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BY EMAIL

October 20, 2021

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

Dear Ms. Long:

Re: EB-2021-0038 Application for 2022 Rates

In accordance with Procedural Order #1, please find attached the Ontario Energy Board (OEB) staff interrogatories in the above proceeding. The applicant and intervenors have been copied on this filing.

Kitchener-Wilmot Hydro Inc.'s responses to interrogatories are due by November 3, 2021.

Any questions relating to this letter should be directed to Marc Abramovitz at marc.abramovitz@oeb.ca or at 416-440-7690. The Board's toll-free number is 1-888-632-6273.

Yours truly,

Original Signed By

Marc Abramovitz
Incentive Rate Setting & Regulatory Accounting

Encl.

**OEB Staff Interrogatories
Kitchener-Wilmot Hydro Inc. (KWHI)
EB-2021-0038**

Please note, Kitchener-Wilmot Hydro Inc. is responsible for ensuring that all documents it files with the OEB, including responses to OEB staff interrogatories 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*.

Staff-1

**Ref: (1) OEB Instructions for Completing GA Analysis Workform – 2022 Rates, June 24, 2021, page 17-18
(2) GA Analysis Workform, Tab GA 2020, August 18, 2021**

Preamble:

At Reference #1, the OEB indicated that regarding the “Impacts of GA Deferral” a reconciling item is required in the 2020 Workform. The OEB stated that this is a one-time adjustment in the Workform and that this would not require a principal adjustment to the 2020 DVA Continuity Schedule.

However, at Reference #2, KWHI has not included a reconciling item for the “Impacts of GA Deferral”.

Questions:

- a) Please update the GA Analysis Workform, Tab GA 2020, to include a reconciling item for the “Impacts of GA Deferral” or explain why such an item is not necessary.
- b) Please include an explanation of any unusually large amounts, if applicable.

Staff-2

Ref: (1) Manager's Summary, page 15, August 18, 2021

Preamble:

At Reference #1, KWHI stated that it did not calculate a volume variance using the table provided in the GA Workform, as KWHI uses a monthly consumption and actual GA rates for its analysis. KWHI further stated that the analysis shows that the balance in Account 1589 is reasonable for 2020.

Questions:

- a) Please provide more detail as why a calculation of a GA volume variance was not completed. Specifically, please explain how the calculation of the impact of loss factor differences is reliant or contingent on the use of monthly consumption and/or actual GA rates.
- b) If necessary, please update the GA Analysis Workform to include the Expected GA Volume Variance.

Staff-3

Ref: (1) Manager's Summary, page 11, August 18, 2021
(2) GA Analysis Workform, Tab GA 2020 and Tab Principal Adjustments, August 18, 2021
(3) IRM Rate Generator Model, Tab 3, August 18, 2021, cell BF29

Preamble:

At Reference #1, KWHI stated that regarding Account 1589, column BF includes the accrual for the GA true up for 2020 of a credit of (\$117,033).

However, at Reference #2, KWHI shows an Account 1589 debit principal adjustment of \$117,033. This debit principal adjustment of \$117,033 is also incorporated into the amounts shown at Reference #3.

At Reference #2, KWHI has also shown equal and offsetting CT 148 true-ups of a debit to Account 1589 \$117,033 and a credit of (\$117,033) to Account 1588.

Questions:

- a) Please confirm that regarding Account 1589, KWHI is proposing to include an accrual for the GA true up for 2020 of a debit principal adjustment of \$117,033, as opposed to a credit of (\$117,033).
- b) If this is not the case, please explain why at Reference #2, KWHI has also shown equal and offsetting CT 148 true-ups of a debit to Account 1589 \$117,033 and a credit of (\$117,033) to Account 1588.

Staff-4

Ref: (1) Manager's Summary, page 10, August 18, 2021

Preamble:

At Reference #1, KWHI stated that it is requesting disposition of its Group 1 deferral and variance account (DVAs) balances but has not stated whether it is requesting final or interim disposition of its Group 1 DVAs.

Question:

- a) Please clarify whether KWHI is seeking final or interim disposition of its Group 1 DVAs in the current proceeding.

Staff-5

Ref:

- (1) 2022 IRM Application, Manager's Summary, Page 12**
- (2) EB-2021-0074, Interrogatory Responses**

In Reference #1, KWHI stated that it was informed in December 2020 by the Independent Electricity System Operator (IESO) that KWHI had not been billed for a meter point since June of 2015 and that this error was the result of an improper end date being input into the IESO system used to bill for network service charges.

In Reference #2 KWHI had provided more detailed explanation of the metering and invoicing error.

- a) Please confirm whether KWHI relies on the evidence provided in Reference #2 for the purposes of the current application.

- b) Please provide any updates or corrections to the evidence provided in Reference #2 for purposes of the current application.

Staff-6

**Ref: (1) EB-2021-0074, Interrogatory Responses, Appendix A, April 8, 2021
(2) 2022 IRM Model, Sheet 3, Continuity Schedule, Account 1584**

In Reference #1, KWHI provided the monthly settlement adjustments for the period June 2015 – November 2020 totaling a debit of \$5,991,523. Please confirm that the total settlement amount of \$5,991,523 was used when calculating the 2020 transactions as indicated in reference #1, cell BD26.

Staff-7

**Ref: (1) 2022 IRM Application, Manager's Summary, Page 7
(2) 2022 IRM Application, Manager's Summary, Page 16**

In Reference #1, KWHI states that it is requesting an order from the OEB to align the IESO invoicing of the unbilled historical amounts with KWHI's collection of such amounts in accordance with the OEB's decision and order in respect of this Application.

In Reference #2, KWHI states that it understands that the IESO has agreed to delay invoicing KWHI for the historical amounts until such time as the OEB renders a Decision with respect to the historical amounts and further understands that the IESO will comply with the terms of an OEB Order in respect of the outstanding and unbilled amounts.

- a) Has KWHI discussed with the IESO whether it would be able to align its invoicing of the unbilled historical amounts with KWHI's collection of such amounts and if so, did the IESO indicate that it was willing to do so? If not, did the IESO provide any technical or legal reason for why it would not be able to align its invoicing as requested and provide details of such reasons provided by the IESO to KWHI.
- b) Has KWHI discussed with the IESO how the parties would proceed if the OEB determines that an order of the OEB is not required or appropriate in order for the IESO to align its invoicing with KWHI's collection of the unbilled amounts?
- c) In the event that the OEB does not make an order requiring the IESO to align invoicing with KWHI's collection, and the IESO requires payment in full, how does KWHI intend to finance the payment? Please discuss any repercussions this may have on KWHI's financial position and impacts on customers.

Staff-8

Ref: (1) LRAMVA Workform, Tab 5

In the 2017 LRAMVA Workform, KWHI recorded an Adjustment to 2017 Savings (2018) for the Save on Energy Retrofit Program. The values reported in this adjustment could not be tied back to the 2018 IESO Participation & Cost Report or 2019 IESO Project List filed with the application. Please identify the source of all values reported under the Adjustment to 2017 Savings (2018) for the Save on Energy Retrofit Program. In the response, please provide file names and cell reference, as applicable.

Staff-9

Ref: (1) LRAMVA Workform, Tabs 5 & 7

KWHI is claiming savings associated with prior year programs completed from 2013 to 2018, inclusive. For the programs listed below, the claimed savings could not be tied back to the Persistence Report provided in Tab 7 of the LRAMVA Workform. For each item listed below, please identify the source of all values reported. In the response, please provide file names and cell reference, as applicable.

- (i) 2013 Lost Revenues Workform – Appliance Retirement
- (ii) 2013 Lost Revenues Workform – Conservation Instant Coupon Booklet Adjustment to 2013 Savings
- (iii) 2013 Lost Revenues Workform – Direct Install Lighting
- (iv) 2014 Lost Revenues Workform – New Construction

Staff-10

Please file an updated LRAMVA Workform, should any updates be required resulting from responses to OEB staff questions.

Staff-11

Ref: (1) 2022 IRM Application, Manager's Summary, Page 7

At Reference #1, KWHI noted that the current Notice of Switch Letter charge was incorrectly reflected as \$2.00 and should be listed as \$2.08. OEB Staff has corrected this issue to reflect the correct charge.

- a) Please confirm that the model included with these interrogatories reflects this update.

Staff-12

Ref: (1) 2022 IRM Model, Sheet 20, Bill Impact

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.

- a) Please confirm that the model included with these interrogatories reflects this update.