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Joanne Richardson
Director – Major Projects and Partnerships
Regulatory Affairs

BY EMAIL AND RESS

November 20, 2020

Ms. Christine E. Long
The Registrar
Ontario Energy Board
Suite 2700, 2300 Yonge Street
P.O. Box 2319
Toronto, ON M4P 1E4

Dear Ms. Long:

EB-2020-0251 - 2021 Uniform Transmission Rates – B2MLP Foregone Revenue

In accordance with the Ontario Energy Board (OEB) request that all transmitters submit their 2020 forgone revenue calculations and accrued interest calculations with both one-year and two-year disposition scenarios, Hydro One Networks Inc. (HONI), on behalf of B2M Limited Partnership (B2MLP), provides the following information to assist with the process for establishing 2021 Uniform Transmission Rates (UTRs).

Background

On December 19, 2019, the OEB approved Interim 2020 UTRs reflecting an interim revenue requirement for B2MLP of \$32.5 million in EB-2019-0296.¹

In its Decision and Order in EB-2019-0178, the OEB approved B2MLP's base transmission revenue requirement of \$33,248,018 effective January 1, 2020 and the prior period forgone revenue balance recorded in its forgone revenue deferral account of an amount owing to ratepayers of \$55,504². However, as per the OEB's Decision and Order for 2020 UTRs (EB-2020-0180), the implementation of 2020 UTRs was delayed to minimize the impact on electricity customers and provide rate stability during the COVID-19 pandemic³. As a result,

¹ EB-2019-0296, p. 5

² EB-2019-0178 B2MLP Draft Rate Order Submission, January 27, 2020, Pg. 2. The \$55,504 (credit) balance owing to ratepayers relates specifically to OEB-approved Foregone Revenue Deferral Account amounts originating from rate periods prior to 2020.

³ EB-2020-0180, Decision and Order on 2020 Uniform Transmission Rates, p. 8.

the difference between the approved amounts and the interim amount was not collected in 2020 as originally expected. This has caused cash short falls for the company and impacted dividends to the partners, including Indigenous parties.

The intent of this submission is to provide all foregone revenue calculations with both one-year and two-year disposition scenarios for B2MLP to assist the process for establishing 2021 UTRs and to reconfirm B2MLP's preferred disposition period of one year.

Preferred Disposition Period

As documented in B2MLP's 2021 transmission revenue requirement application⁴, and given the minimal ratepayer impact regardless of the disposition period as documented by the supporting schedules, B2MLP requests that all its foregone revenue be collected over a one-year disposition period.

The B2MLP revenue requirement, including the foregone revenue to be recovered, is fully allocated to the Network-pool rate. The B2MLP foregone revenue represents only about 0.1% of the total transmission system Revenue Requirement collected through UTRs⁵.

2020 Foregone Revenue	2020 Interest	Total Amount to be included in 2021 UTR Calculation	Estimated 2021 Interest (1 year disposition)	Estimated 2021 - 2022 Interest (2 year disposition)
2,023,523	8,309	2,031,831*	6,201	11,944

* 50% of this amount would be collected in 2021 UTR if disposed over two years.

B2MLP submits that:

- the calculation of the 2021 UTRs should include the disposition of all B2MLP foregone revenue and accrued interest to the end of 2020 (i.e. a total of \$ 2,031,831).
- that any interest accrued in 2021 (or 2022 if disposition is over two years) should be tracked in the existing foregone revenue variance account for disposition in a subsequent proceeding given that the 2021 (and 2022) interest calculations are only estimated values calculated using the latest OEB prescribed quarterly interest rate, which is subject to change.
- the OEB has the authority and latitude to make a case-specific determination on the disposition period as it does with all other specifics of a revenue requirement application.

⁴ EB-2020-0226 – Exhibit A, Tab 4, Schedule 1, p. 8 – September 15, 2020

⁵ EB-2020-0180 – Decision and Order, Schedule A – July 31, 2020

Supporting documents setting out the foregone revenue and accrued interest calculations have been attached.

An electronic copy of this submission has been filed using the OEB's Regulatory Electronic Submission System (RESS). If you have any questions regarding this submission, please contact regulatory@hydroone.com.

Sincerely,

A handwritten signature in black ink, appearing to read "Joanne Richardson".

Joanne Richardson
Submitting on behalf of NRLP
Encl.

Supporting Material

Attachment		Title
1		B2MLP Foregone Revenue Calculation
2		Interest Calculations and Disposition Scenarios

Revenue at Interim 2020 UTRs

	Charge Determinants² (kW) (A)	2020 Interim UTRs¹ (\$/kW-month) (B)	B2MLP Revenue Allocators¹ (C)	Revenue Collected at Interim UTRs (D = A*B*C)
Network	239,504,148	3.92	0.03321	\$31,179,416
Line Connection	232,385,678	0.97	0.00000	\$0
Transformation Connection	196,285,037	2.33	0.00000	\$0
TOTAL				\$31,179,416

Revenue at Approved 2020 UTRs

	Charge Determinants² (kW) (A)	2020 Final UTRs² (\$/kW-month) (E)	B2MLP Revenue Allocators² (F)	Revenue Collected at Final UTRs (G = A*E*F)
Network	239,504,148	4.30	0.03224	\$33,202,939
Line Connection	232,385,678	0.81	0.00000	\$0
Transformation Connection	196,285,037	2.39	0.00000	\$0
TOTAL				\$33,202,939

B2M LP	Foregone Revenue (H = G-D)
Network	\$2,023,523
Line Connection	\$0
Transformation Connection	\$0
TOTAL	\$2,023,523

Note 1 - Per OEB Decision and Interim Rate Order on 2020 Uniform Transmission Rates (EB-2019-0296) issued on December 19, 2019. Appendix A

Note 2 - Per OEB Decision and Order on 2020 Uniform Transmission Rates (EB-2020-0180) issued on July 31, 2020. Schedule A

B2MLP Foregone Revenue - One-year

2020										2021									
Account Descriptions	Account Number	Opening Principal Amounts as of Jan-1-20	Transactions Debit / (Credit) during 2020 excluding interest and adjustments	Board Approved Disposition during 2020	Closing Principal Balances as of Dec 31-20 Adjusted for Dispositions	Opening Interest Amounts as of Jan-1-20	Board Approved Interest Disposition during 2020	Interest Jan-1 to Dec-31-20	Closing Interest Balance as at Dec 31-20 balance adjusted for disposition during 2020	2020 total balance (for evidence)	Opening Principal Amounts as of Jan-1-21	Transactions Debit / (Credit) during 2021 excluding interest and adjustments	Disposition during 2021	Closing Principal Balances as of Dec 31-21 Adjusted for Dispositions	Opening Interest Amounts as of Jan-1-20	Interest Disposition during 2021	Interest Jan-1 to Dec-31-21	Closing Interest Balance as at Dec 31-21 balance adjusted for disposition during 2021	2021 total balance (for evidence)
Foregone Revenue Deferral Account	1508	(33,902)	2,023,523	(33,902)	2,023,523	(21,602)	(21,602)	8,309	8,309	2,031,831	2,023,523	-	2,023,523	-	8,309	8,309	6,201	6,201	6,201
Total Transmission Regulatory Accounts Requesting for Disposition		(33,902)	2,023,523	(33,902)	2,023,523	(21,602)	(21,602)	8,309	8,309	2,031,831	2,023,523	-	2,023,523	-	8,309	8,309	6,201	6,201	6,201

B2MLP Foregone Revenue - Two-year

Account Descriptions	Account Number	2020										2021										2022									
		Opening Principal Amounts as of Jan-5-20	Transactions Debit / Credit during 2020 including interest and adjustments	Board Approved Disposition during 2020	Closing Principal Balance as of Dec-31-20 Adjusted for Dispositions	Opening Interest Amounts as of Jan-5-20	Board Approved Interest Disposition during 2020	Interest Jan-5 to Dec-31-20	Closing Interest Balance as of Dec-31-20 before adjustment for disposition during 2020	2020 total balance (for evidence)	Opening Principal Amounts as of Jan-5-21	Transactions Debit / Credit during 2021 including interest and adjustments	Disposition during 2021	Closing Principal Balance as of Dec-31-21 Adjusted for Dispositions	Opening Interest Amounts as of Jan-5-21	Interest Disposition during 2021	Interest Jan-5 to Dec-31-21	Closing Interest Balance as of Dec-31-21 before adjustment for disposition during 2021	2021 total balance (for evidence)	Opening Principal Amounts as of Jan-5-22	Transactions Debit / Credit during 2022 including interest and adjustments	Disposition during 2022	Closing Principal Balance as of Dec-31-22 Adjusted for Dispositions	Opening Interest Amounts as of Jan-5-22	Interest Disposition during 2022	Interest Jan-5 to Dec-31-22	Closing Interest Balance as of Dec-31-22 before adjustment for disposition during 2022	2022 total balance (for evidence)			
Revenue Revenue Deferral Account	1006	(33,802)	2,023,523	(33,802)	2,023,523	(21,602)	(21,602)	8,309	8,309	2,031,831	2,023,523	-	1,015,916	1,007,607	8,309	-	8,307	17,376	1,024,763	1,007,607		1,007,607	(0)	17,376	8,309	3,877	11,564	11,564			
Total Transmission Regulatory Accounts Requesting for Disposition		(33,802)	2,023,523	(33,802)	2,023,523	(21,602)	(21,602)	8,309	8,309	2,031,831	2,023,523	-	1,015,916	1,007,607	8,309	-	8,307	17,376	1,024,763	1,007,607		1,007,607	(0)	17,376	8,309	3,877	11,564	11,564			