

Welland Hydro-Electric System Corp. (Welland Hydro)
EB-2020-0060

Please note, Welland Hdyro is responsible for ensuring that all documents it files with the OEB, including responses to OEB staff questions and any other supporting documentation, 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.

Staff-1

Ref: (1) 2021 IRM Rate Generator, Tab 3 (balances for 2019 rate year)
(2) 2020 IRM Rate Generator, Tab 3 (balances for 2019 rate year)
(3) EB-2019-0072, Decision and Rate Order, Table 6.4 (2020 approvals)

Preamble:

2019 Approved Balances

The 2021 IRM Rate Generator shows, for the 2019 rate year, a balance in Account 1595 (2019) principal and carrying charges (cells BE36 and BJ36) which do not match Table 6.2 of Welland Hydro's 2019 Decision and Rate Order or the 2020 Rate Generator.

Extract of 2019 balances in the 2021 IRM Rate Generator:

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BE36 939898

		2019				
Account Descriptions	Account Number	Transactions Debit / (Credit) during 2019	OEB-Approved Disposition during 2019	Principal Adjustments ¹ during 2019	Closing Principal Balance as of Dec 31, 2019	Opening Interest Amounts Jan 1, 2020
Group 1 Accounts						
LV Variance Account	1550				0	
Smart Metering Entity Charge Variance Account	1551	(4,878)	(3,714)		(26,513)	
RSVA - Wholesale Market Service Charge ⁵	1580	(142,521)	(409,051)		(233,643)	(15,478)
Variance WMS – Sub-account CBR Class A ⁵	1580				0	
Variance WMS – Sub-account CBR Class B ⁵	1580	(31,345)	(7,395)		(41,946)	
RSVA - Retail Transmission Network Charge	1584	11,416	(66,002)		8,236	(3,785)
RSVA - Retail Transmission Connection Charge	1586	(70,845)	(37,849)		64,088	(435)
RSVA - Power ⁴	1588	(433,789)	(130,412)	258,268	(787,540)	(19,029)
RSVA - Global Adjustment ⁴	1589	109,532	(371,669)		(233,208)	(7,453)
Disposition and Recovery/Refund of Regulatory Balances (2014 and pre-2014) ³	1595				0	0
Disposition and Recovery/Refund of Regulatory Balances (2015) ³	1595				0	0
Disposition and Recovery/Refund of Regulatory Balances (2016) ³	1595				0	0
Disposition and Recovery/Refund of Regulatory Balances (2017) ³	1595				(3,803)	(21,047)
Disposition and Recovery/Refund of Regulatory Balances (2018) ³	1595	417,988			49,998	(30,547)
Disposition and Recovery/Refund of Regulatory Balances (2019) ³	1595					24,202
Refer to the Filing Requirements for disposition eligibility.						
	1595	702,397	939,898		(237,501)	0
RSVA - Global Adjustment	1589	109,532	(371,669)	0	(233,208)	(7,453)
Total Group 1 Balance excluding Account 1589 - Global Adjustment		448,423	285,475	258,268	(1,208,624)	(128,889)
Total Group 1 Balance		557,955	(86,194)	258,268	(1,441,832)	(136,341)

Instructions 1. Information Sheet 2. Current Tariff Schedule 3. Continuity Schedule 4. Billing Det. for Def-Var 5. Allocating Def-Var Balances 6. Class A Consumption Data 6 ... 100%

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BJ36 70551

		2019					
Account Descriptions	Account Number	Closing Principal Balance as of Dec 31, 2019	Opening Interest Amounts as of Jan 1, 2019	Interest Jan 1 to Dec 31, 2019	OEB-Approved Disposition during 2019	Interest Adjustments ¹ during 2019	Closing Interest Amounts as of Dec 31, 2020
Group 1 Accounts							
LV Variance Account	1550	0	0				
Smart Metering Entity Charge Variance Account	1551	(26,513)	(380)	(569)	(110)		
RSVA - Wholesale Market Service Charge ⁵	1580	(233,643)	(15,478)	(6,090)	(15,088)		(6,090)
Variance WMS – Sub-account CBR Class A ⁵	1580	0	0				
Variance WMS – Sub-account CBR Class B ⁵	1580	(41,946)	(734)	(622)	(527)		
RSVA - Retail Transmission Network Charge	1584	8,236	(3,785)	(1,226)	(2,991)		(2,991)
RSVA - Retail Transmission Connection Charge	1586	64,088	(435)	1,017	(1,730)		2,017
RSVA - Power ⁴	1588	(787,540)	(19,029)	(16,735)	(10,472)		(25,246)
RSVA - Global Adjustment ⁴	1589	(233,208)	(7,453)	(2,317)	(6,248)		(3,313)
Disposition and Recovery/Refund of Regulatory Balances (2014 and pre-2014) ³	1595	0	0				
Disposition and Recovery/Refund of Regulatory Balances (2015) ³	1595	0	0				
Disposition and Recovery/Refund of Regulatory Balances (2016) ³	1595	0	(37,454)		(37,454)		
Disposition and Recovery/Refund of Regulatory Balances (2017) ³	1595	(3,803)	(21,047)			(113)	(21,047)
Disposition and Recovery/Refund of Regulatory Balances (2018) ³	1595	49,998	(30,547)	24,202			(6,395)
Disposition and Recovery/Refund of Regulatory Balances (2019) ³	1595						
Refer to the Filing Requirements for disposition eligibility.							
	1595	(237,501)	0	(7,349)	70,551		(77,299)
RSVA - Global Adjustment	1589	(233,208)	(7,453)	(2,317)	(6,248)	0	(3,313)
Total Group 1 Balance excluding Account 1589 - Global Adjustment		(1,208,624)	(128,889)	(7,371)	2,179	(113)	(138,889)
Total Group 1 Balance		(1,441,832)	(136,341)	(9,688)	(4,069)	(113)	(142,832)

Instructions 1. Information Sheet 2. Current Tariff Schedule 3. Continuity Schedule 4. Billing Det. for Def-Var 5. Allocating Def-Var Balances 6. Class A Consumption Data 6 ... 100%

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Extract of Table 6.2 of Welland Hydro's 2019 Decision and Rate Order:

Table 6.2: Group 1 Deferral and Variance Account Balances

Account Name	Account Number	Principal Balance (\$) A	Interest Balance (\$) B	Total Claim (\$) C=A+B
Smart Meter Entity Variance Charge	1551	(3,714)	(110)	(3,824)
RSVA - Wholesale Market Service Charge	1580	(409,051)	(15,088)	(424,139)
Variance WMS - Sub-account CBR Class B	1580	(7,395)	(527)	(7,922)
RSVA - Retail Transmission Network Charge	1584	(66,002)	(2,991)	(68,993)
RSVA - Retail Transmission Connection Charge	1586	(37,849)	(1,730)	(39,579)
RSVA – Power	1588	(130,412)	(10,472)	(140,884)
RSVA - Global Adjustment	1589	(371,669)	(6,248)	(377,917)
Disposition and Recovery of Regulatory Balances (2016)	1595	-	(37,454)	(37,454)
Totals for all Group 1 accounts		(1,026,092)	(74,620)	(1,100,712)

Questions:

- OEB staff notes that the LRAM debit balance of \$90,263 has not been itemized on tab 3 of the rate generator for disposition in 2019. Please confirm that this amount has been transferred into Account 1595 (2019).
- Please explain any remaining difference in Account 1595 (2019).

Staff-2

Ref: 2021 Rate Generator, Tab 4 (verification of billing determinants)

OEB staff notes that cell J4 on Tab 4 of the Rate Generator has not been checked.

- Please verify the accuracy of the billing determinants.
- If any of the billing determinants are not accurate, please provide an explanation as to the variances.

Staff-3

Ref: (1) 2021 Rate Generator, Tab 16

(2) OEB's letter, 2021 Inflation Parameters, issued November 9, 2020,

OEB staff has updated the Rate Generator in the following areas:

- Tab 16 cell B12 the Price Escalator has been updated with a placeholder value of 2.20%

In light of the continued uncertainty regarding the COVID-19 pandemic, the OEB allowed utilities to elect the calculated IPI level per the OEB-approved methodology (offset by the applicable stretch factor and other adjustments for some plans) or a lower value. For the 2021 rate year, utilities also have the discretion to forego the inflationary increase entirely. The letter noted that utilities filing rate application for May 1, 2021 shall make an election by February 5, 2021.¹

- a) Please confirm when Welland Hydro if intending to file their election for the IPI level used to determine Wellend Hydro's Price Cap Adjustment for the 2021 rate year.
- b) Please confirm the accuracy of the Rate Generator following OEB staff's updates.

Staff-4

Ref: (1) 2021 Rate Generator, Tab 17

OEB staff has made the following updates to Welland Hydro's Rate Generator:

- Tab 17 cell F39 Specific charge for access to the power poles - per pole/year (with the exception of wireless attachments) - Approved on an Interim Basis has been kept to \$44.50²
- Tab 17 cell D23 RPP Prices – Off-Peak \$/kWh 0.0850
- Tab 17 cell D24 RPP Prices – Mid-Peak \$/kWh 0.1190
- Tab 17 cell D15 RPP Prices – On-Peak \$/kWh 0.1760³
- Tab 20 Ontario Electricity Rebate of 21.2%

(Please note there may further updates before final issuance of the Decision)

- a) Please confirm the accuracy of the Rate Generator following OEB staff's updates.

¹ OEB Letter, 2021 Inflation Factor, issued November 9, 2020

² EB-2020-0288, Order, issued December 10, 2020, p. 3

³ EB-2020-0251, Decision and Order, issued December 17, 2020, p. 2 and Schedule B