



April 8, 2021

**Delivered by Email & RESS**

Ms. Christine Long, Registrar  
Ontario Energy Board  
P.O.Box 2319, 27th Floor  
2300 Yonge Street  
Toronto, ON M4P 1E4

Dear Ms. Long:

**Re: OEB File No.: EB-2021-0074  
Kitchener-Wilmot Hydro Inc. – Licence No. ED-2002-0573  
Interrogatory Responses**

Pursuant to Procedural Order No. 1 dated March 16, 2021, please find enclosed Kitchener-Wilmot Hydro Inc.'s Interrogatory Responses in this proceeding.

Sincerely,

*Original Signed By:*

Margaret Nanninga, MBA, CPA, CGA  
Vice President Finance & CFO

cc: Parties to EB-2021-0074



EB-2021-0074

**ONTARIO ENERGY BOARD**

**IN THE MATTER OF** the *Ontario Energy Board Act, 1998*,  
S.O. 1998, c. 15, (Schedule B);

**AND IN THE MATTER OF** an Application by Kitchener-  
Wilmot Hydro Inc. to the Ontario Energy Board for an Order  
or Orders approving or fixing retail transmission network and  
line connection (RTSR) rates effective January 1, 2021.

**KITCHENER-WILMOT HYDRO INC. ("KWHI")**

**RESPONSES TO INTERROGATORIES**

**FILED: APRIL 8, 2021**



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## **RESPONSE TO INTERROGATORIES FROM ONTARIO ENERGY BOARD STAFF**

### **OEB Staff-1**

**Reference:** (1) Manager's Summary, Page 4

**Preamble:**

At the above noted reference, Kitchener-Wilmot Hydro states that “On December 15, 2020, KWHI filed a letter notifying the OEB of an error where the Independent Electricity System Operator (IESO) did not charge network charges for one meter point since June 2015. A meter point at one of KWHI’s transformer stations had an end date incorrectly set resulting in no charges to KWHI after the end date.”

**Question:**

- (a) Please define “end date” and its significance to this issue.
- (b) In regards to the setting of the end date for a particular meter point:
  - i. What is the IESO’s role?
  - ii. What is Kitchener-Wilmot Hydro’s role?
- (c) Are the end date entries reviewed once they are entered? What processes are in place to review the end date entries? Please provide any available documentation to support your response.
- (d) How often should/is the meter point read?
- (e) Is the meter point read remotely or by an onsite technician?
- (f) In relation to the meter point:
  - i. Who installed the meter?
  - ii. Who owns the meter?
  - iii. When was the meter installed?
  - iv. Is the meter defective? Does it need to be replaced?
  - v. Does it need to be resealed?
- (g) Please discuss the process for correcting the issue of an erroneous end date on a meter point.

**Response:**

- (a) KWHI forwarded this question to the Independent Electricity System Operator (“IESO”) and understands from the IESO that:



*“The transmitter business role for the network delivery point at Kitchener MTS 9 facility was end dated for June 8, 2015. The transmitter business role is the association between a transmitter and the network delivery point. The “end date” refers to the calendar date on which the transmitter business role record ends in IESO’s Customer Data Management System (CDMS).*

*As a result of the record being end dated, network service charges were not collected by the IESO from Kitchener Wilmot Hydro Inc. in respect of the network delivery point at Kitchener MTS 9 facility nor were they paid out to the Transmission Pool, from June 8, 2015 to November 30, 2020.”*

(b)

- i. KWHI forwarded this question to the IESO and understands from the IESO that:

*“Under the IESO’s current processes, the end date of a business role is set when a transmitter creates a business role associated to a network delivery point in Online IESO. The IESO’s systems automatically populate this end date as December 31, 5000. The IESO intentionally uses the year 5000 because it is far into the future.*

*Prior to the implementation of the current automated process in 2019, a manual process was utilized to set the end date. Under this manual process, the IESO would receive a request from a transmitter (e.g. via email) to create a business role associated to a network delivery point, including setting the business role end date, and the IESO would update its systems to reflect the transmitter’s request. Following the completion of the request, the IESO notified the transmitter that the update had been completed.”*

- ii. KWHI forwarded this question to the IESO and understands from the IESO that:

*“As a transmission customer, Kitchener-Wilmot Hydro Inc. does not have a role in setting the end date for the transmitter business role for the network delivery point”.*

- (c) KWHI forwarded this question to the IESO and understands from the IESO that:

*“Under the IESO’s current processes, the end date of business roles associated with a network delivery point are by default populated as December 31, 5000 at the time they are created. Transmitters are not able to revise this date and the IESO is not able to revise this date without undertaking IT changes.*

*Under the IESO’s former manual processes, which is no longer used, the IESO created and updated business roles associated with a network delivery point, which may have included setting an end date, as directed by transmitters. Following the implementation of a change directed by a transmitter, the IESO notified the transmitter that the change was complete and the transmitter was able to see the change reflected on its invoices.”*



(d) KWHI forwarded this question to the IESO and understands from the IESO that:

*"The meter data is read daily by the IESO for settlement purposes."*

(e) KWHI forwarded this question to the IESO and understands from the IESO that:

*"The meter is read remotely by the IESO."*

(f) In relation to the meter point:

- i. The meter was installed by Waterloo North Hydro Inc., who is Kitchener-Wilmot Hydro Inc's Meter Service Provider (MSP) for this wholesale metering point.
- ii. Kitchener-Wilmot Hydro Inc.
- iii. The meter and metering point were installed and commissioned into service in late 2010.
- iv. The meter is not defective. There was never any issue with the meter or meter readings.
- v. The meter does not need to be reverified and re-sealed at this point in time.

(g) KWHI forwarded this question to the IESO and understands from the IESO that:

*"In order for the IESO to correct an erroneous end date the IESO would first confirm with the transmitter that the end date requires correction and obtain approval to make the relevant change. Following receipt of such confirmation, the IESO undertakes a manual IT fix to create an identical record and then retires the existing record with the erroneous end date. In doing so the system would automatically set the end date of the new record as December 31, 5000."*



**OEB Staff-2**

**Reference:** (1) Manager's Summary – Appendix A  
(2) Manager's Summary – Page 6

**Preamble:**

Kitchener-Wilmot Hydro received from the IESO volumes and charges for the missing meter point and included the missing meter point data for 2019 in the first reference. OEB staff has reproduced that information in Table 1 below.

**Table 1: 2019 Missing Meter Point Data**

<b>Date</b>	<b>IESO Charge</b>	<b>kW</b>	<b>UTR Network Rate</b>
19-Jan	(\$94,920)	-25,585	3.71
19-Feb	(\$92,757)	-25,002	3.71
19-Mar	(\$91,055)	-24,543	3.71
19-Apr	(\$74,233)	-20,009	3.71
19-May	(\$65,563)	-17,672	3.71
19-Jun	(\$95,889)	-25,846	3.71
19-Jul	(\$115,988)	-30,284	3.83
19-Aug	(\$99,821)	-26,063	3.83
19-Sep	(\$90,691)	-23,679	3.83
19-Oct	(\$76,665)	-20,017	3.83
19-Nov	(\$86,075)	-22,474	3.83
19-Dec	(\$91,721)	-23,948	3.83
<b>Total</b>	<b>(\$1,075,378)</b>	<b>-285,122</b>	

**Question:**

- Has Kitchener-Wilmot Hydro received the volumetric data for the missing meter point from the IESO for each of the years from 2015-2020? If so, for each of the years from 2015-2020, please provide the data in the same format as Table 1 above. If not, please discuss when Kitchener-Wilmot Hydro will be able to quantify the impacts of the metering error over the above-noted period.
- Please discuss what the potential impacts of the uncharged volumes from 2015- 2020 may be on the overall UTR rates charged to all electricity customers.
- When Kitchener-Wilmot Hydro receives volumetric data and charges from the IESO,



- i. In relation to 2016 retail transmission service network charges received from the IESO, please discuss any internal processes, reviews, or operational controls that were in place at the time that may have assisted Kitchener-Wilmot in identifying a potential discrepancy.
- ii. Has Kitchener-Wilmot Hydro instituted any process changes since the discovery of this issue that it believes will be helpful in actively monitoring and detecting these metering errors?

**Response:**

(a) This application is for 2021 RTSR rates, and the relevant information to this Application is the volume in 2019. However, KWHI has attached the requested information. See attached Appendix A.

(b) KWHI forwarded this question to the IESO and understands from the IESO that:

*"It is the IESO's understanding that because of the revenue requirements of transmitters, the potential overall impact of the uncharged transmission services charges in respect of the network delivery point at Kitchener MTS 9 facility would be a very slightly higher overall UTR rate charged to all transmission customers (except Kitchener MTS 9). The impact of this amount relative to the total amount of UTR rates payable would be extremely low and there is potentially no impact to UTR rates as a result of rounding to two decimal points."*

(c)

- i. This application relates to 2019 volumes. However, there were no material differences between 2015 and 2016 regarding KWHI's budgeted volumes or dollars. The network service rate went down every year from 2014 to 2017. Due to Network charges being on budget, no further work was initiated.
- ii. There have been no process changes instituted to date.





**OEB Staff-3**

**Reference:** None

**Preamble:** None.

**Question:**

Please discuss the impact on cost of power volumes and charges from this missed metering point.

**Response:**

KWHI forwarded this question to the IESO and understands from the IESO that:

*“There has been no impact on cost of power volumes or charges.*

*The transmitter business role for the network delivery point at Kitchener MTS 9 facility was end dated for June 8, 2015. The transmitter business role is the association between a transmitter and the network delivery point. As a result of the transmitter business role being end dated, the association between the transmitter and the network delivery point ceased and this impacted transmission services charges collected and paid. The energy charge is not impacted by this business role or its end dating and there was no impact on the cost of power volumes.”*



**RESPONSES TO INTERROGATORIES FROM VULNERABLE ENERGY CONSUMERS**  
**COALITION**

**VECC-1**

**Reference:** Application, page 5, lines 5-6

**Preamble:** None.

**Question:**

- (a) Please provide a continuity schedule for Account 1854 starting with the opening balance for 2018 and ending with the closing balance for 2020 (exclusive of any amount required to settle under billings for the period June 8, 2015 to November 30, 2020).
- (b) Please indicate how the forecast closing 2021 Account 1584 balance of \$3.6 M was determined.

**Response:**

(a)

	Principal	Interest	Total
Opening Balance January 1, 2018	(3,082,236)	(24,920)	(3,107,156)
Transactions	279,229	(23,804)	255,425
OEB Approved Dispositions	2,431,822	33,960	2,465,782
Closing Balance December 31, 2018	(371,184)	(14,764)	(385,949)
Opening Balance January 1, 2019	(371,184)	(14,764)	(385,949)
Transactions	329,956	7,164	337,120
OEB Approved Dispositions	650,413	15,400	665,813
Closing Balance December 31, 2019	609,185	7,800	616,985
Opening Balance January 1, 2020	609,185	7,800	616,985
Transactions	402,075	3,652	405,727
OEB Approved Dispositions	(279,229)	(6,909)	(286,138)
Closing Balance December 31, 2020	732,031	4,543	736,574



- (b) The forecast balance of \$3.6 M is determined by calculating the RTSR Network Expense using EB-2020-0035 and comparing it to the new RTSR Network Expense using the revised volumes and revised UTR network rate. The current RTSR model determines the RTSR rates using billed volumes of 2019. The forecast balance does not include any billed volume fluctuations.

IESO Volumes Original (per EB-2020-0035) kW	UTR Network Rate per EB-2020-0035	Total RTSR network expense	IESO Volumes Revised (per EB-2021-0074) kW	UTR Network Rate per EB-2020-0251	Total RTSR network expense	Forecast closing balance
3,096,029	3.92	\$ 12,136,434	3,381,151	4.67	\$ 15,789,975	\$ 3,653,541



**VECC-2**

**Reference:** Application, page 7, lines 3-4

**Preamble:**

The Application states: “Finally, using current consumer volumes and revised current wholesale amounts, a new RTSR network rate is determined”..

**Question:**

- (a) Please confirm that the “current consumer volumes” used were 2019 volumes (i.e., the same year as was used for the IESO network billing units).

**Response:**

- (a) Confirmed.



### **VECC-3**

**Reference:** Application, page 4

**Preamble:**

The Application states:

“KWHI has used the 2021 IRM Rate Generator (version 1.0), attached as a live excel file, to determine a revised RTSR Network Service Rate for this application.”  
However, the revised 2021 IRM Generator Model is not posted on the Board’s web-site.

**Question:**

Please provide a revised version of the 2021 IRM Rate Generator model that incorporates the corrected data.

**Response:**

As per OEB Staff email dated April 6, 2021, the website has been updated.



**VECC-4**

**Reference:** Application, page 5

**Preamble:** None

**Question:**

- (a) Does Kitchener-Wilmot pay Line Connection charges to the IESO?
- (b) If yes, please explain why the “error” does not impact the Kitchener-Wilmot's Retail Transmission Rate – Line and Transformation Connection Service Rate

**Response:**

- (a) Yes.
- (b) Line connection charges are read by separate meters as they measure different volumes.



**VECC-5**

**Reference:** Application, pages 7-8

**Preamble:** None.

**Question:**

- (a) Are the quoted bill impacts inclusive of the 2021 IRM rate adjustment (per EB-2020-0035) and the proposed 2021 RTSRs?

**Response:**

- (a) Yes.



## VECC-6

**Reference:** Application, page 5

### **Preamble:**

The application indicates that Kitchener-Wilmot Hydro will apply for a true up of historical years missed (2015 through 2020) and 2021 current charges during its 2022 IRM application.

### **Question:**

- (a) Do the IESO's market rules place any limits on how far "back" market participants can be held responsible for under billing by the IESO?
- (b) Based on Kitchener-Wilmot Hydro's understanding, has the fact it's been under billed for Network Charges over the 2015-2020 period led to:
  - i. An overall under collection by the IESO of the network revenues to be remitted to transmission owners – which would be the case if the UTRs for the period were based on load forecasts that had included the loads from the missing delivery point, or
  - ii. An appropriate collection by the IESO of network revenues for remittance to transmission owners but with a resulting underpayment by Kitchener-Wilmot and an overpayment by the balance of the transmission users during the period – which would be the case if the UTRs for the period were based on load forecasts that did not include the loads from the missing delivery point.

### **Response:**

- (a) KWHI has forwarded the questions in VECC-6 to the IESO and understands from the IESO that:

*"The provisions of the Market Rules do not have a time limitation on historical corrections."*

- (b) KWHI has forwarded the questions in VECC-6 to the IESO and understands from the IESO that:

*"It is the IESO's understanding that because of the revenue requirements of transmitters, the potential overall impact of the uncharged transmission services charges in respect of the network delivery point at Kitchener MTS 9 facility would be a very slightly higher overall UTR rate charged to all transmission customers (except Kitchener MTS 9). The impact of this amount relative to the total amount of UTR rates payable would be extremely low and there is potentially no impact to UTR rates as a result of rounding to two decimal points."*





**Appendix A – OEB Staff-2 - Updated Table 1: 2019 Missing Meter Point Data**

Month/Year	Settlements Adjustment	Billable Qty. (Volume)	Price
Jun-15	(\$21,855.96)	(5,782)	3.78
Jul-15	(\$109,831.68)	(29,056)	3.78
Aug-15	(\$110,924.10)	(29,345)	3.78
Sep-15	(\$114,866.64)	(30,388)	3.78
Oct-15	(\$78,283.80)	(20,710)	3.78
Nov-15	(\$87,892.56)	(23,252)	3.78
Dec-15	(\$89,359.20)	(23,640)	3.78
Jan-16	(\$93,593.52)	(25,572)	3.66
Feb-16	(\$91,262.10)	(24,935)	3.66
Mar-16	(\$89,966.46)	(24,581)	3.66
Apr-16	(\$75,769.32)	(20,702)	3.66
May-16	(\$82,730.64)	(22,604)	3.66
Jun-16	(\$110,158.68)	(30,098)	3.66
Jul-16	(\$114,353.04)	(31,244)	3.66
Aug-16	(\$94,779.36)	(25,896)	3.66
Sep-16	(\$119,023.20)	(32,520)	3.66
Oct-16	(\$75,008.04)	(20,494)	3.66
Nov-16	(\$81,603.36)	(22,296)	3.66
Dec-16	(\$97,586.58)	(26,663)	3.66
Jan-17	(\$87,214.14)	(23,829)	3.66
Feb-17	(\$84,406.92)	(23,062)	3.66
Mar-17	(\$80,776.20)	(22,070)	3.66
Apr-17	(\$70,857.60)	(19,360)	3.66
May-17	(\$73,913.70)	(20,195)	3.66
Jun-17	(\$101,045.28)	(27,608)	3.66
Jul-17	(\$97,919.64)	(26,754)	3.66
Aug-17	(\$97,337.70)	(26,595)	3.66
Sep-17	(\$104,474.70)	(28,545)	3.66
Oct-17	(\$71,721.36)	(19,596)	3.66
Nov-17	(\$76,091.84)	(21,617)	3.52
Dec-17	(\$87,281.92)	(24,796)	3.52



Month/Year	Settlements Adjustment	Billable Qty. (Volume)	Price
Jan-18	(\$81,535.46)	(22,586)	3.61
Feb-18	(\$84,297.11)	(23,351)	3.61
Mar-18	(\$77,990.44)	(21,604)	3.61
Apr-18	(\$75,441.78)	(20,898)	3.61
May-18	(\$83,326.02)	(23,082)	3.61
Jun-18	(\$86,470.33)	(23,953)	3.61
Jul-18	(\$94,051.33)	(26,053)	3.61
Aug-18	(\$108,888.43)	(30,163)	3.61
Sep-18	(\$116,848.48)	(32,368)	3.61
Oct-18	(\$83,358.51)	(23,091)	3.61
Nov-18	(\$88,751.85)	(24,585)	3.61
Dec-18	(\$83,159.96)	(23,036)	3.61
Jan-19	(\$94,920.35)	(25,585)	3.71
Feb-19	(\$92,757.42)	(25,002)	3.71
Mar-19	(\$91,054.53)	(24,543)	3.71
Apr-19	(\$74,233.39)	(20,009)	3.71
May-19	(\$65,563.12)	(17,672)	3.71
Jun-19	(\$95,888.66)	(25,846)	3.71
Jul-19	(\$115,987.72)	(30,284)	3.83
Aug-19	(\$99,821.29)	(26,063)	3.83
Sep-19	(\$90,690.57)	(23,679)	3.83
Oct-19	(\$76,665.11)	(20,017)	3.83
Nov-19	(\$86,075.42)	(22,474)	3.83
Dec-19	(\$91,720.84)	(23,948)	3.83
Jan-20	(\$86,945.60)	(22,180)	3.92
Feb-20	(\$86,600.64)	(22,092)	3.92
Mar-20	(\$80,822.56)	(20,618)	3.92
Apr-20	(\$73,598.00)	(18,775)	3.92
May-20	(\$110,461.68)	(28,179)	3.92
Jun-20	(\$109,775.68)	(28,004)	3.92
Jul-20	(\$128,203.60)	(32,705)	3.92
Aug-20	(\$124,479.60)	(31,755)	3.92
Sep-20	(\$103,182.24)	(26,322)	3.92
Oct-20	(\$82,947.20)	(21,160)	3.92
Nov-20	(\$93,119.60)	(23,755)	3.92