

OEB Staff Questions
2022 Electricity Distribution Rates Application
Hydro Ottawa Limited (Hydro Ottawa)
EB-2021-0035
October 6, 2021

Please note, Hydro Ottawa Limited 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*.

Question-1

Ref: Exhibit 1, Tab 1, Schedule 6, page 13 of 18

Preamble:

OEB staff notes the following list of items to be updated to finalize Hydro Ottawa's 2022 rates and charges (assuming the OEB's generic decisions are available in time for adjusting Hydro Ottawa's rates for the proposed January 1, 2022 effective date):

- Inflation Factor – The OEB's 2022 inflation factor will be used to update the 2022 OM&A, working capital allowance (and resulting updates to rate base, payments in lieu of taxes, and capital stretch factor adjustment), specific service charges¹, and other revenue
- Retail Transmission Service Rates (RTSRs) and Low Voltage (LV) Charges – The 2022 uniform transmission rates will be used to update the RTSRs and LV Charges
- Retail Service Charges and Regulatory Charges – These charges will be updated in accordance with the OEB's generic decisions

Question(s):

- a) Please confirm if this is a complete list or identify anything else that also needs to be updated.

¹ The exception is the Access Power Poles – Wireline charge, which Hydro Ottawa will continue to use the OEB generic charge.

Question-2

Ref: Exhibit 1, Tab 1, Schedule 6, page 10 of 18

Preamble:

One of the directives from the OEB was that Hydro Ottawa should report as part of its next rebasing application, its efforts and achievements with respect to productivity improvements in its capital programs and projects undertaken during the 2021-2025 rate term.

Question(s):

- a) Please discuss Hydro Ottawa's plan of how to report its productivity improvements in its capital programs and projects. (e.g., Does Hydro Ottawa plan to provide any quantified information, if possible?)

Question-3

Ref: Exhibit 1, Tab 1, Schedule 6, page 5 of 18

Preamble:

Hydro Ottawa committed to prepare a plan in 2020-2021 to reduce distribution losses as much as possible through cost-effective measures and file the plan with the OEB when complete.

Hydro Ottawa was also required to report annually on two primary elements:

- A custom performance scorecard
- Updates on the progress of capital spending in key investment categories, including information regarding the performance outcomes accountability mechanism deferral account

Hydro Ottawa stated that when the first full year of its Custom IR term has concluded (2021), it will submit its first annual report in 2022.

Question(s):

- a) Please explain when Hydro Ottawa plans to submit each of these three reporting items. (e.g., Does Hydro Ottawa plan to file these reports as part of its 2023 Custom IR Annual Update Application?)

Question-4

Ref: Exhibit 3, Tab 2, Schedule 1, page 1 of 2
Exhibit 3, Tab 2, Schedule 2, page 2 of 6

Question(s):

- a) Please explain the differences in the specific service charge revenue (\$5,382k vs. \$5,378k) shown in the two references.

Question-5

Ref: Exhibit 8, Tab 1, Schedule 1, page 3 of 7

Preamble:

It was noted that the fixed/variable splits presented for 2022 may change subsequent to the update to revenue requirement.

Question(s):

- a) Please clarify if the potential updates to fixed/variable splits will only be applicable to the three commercial classes (GS >50 to 1,499 kW, GS 1,500 to 4,999 kW, and Large Use). If not, please explain the basis of updating the fixed/variable splits for other classes.

Question-6

Ref: DVA Continuity Schedule
Proposed Tariff of Rates and Charges

Preamble:

OEB staff notes that the approved 2021 GA rider applied to the Unmetered Scattered Load (USL) and Sentinel Lighting classes in the approved 2021 Tariff of Rates and Charges.

Question(s):

- a) Please explain why the proposed 2022 GA rider does not apply to the USL and Sentinel Lighting classes in the proposed 2022 Tariff of Rates and Charges.
- b) Please also explain why the load of USL and Sentinel Lighting were not included in the determination of GA rider (DVA Continuity Schedule, Tab 7, Cell D104 and D108).

Question-7

Ref: DVA Continuity Schedule

Question(s):

- a) It appears the entry to the Total Consumption Less WMP Consumption is missing (Tab 6.2a, Cell D19). Please update the DVA continuity schedule as necessary.

Question-8

Ref: (1) Attachment 9-3-1(A) OEB Workform - Global Adjustment Analysis Workform_20210818.xlxb, Tab Account 1588
(2) Attachment 9-1-1(A) OEB Workform - Deferral and Variance Account Continuity Schedule_20210818.xlxb, Tab 2a. Continuity Schedule

Preamble:

At Reference #1, Hydro Ottawa has included a credit of \$33,636 for a 2020 principal adjustment to Account 1588. It appears that Hydro Ottawa may have only included "Total Current Year Principal Adjustments" instead of "Total Principal Adjustments to be Included on DVA Continuity Schedule/Tab 3 - IRM Rate Generator Model."

At Reference #2, Hydro Ottawa has included a debit of \$1,107,996 for a 2020 principal adjustment to Account 1588.

Question:

- a) Please clarify whether the 2020 principal adjustment to Account 1588 is a credit of \$33,636 or a debit of \$1,107,996.

Question-9

Ref: (1) Exhibit 1, Tab 1, Schedule 3, Page 4, August 18, 2021

Preamble:

At the first reference, Hydro Ottawa stated the following:

In the Decision rendered in EB-2018-0044, the OEB instructed Hydro Ottawa to provide an update on the resolution to an Industrial Conservation Initiative (“ICI”) enrollment matter and report on any necessary adjustments.² Hydro Ottawa has engaged the OEB on this matter and, at this time, is not requesting any adjustments.

As part of its Decision and Order on Hydro Ottawa’s 2020 rate adjustment application, the OEB stated, in reference to this directive, that “the OEB will proceed to finalize the balances for 2017 and 2018, and in light of the OEB’s October 31, 2019 letter regarding Adjustments to Correct for Errors in Electricity Distributor ‘Pass-Through’ Variance Accounts After Disposition, the OEB expects that any revisions to previous balances relating to this matter will be accommodated through the disposition of future variance account balances.”³

There is no update to this matter.

Question:

- a) Please confirm that Hydro Ottawa has not made any provisions or adjustments to its Group 1 DVAs related to this ongoing matter. If any provisions or adjustments were made, please explain.

² EB-2018-0044, Decision and Rate Order, December 13, 2018, page 15.

³ EB-2019-0046, Decision and Rate Order, December 17, 2019, page 13.