Cooperative Hydro Embrun Inc.

OEB Staff Questions

EB-2021-0014

**Cooperative Hydro Embrun Inc.**

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Please note, Cooperative Hydro Embrun Inc. (Cooperative Hydro Embrun) 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*.

Please also note, 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 attached model the pricing to reflect the correct amount of $0.1060.

**Staff Question-1**

**Ref: Manager’s Summary**

The date in the header section in Cooperative Hydro Embrun’s Manager Summary states “August 18, 2020” instead of “August 18, 2021”.

1. Please confirm that the date is August 18, 2021.

**Staff Question-2**

**Ref: Manager’s Summary, page 6 of 71**

In its Manager Summary, Cooperative Hydro Embrun states it is not seeking the Price Cap Incentive Rate-Setting option to adjust its 2022 rates.

1. Please provide the reason why Cooperative Hydro Embrun chose not to seek a Price Cap Index adjustment in its 2022 rates.

**Staff Question-3**

**Ref: A portion of Tab 1. Information Sheet from the Rate Generator Model is reproduced below**



Cooperative Hydro Embrun provided the following responses in Tab 1. OEB staff has boxed in red the responses that require clarification:

Questions:

1. The Name and Contact and Title; Phone Number and Email Address information is missing. Please complete the first three boxes.
2. The following questions relate to Questions 2 and 3 (Cells F32 and F39):

Please explain why Cooperative Hydro Embrun selected “2021” as the last year in which Accounts 1588/1589 and remaining Group 1 balances were disposed.

In the 2021 IRM proceeding (EB-2020-0011), the OEB approved the disposition of Group 1 DVA balances as of December 31, 2019 on a final basis.

If “2021” was provided in error, please confirm whether the selection should be “2019” in both cells F32 and F39. If not, please explain.

1. The following question relates to Question 4.

Cell F47 is empty for Question 4 in the Information Sheet. OEB staff believes that the earliest vintage year in which Cooperative Hydro Embrun reported a balance in Account 1595 is 2018. Please review and confirm the earliest vintage year for Account 1595 and make the necessary updates to the model.

**Staff Question-4**

**Ref: A portion of Sheet “3. Continuity Schedule” from the Rate Generator Model**

**is reproduced below.**



OEB staff notes that Cooperative Hydro Embrun completed the column BR pertaining to the cell titled “Projected Interest from January 1, 2022 to April 30, 2022 on Dec 31, 2020 balance adjusted for disposition during 2021”. The column BR applies for applicants applying for rates effective May 1, 2022.

1. Please confirm that column BR should be removed.

**Staff Question-5**

**Ref: Rate Generator Model, Tab 8. STS - Tax Change**

**Ref: 2018 Cost of Service Application, EB-2017-0035, RRWF**

OEB staff is unable to reconcile the Total Rate Base amount of $5,206,518. OEB staff notes that the Total Rate Base approved in Cooperative Hydro Embrun’s previous cost of service application was $4,680,408.

OEB staff is also unable to reconcile the Taxable Income amount of $17,548. OEB staff notes that the Taxable Income amount approved in Cooperative Hydro Embrun’s previous cost of service application was $27,218.

OEB staff is also unable to reconcile the Corporate Effective Tax Rate entered on tab 8 to Cooperative Hydro Embrun’s previous OEB-approved RRWF.

1. Please provide references for the above noted inputs.
2. Please confirm that the entire 50/50 sharing amount will be transferred to Account 1595 for disposition at a future date.

**Staff Question-6**

**Ref: Manager’s Summary, page 15 of 71**

In its Manager’s Summary, Cooperative Embrun provided a table showing the “Disposition Status of Account 1595”. OEB staff notes that in section 3.2.5.5 of the Filing Guidelines, “Distributors are expected to request disposition of residual balances in Account 1595 Sub-accounts for each vintage year only once, on a final basis. Distributors only become eligible to seek disposition of these residual balances two years after the expiry of the rate rider. During the two years after the expiry of the rate rider, distributors may still make billing corrections as per the Retail Settlement Code and record the related transactions in the associated Account 1595 sub-account.”

a) Please confirm that the table should read “Plus 2 years” instead of “Plus 1 year”.



**Staff Question-7**

**Ref**: **D21-11840 EB-2021-0014 Cooperative Hydro Embrun 2022 IRM-Model\_20210817, Tab #3. Continuity Schedule**

At reference 1, Cooperative Hydro Embrun under account 1595 (2016) recorded transactions in the amount of $66,615 and principal adjustments for $113,727.

1. Please explain the nature of the transactions and the principal adjustment mentioned above