

**Oshawa PUC Networks Inc.  
EB-2021-0051**

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**Staff Question-1**

**Ref:** Manager's Summary

- (a) Please confirm that Oshawa PUC is not seeking disposition or clearance of any Group 1 DVAs in the current proceeding. In the response, please confirm that Oshawa PUC will continue to carry principal and interest balances of (\$4,570,790) and (\$271,803), respectively, across its Group 1 DVA accounts after the completion of this proceeding.

**Response:**

Confirmed. Oshawa PUC is not seeking disposition or clearance of any Group 1 DVAs in the current proceeding. Oshawa PUC will continue to carry principal and interest balances of (\$4,570,790) and (\$271,803), respectively, across its Group 1 DVA accounts after the completion of this proceeding.

**Staff Question-2**

**Ref:** Manager's Summary

- (a) Oshawa Power identified that the 2022 proposed RTSRs are 19% higher than the RTSRs approved for 2021 due to the billing determinants for 2022 rates being significantly lower than the billing determinants used in the calculation of 2021 rates. Please confirm that the lower billing determinants are the sole reason for the increased proposed RTSRs for 2022. In the response, please comment on the lower year-over-year consumption and demand in 2021 and whether Oshawa Power believes further decreases in year-over-year consumption and demand are expected in future years.

### **Response:**

Oshawa Power confirms that lower billing determinants are not the sole reason for the increased proposed RTSRs for 2022. Total Forecast Wholesale Charges increased \$1,349k in 2022, consisting of \$876k related to increased (5%) UTR rates along with \$470k driven by higher billing volume assumed in IRM Rate Generator model. These higher Forecast Wholesale Charges are then divided by a significantly lower (18%) 2022 demand forecast to generate the 2022 RTSR rates. At this time Oshawa Power cannot accurately forecast whether further decreases in year-over-year consumption and demand are expected in future years.

### **Staff Question-3**

**Ref:** IRM Rate Generator Model, Sheet 3 Continuity Schedule

- (a) Oshawa PUC recorded a Closing Principal Balance as of December 31, 2020 Adjusted for Disposition during 2021 in Account 1588 of (\$2,684,043). The RPP settlement process is designed, so that any variances in Account 1588 are expected to be minimal (i.e., line losses related differences). Considering this, please explain the factors that have resulted in a more substantial balance for proposed disposition in Account 1588.

### **Response:**

Oshawa PUC is currently undergoing an external special purpose audit of its Group 1 DVA balances, and is not seeking disposition of these balances. This audit is expected to be complete by the end of the year. As a result of this audit, we anticipate these balances will change.

### **Staff Question-4**

**Ref:** IRM Rate Generator Model, Sheet 3 Continuity Schedule

- (a) Oshawa PUC reported RRR vs. 2020 balance variances in Account 1595 related to regulatory balances from 2015 & pre-2015, 2018, and 2020. Please elaborate further as to the cause of these reported variances.

**Response:**

2015 & pre-2015 balances: Balance in the amount of \$137,039 represents an unrecovered balance due to lower actual kWh and kW during the three year rate rider recovery period.

2018 balances: Balance in the amount of (\$641,323) is primarily due to an error in billing for kW rate classes. The approved rate rider was a \$/kWh rate however, the rate rider was applied to demand in error.

2020 balances: Balance in the amount of (\$9,846) represents an over-collection due to higher actual kWh during the rate rider recovery period.

**Staff Question-5**

**Ref:** IRM Rate Generator Model, Sheet 3 Continuity Schedule & GA Analysis Workform

- (a) The Global Adjustment Loss Factor for Secondary Metered Customers < 5,000 kW is greater than 1% for 2018, 2019, and 2020. Oshawa Power explained this by indicating that Class A includes losses in error. Please elaborate further as to why the Loss Factors for 2018 through 2020, inclusive, were greater than 1%.

**Response:**

Oshawa PUC is currently undergoing an external special purpose audit of its Group 1 DVA balances. This audit is expected to be complete by the end of the year. As a result of this audit, we anticipate these balances will change.

- (b) For 2019, the Global Adjustment Workform shows a Net Change in Principal Balance in the GL of (\$937,988), and the IRM Rate Generator Model shows a Transaction Credit during 2019 of (\$938,307). Please explain why a deviation exists between these two worksheets for 2019 activity relating to the Global Adjustment.

**Response:**

Oshawa PUC confirms that the deviation between these two worksheets for 2019 is a typographical error. The correct Net Change in Principal Balance in the GL is (\$938,907) as reported in the IRM Rate Generator Model. The Global Adjustment Workform has been updated.

## Staff Question-6

**Ref:** IRM Rate Generator Model, Sheet 3 Continuity Schedule

- (a) Oshawa PUC recorded principal and interest adjustments to Account 1595 in 2018, and 2020. Please identify the rationale for these principal and interest adjustments.

### Response:

Oshawa PUC incorrectly reported residual 1595 balances related to the 2020 LRAMVA rate rider to account 1568 in RRR 2.1.7 Trial Balance for 2020. The adjustments also include minor misallocation of carrying charges to account 1568. As a result, Oshawa PUC has recorded principal and interest adjustments to Account 1595 for 2015, 2018 and 2020. Oshawa PUC will be filing a RRR revision request.

## Staff Question-7

**Ref:** IRM Rate Generator Model, Sheet 3 Continuity Schedule

- (a) The Opening Principal Amounts as of Jan 1, 2020 for Accounts 1580, 1584, 1586, and 1595 do not align with the Closing Principal Balances as of Dec 31, 2019 Adjusted for Dispositions during 2020 recorded on the DVA Continuity Schedule filed as part of EB-2020-0048 Settlement proceedings. Please provide the rationale for why these values differ.

### Response:

Oshawa PUC provides the following rationale for differences between the opening principal amounts as of January 1, 2020 per the IRM Rate Generator Model, Sheet 3 Continuity Schedule and the closing principal balances as of December 31, 2019 filed as part of EB-2020-0048 settlement proceedings:

1580 – the principal balance reported in the 1580 control account as of December 31, 2019 filed as part of EB-2020-0048 in the amount of (\$1,628,240) excluded 1580 sub-account CBR Class B in the amount of (\$76,916) in error. This has been corrected to reflect an opening balance of (\$1,705,156) as of January 1, 2020 in the 1580 control account.

1584 – the principal balance reported in 1584 as of December 31, 2019 in the amount \$3,515,875 was filed as part of EB-2020-0048. As part of Oshawa PUC's review of its variance account balances, it was discovered that two GL accounts capturing Network Services revenue were misallocated to 1586 Connection Services revenue in error. This

has been corrected to reflect a reallocation of (\$3,290,965) from 1586 and a corrected opening balance of \$224,909 as of January 1, 2020.

1586 – the principal balance reported in 1586 as of December 31, 2019 in the amount of (\$3,652,579) was filed as part of EB-2020-0048. As mentioned above, two GL accounts capturing Network Services revenue were misallocated to 1586 Connection Services revenue in error. This has been corrected to reflect a reallocation of \$3,290,965 to 1584 and a corrected opening balance of (\$361,615) as of January 1, 2020.

1595 – the principal balance reported in 1595 as of December 31, 2019 in the amount of (\$334,827) was filed as part of EB-2020-0048. This included a portion of LRAMVA account 1568 that was approved for disposition in 2020. This has been corrected to reflect a reallocation to 1568 and a corrected opening balance of (\$458,614) as of January 1, 2020.

#### **Staff Question-8**

**Ref:** IRM Rate Generator Model, Sheet 20 Bill Impacts

- (a) OEB staff has identified that the Non-RPP Retailer Average Price and Average IESO Wholesale Market Price used at the above reference were incorrectly entered as \$0.2689. OEB staff has updated the pricing to reflect the correct amount of \$0.1060. Please confirm that your model reflects this update.

#### **Response:**

Confirmed.

#### **Staff Question-9**

- (a) Please file an updated IRM Checklist, Rate Generator Model, and/or GA Analysis Workform, should any updates to these be required as a result of responses to OEB staff questions.

#### **Response:**

Oshawa Power has updated and filed Rate Generator Model and GA Analysis Workform as a result of its responses to OEB staff questions.