

2021 IRM Checklist

E.L.K. Energy Inc.
EB-2020-0014

Filing Requirement
Page # Reference

Date: **November 2, 2020**

| IRM REQUIREMENTS | | Evidence Reference, Notes |
|---|---|---------------------------|
| 3.1.2 Components of the Application Filing | | |
| 3 | Manager's summary documenting and explain all rate adjustments requested | Complete |
| 4 | Contact info - primary contact may be a person within the applicant's organization other than the primary license contact | Complete |
| 4 | Completed Rate Generator Model and supplementary work forms, Excel and PDF | Complete |
| 4 | Current tariff sheet, PDF | Complete |
| 4 | Supporting documentation (e.g. relevant past decisions, RRWF etc.) | Complete |
| 4 | Statement as to who will be affected by the application, specific customer groups affected by particular request | Complete |
| 4 | Applicant's internet address | Complete |
| 4 | Statement confirming accuracy of billing determinants pre-populated in model | Complete |
| 4 | Text searchable PDF format for all documents | Complete |
| 4 | An Excel version of the IRM Checklist | Complete |
| 3.1.3 Applications and Electronic Models | | |
| 5 | Populated GA Analysis Workform | Complete |
| 5 | If required, for distributors seeking revenue to cost ratio adjustments due to previous OEB decision, the Revenue to Cost Ratio Adjustment Workform must be filed | N/A |
| 5 | For an incremental or pre-approved advanced capital module (ICM/ACM) cost recovery and associated rate rider(s), a distributor must file the Capital Module Applicable to ACM and ICM | N/A |
| 5 | A distributor seeking to dispose of lost revenue amounts from conservation and demand management activities, during an IRM term, must file the Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) Workform | N/A |
| 5 | Account 1595 Analysis Workform - for distributors who meet the requirements for disposition of residual balances in 1595 sub-accounts | N/A |
| 3.2.2 Revenue to Cost Ratio Adjustments | | |
| 7 | Completed revenue-to-cost ratio adjustment workform to adjust the revenue-to-cost ratio if previously approved by the OEB | N/A |
| 3.2.3 Rate Design for Residential Electricity Customers | | |
| <i>Residential Rate Design - Exceptions and Mitigation (applicable only to distributors that have not completed the rate design transition)</i> | | |
| 7 | If the total bill impact of the elements proposed in the application is 10% or greater for RPP customers consuming at the 10th percentile, a distributor must file a plan to mitigate the impact for the whole residential class or indicate why such a plan is not required | N/A |
| 7 | Mitigation plan if total bill increases for any customer class exceed 10% | N/A |
| 3.2.4 Electricity Distribution Retail Transmission Service Rates | | |
| No action required at filing - model completed with most recent uniform transmission rates (UTRs) approved by the OEB | | |
| 3.2.5 Review and Disposition of Group 1 DVA Balances | | |
| 9 | Justification if any account balance in excess of the threshold should not be disposed | N/A |
| 10 | Completed tab 3 - continuity schedule in Rate Generator Model | Complete |
| 10 - 11 | Explanation of variance between amounts proposed for disposition and amounts reported in RRR for each account | Complete |
| 10 - 11 | Statement as to whether any adjustments have been made to balances previously approved by the OEB on a final basis If yes, explanations provided for the nature and amounts of the adjustments and supporting documentation under a section titled "Adjustments to Deferral and Variance Accounts" | Complete |
| 11 | Propose rate riders for recovery or refund of balances that are proposed for disposition. The default disposition period is one year; if the applicant is proposing an alternative recovery period must provide explanation. | Complete |
| 12 | GA rate riders calculated on an energy basis (kWh) | Complete |
| 3.2.5.1 Wholesale Market Participants | | |
| 11 | Establish separate rate riders to recover balances in the RSVA's from Market Participants who must not be allocated the RSVA balances related to charges for which the WMP's settle directly with the IESO. | N/A |
| 3.2.5.2 Global Adjustment | | |
| 12 | Establishment of a separate rate rider included in the delivery component of the bill that would apply prospectively to Non-RPP Class B customers when clearing balances from the GA Variance Account | N/A |
| 12 - 13 | For each year that the accumulated balance of Account 1589 has not been disposed, regardless of whether or not distributors are seeking disposition of Group 1 accounts in the current proceeding, all distributors are required to file the GA Analysis Workform in live Excel format and explain discrepancies. | Complete |
| 3.2.5.3 Commodity Accounts 1588 and 1589 | | |
| 13 | Confirm as part of its application that it has fully implemented the OEB's February 21, 2019 guidance effective from January 1, 2019. | Complete |
| 13 - 14 | Confirmation that historical balances that have yet to be disposed on a final basis have been considered in the context of the Feb. 21, 2019 accounting guidance, and provide a summary of the review performed. Distributors must also discuss the results of 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. | Complete |
| 15 | Certification by the CEO, CFO or equivalent that distributor has robust processes and internal controls in place for the preparation, review, verification and oversight of account balances being proposed for disposition | Complete |
| 3.2.5.4 Capacity Based Recovery (CBR) | | |
| 15 | Proposed disposition of Account 1580 sub-account CBR Class B in accordance with the OEB's CBR Accounting Guidance. - embedded distributors who are not charged CBR (therefore no balance in sub-account CBR Class B) must indicate this is the case for them - In the DVA continuity schedule, applicants must indicate whether they serve any Class A customers during the period where Account 1580 CBR Class B sub-account balance accumulated. - Account 1580 sub-account CBR Class A is not to be disposed through rates proceedings but rather follow the OEB's accounting guidance. - The DVA continuity schedule will allocate the portion of Account 1580 sub-account CBR Class B allocated to customers who transitioned between Class A and Class B based on consumption levels | Complete |
| 3.2.6 Lost Revenue Adjustment Mechanism Variance Account | | |
| 16 - 21 | LRAMVA - disposition of balance. Distributors must provide version 3 of LRAMVA work form in a working Excel file when making LRAMVA requests for remaining amounts related to CFF activity. An application for lost revenues should include: Participation and Cost reports in Excel format, made available by the IESO. An application for lost revenues should also provide the following: - statement identifying the year(s) of new lost revenues and prior year savings persistence claimed in the LRAMVA disposition - statement confirming LRAMVA based on verified savings results supported by the distributors final CDM Report and Persistence Savings Report (both filed in Excel format) and a statement indicating use of most recent input assumptions when calculating lost revenue - summary table with principal and carrying charges by rate class and resulting rate riders - statement providing the disposition period; rationale provided for disposing the balance in the LRAMVA if one or more classes do not generate significant rate riders - statement confirming LRAMVA reference amounts, rationale for the distributors circumstances if LRAMVA threshold not used - rationale confirming how rate class allocations for actual CDM savings were determined by class and program (Tab 3-A of LRAMVA Work Form) - statement confirming whether additional documentation was provided in support of projects that were not included in distributors final CDM Annual Report (Tab 8 of LRAMVA Work Form as applicable) - for a distributor's streetlighting project(s) which may have been completed in collaboration with local municipalities, the following must be provided: Explanation of the methodology to calculate streetlighting savings; Confirmation whether the streetlighting savings were calculated in accordance with OEB-approved load profiles for streetlighting projects; Confirmation whether the streetlighting project(s) received funding from the IESO and the appropriate net-to-gross assumption used to calculate streetlighting savings For the recovery of lost revenues related to demand savings from street light upgrades, distributors should provide the following information: o Explanation of the forecast demand savings from street lights, including assumptions built into the load forecast from the last CoS application o Confirmation that the street light upgrades represent incremental savings attributable to participation in the IESO program, and that any savings not attributable to the IESO program have been removed (for example, other upgrades under normal asset management plans) o Confirmation that the associated energy savings from the applicable IESO program have been removed from the LRAMVA workform so as not to double count savings (for example, if requesting lost revenue recovery for the demand savings from a street light upgrade program, the associated energy savings from the Retrofit program have been subtracted from the Retrofit tab) | N/A |
| 3.2.7 Tax Changes | | |
| 21 | If applicable, tabs 8 and 9 of Rate Generator Model complete | Complete |
| 21 | If one or more customer classes does not generate a rate rider to the fourth decimal place, a proposal that the entire 50/50 sharing amount will be transferred to Account 1595 for disposition at a future date | Complete |
| 3.2.8 Z-Factor Claims, Pg. 20-21 | | |
| 23 | Evidence that costs incurred meet criteria of need, materiality and prudence - see 3rd Generation IRM Report | N/A |
| 23 | In addition distributor must: - Notify OEB by letter of all Z-Factor events within 6 months of event (Confirm that letter is on file) - Apply to OEB for any cost recovery of amounts in OEB-approved deferral account claimed under Z-Factor treatment - Demonstrate that distributor could not have been able to plan or budget for the event and harm caused is genuinely incremental - Demonstrate that costs incurred within a 12-month period and are incremental to those already being recovered in rates as part of ongoing business exposure risk | N/A |
| 3.2.8.2 Z-Factor Accounting Treatment | | |
| 23 | Eligible Z-factor cost amounts recorded in Account 1572, Extraordinary Event Costs, of the OEB's USoA contained in the Accounting Procedures Handbook (APH) for electricity distributors. | N/A |
| 23 | Carrying charges are calculated using simple interest applied to the monthly opening balances in the account and recorded in a separate Sub-Account of this account | N/A |
| 3.2.8.3 Recovery of Z-Factor Costs | | |
| 24 | Description of manner in which distributor intends to allocate incremental costs, including rationale for approach and merits of alternative allocation methods | N/A |
| 24 | Specification of whether rate rider(s) will apply on fixed or variable basis, or combination; length of disposition period and rationale for proposal | N/A |
| 24 | Residential rider on fixed basis | N/A |
| 24 | Detailed calculation of incremental revenue requirement and resulting rate rider(s) | N/A |
| 3.3.1 Advanced Capital Module | | |
| 25 | Evidence of passing "Means Test" | N/A |
| 25 | Information on relevant project or projects updated cost projections, confirmation that the project or projects are on schedule to be completed as planned and an updated ACM/ICM module in Excel format | N/A |
| 25 | If proposed recovery differs significantly from pre-approved amount, a detailed explanation is required as to why | N/A |
| 25 | If updated cost projects are 30% greater than pre-approved amount, distributor must treat project as new ICM, re-filed business case and other relevant material required | N/A |
| 3.3.2 Incremental Capital Module | | |
| 3.3.2.1 ICM Filing Requirements | | |
| 27 | The following should be provided when filing for incremental capital: An analysis demonstrating that the materiality threshold test has been met and that the amounts will have a significant influence on the operation of the distributor | N/A |
| 27 | Justification that the amounts to be incurred will be prudent - amounts represents the most cost-effective option (but not necessarily the least initial cost) for ratepayers | N/A |

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| 27 | Justification that amounts being sought are directly related to the cause, which must be clearly outside of the base upon which current rates were derived | N/A |
| 27 - 28 | Evidence that the incremental revenue requested will not be recovered through other means (e.g., it is not, in full or in part, included in base rates or being funded by the expansion of service to include new customers and other load growth) | N/A |
| 28 | Details by project for the proposed capital spending plan for the expected in-service year | N/A |
| 28 | Description of the proposed capital projects and expected in-service dates | N/A |
| 28 | Calculation of the revenue requirement (i.e. the cost of capital, depreciation, and PILs) associated with each proposed incremental capital project | N/A |
| 28 | Calculation of each incremental project's revenue requirements that will be offset by revenue generated through other means (e.g. customer contributions in aid of construction) | N/A |
| 28 | Description of the actions the distributor would take in the event that the OEB does not approve the application | N/A |
| 28 | Calculation of a rate rider to recover the incremental revenue from each applicable customer class. The distributor must identify and provide a rationale for its proposed rider design, whether variable, fixed or a combination of fixed and variable riders. As discussed at section 3.2.3, any new rate rider for the residential class must be applied on a fixed basis | N/A |
| 3.3.5 Off-Ramps | | |
| 33 - 34 | A distributor whose earnings are in excess of the dead band (i.e. 300 basis points) but nevertheless applies for an increase to its base rates - an explanation to substantiate its reasons for doing so required | N/A |
| Appendix A | | |
| Appendix A | Confirm disposition of residual balances for vintage Account 1595 have only been done once - distributors expected to seek disposition of the balance a year after a rate rider's sunset date has expired. No further dispositions of these accounts are generally expected unless justified by the distributor | Complete |
| Appendix A & Page 5 | Distributors who meet the requirements for disposition of residual balances of Account 1595 sub-accounts, must complete the 1595 Analysis Workform. Account 1595 sub-accounts are eligible for disposition when one full year has elapsed since the associated rate riders' sunset dates have expired and the residual balances have been externally audited. | Complete |
| Appendix A | Material residual balances will require further analysis, consisting of separating the components of the residual balances by each applicable rate rider and by customer rate class. Distributors are expected to provide detailed explanations for any significant residual balances attributable to specific rate riders for each customer rate class. Explanations must include for example, volume differences between forecast volumes (used to calculate the rate riders) as compared to actual volumes at which the rate riders were billed. | N/A |