



**CANADIAN NIAGARA POWER INC.**

**A FORTIS** ONTARIO  
*Company*

August 9, 2021

Ms. Christine E. Long  
Registrar  
Ontario Energy Board  
2300 Yonge Street, 27th floor  
Toronto, ON M4P 1E4

Dear Ms. Long:

**Re: Canadian Niagara Power Inc. ("CNPI") – 2022 Cost of Service Application  
EB-2021-0011  
Response to OEB Staff – Addressing Errors**

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On July 23, 2021, OEB Staff sent a series of clarification questions to CNPI regarding its 2022 Cost of Service Application. CNPI provides responses to each of OEB Staff's questions below:

**OEB Staff Question 1:**

Exhibit 2 – Appendices – 2-OA, one of the reference cells did not break the link properly (I31).

**CNPI Response 1:**

CNPI has corrected the broken link. It should read \$131,534,936, as shown on PDF page 5 of Exhibit 5. Please find the updated Chapter 2 Appendix attached with an updated Appendix 2-OA.

**OEB Staff Question 2:**

Distribution System Plan p. 93 – It says "System renewal investments generally result in downward pressure on O&M" but this is the System Service section.

**CNPI Response 2:**

This is a typo. "System Renewal" should say "System Service" in two instances on this page. Please see Attachment 1 for the revised page 93 of the DSP with the corrections highlighted.

**OEB Staff Question 3:**

Exhibit 2 – The Chapter 2 appendices – 2-ZB, did not break the link properly for Rate for Transmission Network and Connection and Low Voltage Rate

**CNPI Response 3:**

CNPI has corrected the broken links. Please find the updated Chapter 2 Appendix attached with an updated Appendix 2-ZB.

pg. 1

**OEB Staff Question 4:**

Exhibit 2 – Appendices – 2-BA, the 2022 average gross fixed assets and average accumulated depreciation do not match the rate base in the revenue requirement work form

**CNPI Response 4:**

The differences relate to the Fair Market Value write-up adjustments for Eastern Ontario Power (Gananoque) assets. Tables 2-1 and 2-2 in Exhibit 2 show the starting values which are consistent with Appendix 2-BA, the adjustments related to these write-ups, and the adjusted value for rate base calculation. The adjusted values are consistent with the revenue requirement work form.

**OEB Staff Question 5:**

The load forecast model, Forecast worksheet includes 28 days for every February from 2011 to 2022. However, 2012, 2016, and 2020 have 29 days.

**CNPI Response 5:**

CNPI has updated the forecast worksheet of the load forecast model (attached) to correct for the additional day in February in 2012, 2016, and 2020. The result of this update is a 0.072% decrease (-331,140 kWh) in 2022 load forecast which will have an immaterial impact on rates.

**OEB Staff Question 6:**

Exhibit 3, page 17 indicates the following HDD and CDD, this does not agree to the HDD and CDD used to forecast 2022 in the load forecast model, sheet Forecast, rows 136 to 147.

	Exhibit 3, HDD	Load Forecast Model, HDD	Exhibit 3 CDD	Load Forecast Model, CDD
Jan	684.2	673.2	0.0	0.0
Feb	622.4	620.1	0.0	0.0
Mar	540.1	537.2	0.0	0.0
Apr	346.5	348.7	0.1	0.1
May	137.2	137.3	19.3	19.9
Jun	29.8	30.6	51.8	53.0
Jul	2.9	3.2	123.8	120.2
Aug	8.0	8.4	90.2	90.4
Sep	64.0	64.9	36.5	37.2
Oct	223.7	222.2	3.8	4.2
Nov	411.5	420.7	0.0	0.0
Dec	558.0	562.6	0.0	0.0

**CNPI Response 6:**

CNPI has found an error in the load forecast model formula that resulted in 2021 averages being calculated based on 2011-2020 data, and 2022 averages being calculated based on 2012-2021 data (i.e. the formula inadvertently dropped 2011 actuals and picked up the 2021 forecast (where 2021 was already an average)). Correcting for

this error results in an 0.008% increase (35,736 kWh) in the 2022 load forecast and an immaterial impact on rates.

The net result of combining the corrections relating to this question and question 5 above results in a 0.064% decrease (-295,404 kWh) in the 2022 load forecast, and an immaterial impact on rates.

**OEB Staff Question 7:**

Canadian Niagara Power filed both a PDF (Exhibit 4, pages 63-68) and a stand-alone Excel version of Appendix 2-C in its pre-filed evidence, however they do not reconcile. For example (including but not limited to), Column "B", Less Fully Depreciated, in the Excel version contains primarily zero values, whereas the PDF version has values populated.

**CNPI Response 7:**

The Excel version of Appendix 2-C had a lookup error that resulted in primarily zero values being used as inputs. CNPI has corrected the Appendix-2C Excel file (attached) to include the missing inputs. The Excel version now matches the pdf version with one exception, for 2018's account 1960A (Miscellaneous equipment (5 years)) a formula was missing in cells J120 and K120 that resulted in \$5,017 depreciation expense being excluded. These updated cells are highlighted in yellow to assist in finding them.

**OEB Staff Question 8:**

The total depreciation (before subtracting fully allocated depreciation) for 2017 in Appendix 2-C, Column "L", (both the PDF and Excel versions) does not reconcile to Appendix 2-BA.

**CNPI Response 8:**

The total depreciation shown in Appendix 2-C, \$4,868,048, matches the sub-total in Appendix 2-BA for 2017. The difference arises from an adjustment for construction work in progress (CWIP) in Appendix 2-BA of \$23,991. The CWIP amount was related to MIST meters awaiting approvals.

**OEB Staff Question 9:**

Canadian Niagara Power has included Table 4-19: Summary of Depreciation Expenses 2017-2022, in Exhibit 4, page 61. However, the 2021 and 2022 depreciation values in Table 4-19 do not reconcile to the net depreciation (i.e., less fully allocated depreciation) in Appendix 2-BA. The 2022 depreciation value in Table 4-19 also does not reconcile to the RRWF.

**CNPI Response 9:**

Table 4-19: Summary of Depreciation Expenses 2017-2022, in Exhibit 4 contained typos relating to some of the amounts. Please see Attachment 2 for the revised page 61 of Exhibit 4 with the corrections highlighted. The corrected table reconciles to Appendix 2-BA and the RRWF.

**OEB Staff Question 10:**

In Exhibit 1, page 50, Canadian Niagara Power indicated that it had not changed its depreciation rates since its last rebasing. In Exhibit 4, page 60, Canadian Niagara Power stated that "the rates used in CNPI's most recent cost of service application (EB-2016-0061 for January 1, 2017 rates) and within this Application are the depreciation rates that were approved within the 2013 application."

However, Exhibit 1 and Exhibit 4 conflict with Exhibit 2, page 32, where Canadian Niagara Power stated that there are two exceptions to depreciation rates presented and approved within its previous cost of service applications (EB-2012-0112 and EB-2016-0061).

**CNPI Response 10:**

The references in Exhibits 1 and 4 were meant to indicate that the depreciation rates being applied to existing assets/categories have not changed. Exhibit 2 clarified that two new categories were added in relation to new assets that did not fit into existing categories. For clarity, references in Exhibits 1 and 4 could have cross-referenced the additional categories discussed in Exhibit 2.

**OEB Staff Question 11:**

In cells BT93 and BT94 of Tab 2b of the DVA Continuity Schedule filed by Canadian Niagara Power, the balances in certain sub-accounts of Account 1522 (that do not relate to carrying charges) are not equal and offsetting. The balance in cell BT93 also does not reconcile to Table 9-1: Account 1522 2018-2020 Details on page 5 of Exhibit 9.

**CNPI Response 11:**

CNPI missed including the accrued interest payable to the end of 2020 of \$49,452 in the DVA schedule. The net of the 1522 balances at the end of 2020 should be (\$49,451.66), as noted in Table 9-1 on page 5 of Exhibit 9.

CNPI has not updated the DVA Continuity spreadsheet to reflect this at this time. This change will impact, among other things, rate riders and bill impacts. CNPI commits to updating for this error as part of the interrogatory process along with the impacts of responses to questions 5 and 6 above and other updates that may arise from the interrogatories.

**OEB Staff Question 12:**

In Tab 2b of the DVA Continuity Schedule, Canadian Niagara Power has not shown the December 31, 2020 RRR 2.1.7 balance for Account 1592 in cell BV83.

**CNPI Response 12:**

CNPI has updated Tab 2b, cell BV83, of the DVA Continuity Schedule to show the December 31, 2020 RRR 2.1.7 balance for Account 1592. Cell BV83 was updated to show (\$963,258), which shows that the 2020 RRR 2.1.7 balance for 1592 agrees to the DVA continuity schedule. Please find the updated DVA Continuity Schedule attached with an updated Tab 2b.

CNPI believes that the answers provided address the questions posed by OEB Staff. Please direct any questions or correspondence in this matter to the undersigned.

Sincerely,



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