro has updated the GA workform model to record the \$246,223 in 2018 in the GA workform model.

Staff Question-4

Ref: Manager's Summary, Page 8

Oakville Hydro indicated that it reviewed its 2016, 2017 and 2018 balances in the context of the new accounting guidance.

- a) Please provide a summary of the review performed and discuss the results of the review.

Response:

Oakville Hydro used the OEB template to calculate the regulated price plan claim based on actual kWh and actual global adjustment rate for each month in 2016, 2017 and 2018. Oakville Hydro then compared the resulting claim amounts to the amounts that it actually claimed. The difference over the three-year period was only \$52,810.

- b) Please indicate whether any systemic issues were noted. If so, please discuss the systemic issues.

Response:

When calculating its regulated price plan claim prior to the implementation of the OEB's new accounting guidance, Oakville Hydro applied the second estimate of the global adjustment rate to the billed kWh for the billing month. Since the billing month would have included some consumption from the previous month there would have been some level of inaccuracy. However, the resulting difference over the three-year period proved to be immaterial.

- c) Please indicate whether any material adjustments to the account balances have been recorded. If material adjustments were made, provide a summary and description of each adjustment and the associated amounts.

Response:

Oakville Hydro did not make any adjustments to the account balances as a result of its review of the account balances in the context of the new accounting guidance.

Staff Question-5

Ref: 2021 IRM Rate Generator Model, Tab 3

Ref: 2019 IRM Rate Generator Model, Tab 3

Oakville Hydro last disposed 2017 balances on an interim basis in its 2019 rate application⁶. For accounts 1588 and 1589, the ending 2017 balances in the 2019 IRM Rate Generator Model do not agree to the opening 2018 balances in the 2021 IRM Rate Generator Model. The differences are shown in the table below.

⁶ EB-2018-0059

	Principal		Interest	
	1588	1589	1588	1589
2019 Rate Generator	(\$984,056)	\$4,105,038	(\$3,173)	\$56,962
2021 Rate Generator	\$1,266,963	\$3,175,287	\$21,588	\$46,735
Difference	\$2,251,019	(\$929,752)	\$24,761	(\$10,227)

- a) Please explain and reconcile the differences between the ending 2017 and opening 2018 balances. If the differences relate to adjustments made due to the inspection, please clearly indicate which year the adjustments were made in the GL and in the DVA Continuity Schedule.

Response:

Oakville Hydro populated the opening balance of Account 1588 and 1589 in the 2021 IRM Rate Generator Model filed on August 17, 2020 based on the balance in its general ledger rather than the ending balance in the 2019 IRM Rate Generator Model.

Oakville Hydro has updated its 2021 IRM Rate Generator, which will be filed separately, with the closing balance of the 2019 IRM Rate Generator Model. As shown in the table below, the closing balance of the 2019 IRM Rate Generator Model now reconciles with the opening balance of the updated 2021 IRM Rate Generator Model.

2017 Ending Balance				
Item	Principal 1588	Principal 1589	Interest 1588	Interest 1589
2019 Rate Generator	\$ (984,056)	\$ 4,105,038	\$ (3,173)	\$ 56,962
Updated 2021 Rate Generator	\$ (984,056)	\$ 4,105,038	\$ (3,173)	\$ 56,962
Difference	\$ 0	\$ (0)	\$ 0	\$ 0

- b) Please explain whether the opening 2018 balances in the 2021 Rate Generator Model agree to the balances in Oakville Hydro's GL. If not, please explain how the opening 2018 balances are derived.

Response:

The opening 2018 balances in the 2021 Rate Generator Model do not agree to the balances in Oakville Hydro's GL as the opening 2018 balances in the 2021 Rate Generator Model includes the principal adjustments for 2016 and 2017. These adjustments are not recorded in the GL.

Oakville Hydro updated its 2021 Rate Generator Model. Please refer to Question 5 (a) above. The opening 2018 balances are derived from Oakville Hydro's GL and include the principal adjustments for 2016 and 2017

- c) Please update the DVA Continuity Schedule as necessary.

Response:

Oakville Hydro has updated the DVA Continuity Schedules in the 2021 IRM Rate Generator Model, which will be filed separately.

Staff Question-6

Ref: Manager's Summary, Page 9

Ref: Accounting Procedures Handbook Update, Accounting Guidance Related to Commodity Pass-Through Account 1588 & 1589

In the Manager's Summary, Oakville Hydro indicates that for Account 1588, there will be timing differences due to accrual accounting and "While the settlement process includes a true up to actual consumption and prices, there is no true up to energy revenue or cost of power." Page 34 of the Accounting Guidance suggests that cost of power are required to be trued-up to actuals for Account 1588. Page 35 of the Accounting Guidance states "Differences between unbilled revenue accruals for prior months compared to the actual billings cause timing differences in the commodity variance accounts and need to be reflected in the DVA Continuity Schedule".

- a) Please explain whether Oakville Hydro has trued-up cost of power and associated revenues from estimates to actuals at year-end for Account 1588 and Account 1589.

Response:

Oakville Hydro trues up the regulated price plan settlement amounts on a monthly basis for both account 1588 and account 1589. Oakville Hydro does not true up the cost of power on a monthly basis but waits for the final IESO invoice before closing its books at year end. Oakville Hydro does not have the systems in place to allow it to determine actual energy revenue. However, as part of its review of its processes, Oakville Hydro will assess whether it is appropriate to use the OEB's regulated price plan template to estimate actual energy revenue rather than accrued energy revenue.

- b) If so, please explain whether these true-ups are already recorded in the GL or if they are principal adjustments on the DVA Continuity Schedule.

Response:

The true up of the regulated price plan settlement is recorded in the GL. Since the actual cost of power is recorded once the invoice is received, the actual cost of power is also recorded in the GL. The actual energy revenue amounts billed are not currently available.

However, Oakville Hydro believes that its unbilled revenue accrual is extremely accurate as it is based on hourly smart meter data and it submits that the calculations of these accruals are reviewed carefully by its external auditors at year-end.

- c) If not, please explain why these true-ups were not done. Please quantify the true-up and update the Account 1588 balance in the DVA Continuity Schedule.

Response:

The true ups for the settlement amounts and cost of power are included in DVA Continuity Schedule. Oakville Hydro does not have the ability to quantify actual billed energy and therefore is unable to quantify the true up.

Staff Question-7

Ref: Manager's Summary, Page 9

In Table 6 of the Manager's Summary, Oakville Hydro has compared the cumulative Account 1588 balance to the cost of power. The account balance takes into consideration prior period approved balances that are removed in the current year, which are not considered current year transactions. In general, the amounts recorded in the year for Account 1588 (i.e. the transactions and principal adjustments) are expected, on a net basis, to be minimal. The comparison of current year transactions in Account 1588 to cost of power is shown in the table below.

		Transactions	Principal Adjustment	Net Transactions in the Year	Cost of Power	1588 % of Cost of Power
2019 Rate Generator	2016	1,958,007	(2,229,267)	(271,259)	85,085,621	-0.3%
	2017	(734,566)	21,769	(712,797)	71,230,905	-1.0%
2021 Rate Generator	2018	(898,423)	1,167,508	269,085	82,140,257	0.3%
	2019	(700,132)	(707,814)	(1,407,945)	69,711,904	-2.0%
				(2,122,916)	308,168,687	-0.7%

- a) From the table above, in 2019 the sum of the net transactions is almost twice the magnitude when compared to 2017. Net transactions are 2% of cost of power in 2019. Please explain why the Account 1588 net transactions are substantially greater in 2019 when compared to prior years.

Response:

As discussed in the manager's summary, Oakville Hydro is continuing to review its processes for the preparation, verification and oversight of its variance account balances and therefore is not seeking approval for its Group 1 account balances in this Application⁷. As part of this review, Oakville Hydro will also analyze any variances in account 1588 and 1589 that exceed 1%. Oakville Hydro will complete this review prior to seeking approval for the final disposition of its Group 1 account balances.

Staff Question-8

Ref: 2021 GA Analysis Workform

Regarding principal adjustments in the 2021 GA Analysis Workform:

- a) In the principal adjustment tab, the total Account 1588 principal adjustments included in the most recently approved balances disposed is (\$886,230) while the total Account 1589 principal adjustments included in the most recently approved balances disposed is \$886,230. In the 2019 Rate Generator Model, the 2016 and 2017 principal adjustments for Account 1588 total (\$2,207,497). Please explain why the total Account 1588 principal adjustments included in the most recently approved balances disposed in the 2019 Rate Generator Model do not equal the amounts in the principal adjustment tab of the 2021 GA Analysis Workform,

Response:

Oakville Hydro updated the principal adjustment tab of the 2021 GA Analysis Workform. The table below lists the most recently approved principal adjustments for disposition is a credit balance of \$2,207,497 for Account 1588, and a debit balance of \$886,230 for Account 1589. Oakville Hydro updated the DVA Continuity Schedule in the 2021 Rate Generator and 2021 GA workform, which will be filed separately.

⁷ Manager's Summary, page 10.

Account 1589 - RSVA Global Adjustment			
	Adjustment Description	Amount	To be reversed in current application?
1	Remove prior year end unbilled to actual revenue differences	(353,932)	Yes
2	2016 GA Allocation -Per Inspection Report Page A-1 of 5	1,744,327	Yes
3	2017 GA Allocation -Per Inspection Report Page A-1 of 5	(504,165)	Yes
4			
5			
6			
7			
8			
Total		886,230	
Total principal adjustments included in last approved balance			
Difference		886,230	

Account 1588 - RSVA Power			
	Adjustment Description	Amount	To be Reversed in Current Application?
1	2016 GA Allocation -Per Inspection Report Page A-1 of 5	(1,744,327)	Yes
2	2017 GA Allocation -Per Inspection Report Page A-1 of 5	504,165	Yes
3	2016 Generation Adjustment (OEB inspection Report , Page A-1)	(484,939)	Yes
4	2017 Generation Adjustment (OEB inspection Report , Page A-1)	(482,396)	Yes
5			
6			
7			
8			
Total		(2,207,497)	
Total principal adjustments included in last approved balance			
Difference		(2,207,497)	

- b) In the principal adjustment tab, the 2018 and 2019 principal adjustments for Account 1588 are the exact opposite amounts to the principal adjustments for Account 1589. Please explain why that is the case. In particular,
- Please explain why unbilled to actual revenue true-ups would be the exact opposite amounts for Account 1588 and 1589.

Response:

Oakville Hydro has made adjustments to the principal adjustment tab in response to OEB staff interrogatories and the principal adjustments for account 1588 and 1589 are no longer exact opposites.

- Please explain why Account 1588 would have principal adjustments to remove GA balances pertaining to non-RPP Class A customers when GA Class A amounts are not related to Account 1588. Please also explain why the principal adjustments are exact opposite of the principal adjustments for Account 1589.

Response:

Oakville Hydro updated the DVA Continuity Schedule in the 2021 Rate Generator and GA workform by removing GA balances pertaining to non-RPP Class A customers from the 2018 and 2019 principal adjustment of Account 1588.

- c) Principal adjustments are intended to adjust the balances in the general ledger to the appropriate balance to be requested for disposition. In the 2018 and 2019 tables of the principal adjustment tab, for the “current year principal adjustments”, Oakville Hydro indicates that the principal adjustment is recorded in the general ledger in the current year. For example, in the 2019 table, the first current year principal adjustment for CT 148 for \$176,504 is shown to be recorded in the general ledger in 2019. If this amount was already recorded in the general ledger in 2019, please explain why a principal adjustment is required.

Response:

Oakville Hydro entered the incorrect year in the “Year Recorded in GL” column. Oakville Hydro updated the principal adjustments tab in the GA workform.

Staff Question-9

Ref: 2021 GA Analysis Workform

In the 2019 GA Analysis Workform, OEB staff notes the following:

- a) The “Net Change in Principal Balance in the GL” of \$1,130,130 under Reconciling Items do not agree to the 2019 Transactions in the DVA Continuity Schedule of \$1,173,652. Please explain why and reconcile the difference.

Response:

Oakville Hydro inadvertently populated wrong amount of 2019 GA and Power transactions in the DVA Continuity Schedule. Oakville Hydro updated the DVA Continuity Schedule in the 2021 IRM Rate Generator Model, which will be filed separately.

- b) There is a reconciling item to remove GA balance pertaining to Class A. The new accounting guidance does not contemplate any GA balance pertaining to Class A customers being recorded in Account 1589. Please explain Oakville Hydro’s accounting practices with regards to GA for Class A customers and why there would be a balance pertaining to Class A customers in Account 1589.

Response:

Oakville Hydro bills its Class A customers based upon actual Class A Global Adjustment Charges charged by IESO. The balance pertaining to Class A customers in the Account 1589 at the end of the year is due to differences between accrual and actual.

Staff Question-10

Ref: LRAMVA Workform, Tab 3 & Tab 5

The 2019 Distribution Rate for the Residential Rate Class has been entered as \$0.00/kWh.

- (a) Please confirm the 2019 Distribution Rate for the Residential Rate Class and update the LRAMVA Workform, as required.

Response:

Oakville Hydro confirms that the 2019 variable rate for the residential rate class is zero. Oakville Hydro transitioned to fully fixed rates in 2019.

OEB Staff-11

Ref: (i) LRAMVA Workform, Tab 4

(ii) IESO 2011-2014 Final CDM Results Report

Some persisting electricity savings claimed on Tab 4 of the LRAMVA Workform could not be reconciled to the IESO 2011-2014 Final CDM Results Report filed with the submission. These include the 2011 LRAMVA balance adjustment for the Conservation Instant Coupon Booklet, 2011 Demand Response, all 2012 and 2013 persisting savings, and 2014 Appliance Retirement.

- (a) Please provide the details and calculations used to arrive at the 2011 LRAMVA balance adjustment for the Conservation Instant Coupon Booklet, 2011 Demand Response, 2012 and 2013 persisting savings, and 2014 Appliance Retirement electricity savings. In the response, please identify the source documentation of all input values. Please ensure that any confidential information is removed or treated in accordance with Rule 9A of the OEB's *Rules of Practice and Procedure*.

Response:

2011 Conservation Instant Coupon Booklet:

The values entered in row 31 of Tab 4 of the LRAMVA Workform are taken directly from row 5 of the 2011 to 2014 Persistence Report. For example, the value entered into cell D41 of Tab 4 of the LRAMVA Workform is 276,221 kWh. The value taken from cell AR5 of the 2011 to 2014 Persistence Report is 276.22 MWh.

2011 Demand Response, 2012 and 2013 Persisting Savings:

While there are persistent savings for the 2011 Demand Response program, Oakville Hydro is not requesting approval for recovery of lost revenues associated with demand response programs in accordance with the OEB's *Updated Policy for the Lost Revenue Adjustment Mechanism*

Calculation: Lost Revenues and Peak Demand Savings from Conservation and Demand Management Programs. Therefore, Oakville Hydro has left these line items blank.

2014 Appliance Retirement:

The 2011 to 2014 Persistence Report provides the Net Annual Energy Savings for 2014 the Appliance Retirement Program over three lines. The values entered in line 408 of Tab 4 of the LRAMVA Workform only included two of the three lines. This occurred because the demand saving rounded to zero and it was assumed that there were no savings on that line. For example, The values taken from cells AT13 and AT14 of the 2011 to 2014 Persistence Report total 129.5587957 MWh. The value entered in cell D408 of Tab 4 of the LRAMVA Workform is 129,559 kWh. However, the correct amount should have been 130,190 kWh. Oakville Hydro has made the correction, however, there is no change to the request for disposition.

Initiative	Net Annual Energy Savings (MWh) As Filed	Net Annual Energy Savings (MWh) Corrected
2014 Appliance Retirement		0.631167616
2014 Appliance Retirement	45.40878218	45.40878218
2014 Appliance Retirement	84.15001351	84.15001351
Total	129.5587957	130.1899633

OEB Staff-12

- (a) Please provide updated IRM Model Rate Generator and LRAMVA Workforms reflecting any changes required in response to OEB Staff interrogatories, as required. Please indicate all changes in Tab 1-a of the LRAMVA workform.

Response:

See response to OEB staff 11.