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BY EMAIL

November 11, 2020

Mr. Richard Bucknall  
Manager Customer Service & Regulatory Affairs  
Wellington North Power Inc.  
290 Queen St. W  
Mount Forest ON N0G 2L0  
[rbucknall@wellingtonnorthpower.com](mailto:rbucknall@wellingtonnorthpower.com)

Dear Mr. Bucknall:

**Re: Wellington North Power Inc. (Wellington North Power)  
2021 Cost of Service Rate Application  
Ontario Energy Board (OEB) File Number: EB-2020-0061**

A preliminary review of the application has identified that certain sections of the evidence supporting the application do not comply with the OEB's Filing Requirements<sup>1</sup> for cost of service applications. As a result, the OEB is unable to process Wellington North Power's application at this time. The OEB will commence processing the application after the noted information is filed.

The missing information is noted below:

| Chapter 2 Filing Requirement Reference | Description   |
|--|---|
| Section 2.0.7<br>p. 4                  | The Filing Requirements state: "Documents are to be provided in bookmarked and text-searchable Adobe PDF format."<br><br>The PDF exhibits provided by Wellington North Power do not have functioning bookmarks. |

<sup>1</sup> Chapter 2 of the *Filing Requirements for Electricity Distribution Applications Rate Applications*, dated May 14, 2020

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| <p>Section 2.0.7<br/>p. 5</p>  | <p>The Filing Requirements state that “when filing Excel models, applicants should ensure that any links within these models are not broken”</p> <p>The cost allocation model and revenue requirement work form provided by Wellington North Power have links to external files, which result in broken links. Please review all models to ensure there are no other broken links that need to be removed.</p>  |
| <p>Section 2.1.4<br/>p. 7</p>  | <p>The Filing Requirements state the applicant must include “Confirmation of the applicant’s internet address for purposes of viewing the application and related documents, and any social media accounts used by the applicant to communicate with its customers.”</p> <p>In Exhibit 1, Section 1.2.3 – Confirmation of Internet Address, Wellington North Power only provided its website. In Exhibit 1, Appendix F: Customer Engagement Survey, it appears Wellington North Power also has Facebook and Twitter accounts. Please provide the social media accounts that are associated with Wellington North Power.</p>   |
| <p>Section 2.1.4<br/>p. 8</p>  | <p>The Filing Requirements state the applicant must include “A list of specific approvals requested and relevant section(s) of the legislation must be provided. All approvals, including accounting orders (deferral and variance accounts), new rate classes, revised specific service charges or retail service charges which the applicant is seeking, must be separately identified in Appendix 2-A and clearly documented in the appropriate sections of the application. A PDF copy of this Appendix should be provided in this section.”</p> <p>In Exhibit 5, Wellington North Power proposed that it be allowed an opportunity to apply for an adjustment to its’ embedded return-on-equity in a future Incentive Rate-setting Mechanism application. This approval request was not included in the list of specific approvals. Please update the list of specific approvals and Appendix 2-A to reflect this request.</p> |
| <p>Section 2.1.9<br/>p. 12</p> | <p>The Filing Requirements state the applicant must include “A detailed reconciliation of the financial results shown in the audited financial statements with the regulatory financial results filed in the application, including a reconciliation of the fixed assets in order to, as one example, separate non-distribution businesses. This must include the identification of any deviations that are being proposed between the audited financial statements and the regulatory financial results, including the identification of any prior OEB approvals for such deviations.”</p>   |

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|                                    | <p>In Exhibit 1, Appendix K: Reconciliation for RRR to Financial Statement, Wellington North Power only provided a reconciliation for the 2019 audited financial statements. Please also provide the reconciliation for the 2017 and 2018 audited financial statements.</p>   |
| <p>Section 2.2.2.2<br/>p.17</p>    | <p>The Filing Requirements state “The summary must show capital expenditures, treatment of contributed capital, and additions and deductions from CWIP. As part of Exhibit 2, a distributor must also provide explanations of year-over-year variances...”</p> <p>In Exhibit 2, Wellington North Power has provided variance analysis between the planned and actual capital expenditures but did not provide variance analysis for year-over-year analysis. Please provide the year-over-year analysis for capital expenditures, treatment of contributed capital, and additions and deductions from CWIP.</p>   |
| <p>Section 2.4.3.1<br/>p.31</p>    | <p>The Filing Requirements state that an applicant must provide “A breakdown of the pension and OPEBs amounts included in OM&amp;A and capital must be provided for the last OEB-approved rebasing application, and for historical, bridge and test years”</p> <p>Wellington North Power did not provide a breakdown of the pension and Other Post-Employment Benefits (OPEBs) amounts included in Operation Maintenance &amp; Administration and capital for the last OEB-approved rebasing application, and for historical, bridge and test years. Please provide a breakdown of the pension and OPEBs.</p>   |
| <p>Section 2.4.4<br/>pp. 34-35</p> | <p>The Filing Requirements state “An applicant that has not made any changes to its depreciation expense policy or asset service lives must state that this is the case. For an applicant that has made any depreciation expense policy or asset service lives changes since its last rebasing application, the following is required: Identification of the changes and a detailed explanation for the causes of the changes, including any changes subsequent to those made by January 1, 2013.”</p> <p>Wellington North Power indicated there were no changes to its capitalization policy since its last rebasing application but did not confirm whether this was also the case for its depreciation policy.</p> |
| <p>Section 2.4.4<br/>pp. 34-35</p> | <p>The Filing Requirements state that “the applicant must file the applicable depreciation appendix as provided in the Chapter 2 Appendix 2-C. These must tie back to the accumulated depreciation balances in the fixed asset continuity schedule (Appendix 2-BA) under rate base”</p>   |

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|                                    | <p>The depreciation expense provided in Appendix 2-C do not reconcile to Appendix 2-BA. Please reconcile the depreciation expense in Appendix 2-C to Appendix 2-BA.</p>   |
| <p>Section 2.4.5.1<br/>pp. 37</p>  | <p>The Filing Requirements state that the applicant must provide “completion of the integrity checks in the PILs model.” The integrity checklist in the PILs model includes “A discussion is included in the application as to when the loss carry-forwards, if any, will be fully utilized.”</p> <p>Wellington North Power indicated a discussion of loss carry-forward utilization will be included in the application, but this does not appear to be included in the application.</p>   |
| <p>Section 2.4.5.1<br/>pp. 37</p>  | <p>The Filing Requirements state that “distributors must bring forward the balance tracked in Account 1592 - PILs and Tax Variances – CCA Changes for review and disposition in its current cost-based rate application, as well as future cost-based rate applications.”</p> <p>Wellington North Power has \$0 for Account 1592 in the DVA Continuity Schedule. Wellington North Power has not brought the account forward for review, discussed how the account balance was determined nor discussed their proposal for Account 1592.</p> |
| <p>Section 2.8.13.2<br/>pp. 62</p> | <p>The Filing Requirements state that “a distributor must file a mitigation plan if total bill increases for any customer class exceed 10%.”</p> <p>Wellington North Power has shown an 86.5% total bill impact for the Street Lighting rate class. Wellington North Power also stated that it is not proposing rate mitigation strategies for the Street Lighting rate class. This is contrary to the filing requirements. Please provide a mitigation plan for the Street Lighting rate class.</p>  |

The OEB expects that Wellington North 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.

Please note, Wellington North Power is responsible for ensuring that the documents it files with the OEB do not include personal information (as that phrase is defined in the *Freedom of Information and Protection of Privacy Act*), unless filed in accordance with rule 9A of the OEB's *Rules of Practice and Procedure*.

Any questions relating to this letter should be directed to Donald Lau at [donald.lau@oeb.ca](mailto:donald.lau@oeb.ca) or at 416-440-7681. The Board's toll-free number is 1-888-632-6273.

Yours truly,

*Original Signed By*

Christine E. Long  
Registrar