



2021 IRM Application
Response to OEB Staff Follow-up Questions
EB-2020-0058

Staff Follow-up Question – 1

Ref 1: Response to Staff Question - 2

In the response to Staff Question- 2, Wasaga Distribution states that the 2017 true-up adjustment of \$105,147 was included in Tab 3. Continuity Schedule - Cell AT28 which is the cell for 2018 Transactions Debit/(credit) for Account 1588.

OEB staff has prepared the following table to assess the reasonability of the 2018 balance for Account 1588:

	2018
Transaction Debit/(Credit) during 2018	(228,906)
Principal Adjustment	194,078
Less:	
the 2017 True-up Amount included in 2018 Transaction Debit/(Credit)	105,147
2018 Net transactions - Adjusted	(139,975)
4705 Cost of Power - per 2018 RRR 2.1.7	10,210,078
2018 Net transactions as % of 4705 Balance	-1.4%

As a general rule of thumb, the net transactions as % of the related expense account 4705 should not be greater than +/- 1%. However, after the adjustment of the 2016 true-up amount, OEB staff notes that the calculated % in 2018 for Account 1588 is greater than 1%.

Questions:

- a) Please confirm the calculations prepared by OEB staff in the table above or update the table as necessary.
- b) If confirmed, please explain why the 2018 net transactions booked in the account 1588 is greater than 1% of the related expense account.

Wasaga Distribution Response:

- a) Wasaga Distribution has updated the provided table to reflect a reversal of arithmetic sign for the 2017 True-up that was reflected in 2018.

	2018
Transaction Debit/(Credit) during 2018	(228,906)
Principal Adjustment	194,078
Less:	
the 2017 True-up Amount included in 2018 Transaction Debit/(Credit)	(105,147)
2018 Net transactions - Adjusted	70,319
4705 Cost of Power - per 2018 RRR 2.1.7	10,210,078
2018 Net transactions as % of 4705 Balance	0.7%

With respect to the implied general rule of thumb of +/- 1%:

- Account 4705 – per 2018 RRR 2.1.7 reported amount of \$10.2 million includes the OFHP Eligible RPP Consumer Discount of \$4.2 million. It would be proposed that this % be adjusted to reflect that discount.
- Account 4705 – per 2018 RRR 2.1.7 reported amount of \$10.2 million should be adjusted by the above Principal Adjustment and 2017 True-up Amount. The recalculated amount would be \$10,509,303.

- b) Please see response provided in part a).