

Oakville Hydro Electricity Distribution Inc. (Oakville Hydro)

EB-2020-0045

Follow up Questions

October 20, 2020

Follow up Question-1

Ref: Staff Question #5

Ref: Updated Rate Generator Model, Tab 3 – DVA Continuity Schedule

Ref: Updated GA Analysis Workform

In response to Staff Question #5, Oakville Hydro revised the opening 2018 balances of accounts 1588 and 1589 in the DVA Continuity Schedule of the updated 2021 Rate Generator Model to agree to the closing 2017 balances in the 2019 Rate Generator Model. The principal adjustments for 2018 and 2019 in the updated 2021 DVA Continuity Schedule agree to that as shown in the updated GA Analysis Workform Principal Adjustment tab.

Generally, principal adjustments are just timing adjustments between the account balances in the general ledger and the balances requested for disposition. Therefore, in a two-year period (i.e. 2018 and 2019), the principal adjustments relating to 2018 will be reversed and washed out by the 2019 year-end when comparing the year-end 2019 balance in the general ledger to the balance requested for disposition. The expected net effect is that the year-end 2019 balance in the general ledger and the amount requested for disposition will differ by the principal adjustments made for the 2019 year-end only (i.e. no reversals pertaining to 2018).

In the updated 2021 DVA Continuity Schedule, the RRR variances for accounts 1588 and 1589 are \$1,701,375 and (\$324,686), respectively. This suggests that principal adjustments of (\$1,701,375) and \$324,686 were made to the general ledger account 1588 and 1589 balances, respectively. In the Principal Adjustment tab of the GA Analysis Workform, the principal adjustments made to the 2019 year-end are (\$303,266) and (\$86,101) for accounts 1588 and 1589, respectively. Please provide a reconciliation between i) the general ledger balances and the balances in the DVA Continuity Schedule and ii) principal adjustment calculated from the RRR variance in the DVA Continuity Schedule and that in the GA Analysis Workform for 2018 and 2019. Please update the evidence as needed.

Response:

Oakville Hydro updated the DVA Continuity Schedule and GA Workform, which will be filed separately. The variance between the general ledger balances and the balances in the DVA Continuity Schedule is now equal to the 2019 principal adjustments made for the 2019 year-end only (i.e. no reversals pertaining to 2018). Oakville Hydro has also updated GA Analysis Workform for 2018 and to include the principal adjustment in the 2017 balance with a reversal in 2018.

Follow-up Question-2

Ref: Staff Question #6

In response to Staff Question #6, Oakville Hydro indicated that it does not have systems in place to determine the actual energy revenue but believes that its unbilled revenue accrual is extremely accurate.

- a) Please explain if Oakville Hydro's statement to unbilled revenue accuracy is applicable to all RPP revenues, or only that with hourly smart meter data.
 - i. If it is only for revenues with hourly smart meter data, please state the portion of RPP revenues this would account for.

Response:

Oakville Hydro's statement on unbilled revenue accuracy is applicable to all metered RPP customers. There are a small number of unmetered/scattered load customers for which there is no smart meter data. This accounts for approximately 0.5% of the RPP revenues.

- b) When determining RPP revenues for RPP settlement purposes, are RPP revenues equal to billed RPP revenues plus the unbilled revenue accrual for RPP customers? I'm not sure if you would have the unbilled revenue accrual for RPP customers by the time you settle on the fourth business day after month-end or would you need to include a true-up for this in a future RPP settlement.

Response:

When determining RPP revenues for RPP settlement purposes, RPP revenues are equal to billed RPP kWh plus the unbilled kWh multiplied by the weighted average price of electricity available on the fourth business day after month-end. There is a subsequent true-up to actual kWh multiplied by the actual weighted average price of electricity.

- c) Please explain whether Oakville Hydro has plans to make changes to its system so that it can determine actual energy revenues.

Response:

Oakville Hydro has had preliminary discussions with the provider of its Operational Data Store (ODS) on system enhancements to provide data that would better enable it to determine actual energy revenues on a calendar month.

Follow-up Question-3

Ref: Updated GA Analysis Workform

In the Principal Adjustment tab of the updated GA Analysis Workform, the principal adjustments for 2018 includes a (\$1,373,826) principal adjustment for CT 148 true-up for 2016 and 2017 that was recorded in 2018.

- a) Please confirm that this CT 148 true-up for 2016 and 2017 was not included in the 2017 balance that was approved for disposition on an interim basis.
 - i. If not confirmed, please explain where this true-up was included in the 2017 balance approved for disposition (e.g. transactions, principal adjustments)

Response:

Oakville Hydro confirms that the CT 148 true up for 2016 and 2017 was not included in the 2017 balance approved for disposition.

- b) Please confirm that this true-up was recorded in the general ledger in 2018.
 - i. If not confirmed, please explain when it was recorded in the general ledger.

Response:

Oakville Hydro confirms that the CT 148 true up for 2016 and 2017 was recorded in the general ledger in 2018.

- c) Please confirm that this true-up is not included in the 2018 transactions of (\$404,604) as shown in the DVA Continuity Schedule but is shown as a separate principal adjustment instead.
 - i. If not confirmed, please explain whether the (\$1,373,826) principal adjustment is a principal adjustment or a reversal of a principal adjustment.
 - ii. Please also explain how this true-up relating to 2016 and 2017 is a principal adjustment for 2018.

Response:

- i) Oakville Hydro confirms that this true-up is not included in the 2018 transactions of (\$404,604). This true-up is a separate principal adjustment related to the true-up to actual kWh for the period 2016 to 2017 that was done in 2018.
- ii) The principal adjustment relates to the true-up to actual kWh for 2016 and 2017 that was done in 2018. Prior to 2018, Oakville Hydro did a true-up to the actual global adjustment rate but not to actual kWh.

Oakville Hydro notes that it has updated the 2021 DVA Continuity Schedule by adding a credit amount of \$1,330,147 and a credit amount of \$43,680 as principal adjustment in Account 1588 for 2016 and 2017 respectively rather than a debit. The GA Workform has also been updated to include the adjustments in cells V23 and V24 to allow the model to reverse the adjustment in 2018.

Oakville Hydro will file the updated 2021 Rate Generator model and GA Workform separately.