

OEB Staff Clarification Questions - Response
Ottawa River Power Corporation
2022 Cost of Service Application
EB-2021-0052
November 12, 2021

Question-1

Exhibit 6, pages 32 and 33 of 42, the 2016 OEB-approved base revenue requirement is shown as \$4,347,469 in Table 18 while shown as \$4,432,351.96 in Table 19.

Ottawa River Power Corporation submits that the 2016 OEB-approved base revenue requirement in Table 19 is incorrect. The revised Base Revenue Requirement is as follows:

Particular	2016 OEB-approved
OM&A Expenses	\$3,064,964
Depreciation Expense	\$739,929
Property Taxes	\$0
Total Distribution Expenses	\$3,804,893
Regulated Return on Capital	\$741,703
Grossed Up PILs	\$84,883
Service Revenue Requirement	\$4,631,479
Revenue Offsets	\$(284,010)
Base Revenue Requirement	\$4,347,469

Question-2

Please file a revised Chapter 2 Appendices in Excel with the following requests completed:

- a) Appendix 2-AB Capital Expenditures: please fill all required information for the forecast period (2022-2026)

A revised Appendix 2-AB has been provided.

- b) Appendix 2-AB Capital Expenditures: please fill actual capital contribution, net capital expenditures, and System O&M for each year over 2016-2020

A revised Appendix 2-AB has been provided.

- c) Appendix 2-AA Capital Project: please provide one aggregate table showing capital projects over 2016-2022

A revised Appendix 2-AA has been provided.

- d) Appendix 2-AA and 2-AB: please reconcile the total capital expenditures between 2-AA and 2-AB for 2016, 2019, 2020

A revised Appendix 2-AA and 2-AB have been provided.

- e) Appendix 2-BB Service Life: please fill this Appendix (per Exhibit 2, pages 79 and 80 of 100)

A revised Appendix 2-BB has been provided.

- f) Appendix 2-JC OM&A Programs Table: please provide an OM&A cost breakdown by USoA account

A revised Appendix 2-JC has been provided.

- g) Appendix 2-D Overhead Expense: please provide capitalization of any OM&A, not only indirect overhead.

A revised Appendix 2-D has been provided.

- h) Appendix 2-N Shared Services: please provide actual/forecast shared services costs for each year over 2020-2022

A revised Appendix 2-N has been provided.

Question-3

The proposed OM&A for the 2022 test year is shown as \$3,708,394 in Appendix 2-JA while shown as \$3,670,700 in Appendix 2-JB.

Ottawa River Power Corporation confirms that the correct proposed OM&A is \$3,708,394. A revised Appendix 2-JB has been provided.

Question-4

The proposed total compensation for the 2022 test year is shown as \$2,800,228 in Table 18 (Exhibit 4, page 38 of 71) while shown as \$2,698,229 in Appendix 2-K.

Ottawa River Power Corporation confirms that the amount of \$2,800,228 in Table 18 on Page 38 of Exhibit 4 is correct and that Appendix 2-K does not reflect most recent updates. A revised Appendix 2-K has been provided.

Question-5

Please reconcile capital expenditures between Appendix 2-AB and section 4.3 of the DSP for the following items:

	Appendix 2-AB	Section 4.3 of DSP
System Access	\$123,723 (2020) \$186,655 (2021)	\$193.1k (2020) \$183.1k (2021) Per Table 4-7 on page 122 of the DSP
System Renewal	\$474,649 (2021)	\$419k (2021) Per Table 4-8 on page 123 of the DSP
System Service	\$47,622 (2019)	\$106.5k (2019) Per Table 4-9 on page 125 of the DSP
General Plant	\$161,740 (2020)	\$174.7k (2020) Per Table 4-10 on page 125 of the DSP

Ottawa River Power Corporation has prepared the reconciliation below:

System Access				
Year	Per DSP Table 4-7	Per Appendix 2-AB	Difference	Explanation
2020	\$193,075	\$123,723	\$(69,352)	Gross vs Net - Capital contributions. A revised Appendix 2-AB has been provided.
2021	\$183,100	\$186,655	\$3,555	Error – DSP amount not updated to reflect most recent changes. Additionally, amount represents the net capital expenditure. A revised Appendix 2-AB has been provided.

System Renewal				
Year	Per DSP Table 4-8	Per Appendix 2-AB	Difference	Explanation
2021	\$419,000	\$474,649	\$55,649	Error – Amount not updated to reflect most recent changes. Appendix 2-AB is correct.

System Service				
Year	Per DSP Table 4-9	Per Appendix 2-AB	Difference	Explanation
2019	\$106,476	\$47,622	\$(58,854)	An adjustment was required in 2019 as \$58,854 in ICM assets were included in account 1820 in 2018. This amount was removed from 1820 in 2019 to reallocate to the ICM account 1508. No revision required.

General Plant				
Year	Per DSP Table 4-10	Per Appendix 2-AB	Difference	Explanation
2020	\$174,700	\$161,740	\$(12,960)	Error – Amount not updated to reflect most recent changes. Appendix 2-AB is correct.

Question-6

Total actual expenditures on the ICM project is presented as \$2,122.9k in Table 4-6 (page 121 of the DSP) while shown as \$2,059,754 in Table 55 (page 95 of 100 in Exhibit 2).

Ottawa River Power Corporation submits that page 121 of the Distribution System Plan should have presented the ICM expenses as follows:

Category	2018	2019	2020
ICM	\$0	\$1,363.9	\$695.9

Question-7

The forecast property taxes for the 2022 test year is shown as \$53,168 in Exhibit 4, page 57 of 69, while such forecasted amount is not included in the RRWF. Please clarify if Ottawa River Power propose to recover property taxes from ratepayers.

Ottawa River Power Corporation confirms that it intends to recover property taxes from ratepayers. The property tax expense has been included in OM&A Expenses under categories 5012 and 5675.

Question-8

The OEB-approved capital expenditure for the 2016 test year is shown as \$1,245,950 in Table 31 (Exhibit 2, page 52 of 100), while shown as \$1,545,950 in Appendix 2-AB.

Ottawa River Power Corporation has identified that the difference pertains to the presentation of capital expenditures as gross in Appendix 2-AB versus net of capital contributions of \$300,000 in Exhibit 2. A revised Appendix 2-AB has been provided.

Question-9

With respect to SAIDI and SAIFI metrics, Appendix 2-G shows 7.53 and 1.35 respectively for 2019 (excluding major event days and loss of supply) while Table 2-9 on page 46 of the DSP shows 0.79 (SAIDI) and 0.59 (SAIFI).

Ottawa River Power Corporation confirms that 7.53 and 1.35 presented in Appendix 2-G aligns with its Scorecard. The Distribution System Plan has presented normalized figures for 2019 to exclude outages that should have been reported as major event days.

Question-10

Please reconcile the proposed capital expenditures for each year over the DSP period for System Access, System Renewal, and System Service between what presented in Table 4-3 (Exhibit 2, DSP page 117) and what summarized in sections 5 to 7 of the DSP. (For example, the total capital expenditures in System Access for the 2022 test year is shown as \$409,700 in Table 4-3 while the sum of System Access programs is calculated as \$249,858 per section 5 of the DSP.)

Ottawa River Power Corporation has performed a review of the figures contained in Section 5, 6 and 7. The sum of System Access Programs of \$249,858 noted above could not be identified. The following represent the differences that were identified:

System Access				
Year	Per DSP Table 4-3	Per DSP Section 5	Difference	Explanation
2022	\$120,670	\$154,461 (DSP Page 131)	\$33,791	Table 5-3 includes metering costs of \$33,791 on Customer Connections which are separated in Table 4-3 to System Access – Metering.
System Renewal				
Year	Per DSP Table 4-3	Per DSP Section 6	Difference	Explanation
2023-2026	\$240.56	\$202.0 (DSP Page 149)	\$38.56	Page 149 of the DSP only mentions the material projects. The difference includes all projected projects.
2022	\$454.22	\$441.0 (Table 6-4, 6-7 and 6-9)	\$(13.22)	Tables 6-4, 7 and 9 only include significant projects. Smaller projects are not included.

System Service				
Year	Per DSP Table 4-3	Per DSP Section 7	Difference	Explanation
2022-2026	\$259.56	\$305.0K (DSP Page 171)	\$45.44	Difference in System Enhancement is offset by the difference in Station Expansion. DSP Page 171 is correct.
2022-2026	\$215.0K	\$170.0K (Table 7-7 DSP Page 183)	\$(45)K	Difference in Station Expansion is offset by the difference in System Enhancement. DSP Page 183 is correct.

Question-11

Exhibit 3, page 23, Table 14 does not reconcile to the load forecasting model. Please confirm that the load forecasting model is correct.

Ottawa River Power Corporation confirms that the load forecasting model is correct and Table 14 in Exhibit 3 is incorrect.

Question-12

The RRWF, sheet 11. Cost Allocation, Table B) column 7C does not match the cost allocation model, sheet O1, row 23.

Ottawa River Power Corporation confirms that Row 23 of worksheet O1 on the Cost Allocation Model is correct. A review was performed and no impact to the 2022 Revenue Requirement was noted.

Question-13

Exhibit 1 – Administrative, Table 28, page 77 of 111 lists Account 1568 LRAMVA as \$177,926, while the amount for disposition in the LRAMVA worksheet (1 – LRAM Summary, Cell H22) is \$177,787.

Ottawa River Power Corporation confirms that the amount listed in the LRAMVA worksheet and in Exhibit 9 of \$177,787 is correct.

Question-14

DVA Disposition Period

- Exhibit 1, page 39 states Group 1 and 2 are proposed to be disposed over one year.
- Exhibit 9, page 5 states Group 1 and 2 are proposed to be disposed over 2 years.
- DVA Continuity Schedule shows 1 year disposition period

Ottawa River Power Corporation confirms that it is proposing to dispose of the accounts over a 1 year disposition period and that it is incorrectly stated as 2 years on Page 5 of Exhibit 9.

Question-15

Account 1595 (2017)

- Account 1595 Workform shows that 1595 (2017) is “yes” to its eligibility for disposition in the Information Sheet tab.
- Exhibit 9, page 8 discusses eligibility of 1595 (2016) and (2019) only, no reference to (2017)
- Ottawa River was not approved to dispose Group 1 balances in its 2017 rate application (EB-2016-02018), and there should be no Account 1595 (2017)

Based on a review of the workform submitted, Ottawa River Power Corporation only confirmed eligibility of disposition for 1595 (2016) and cannot locate where the OEB identified the “yes” to eligibility for 1595 (2017). Please refer to the screen-shot below:

Utility Name	Ottawa River Power Corporation
	Utility name must be selected

	Eligible for disposition?
2015 and pre-2015	
2016	Yes
2017	
2018	
2019	No
2020	No
...	...

Question-16

To assist with the Issues List, please clarify if Ottawa River Power requests discontinuation of any existing deferral and variance accounts. If so, please identify those accounts.

Ottawa River Power Corporation is not proposing to discontinue any existing deferral and variance accounts. There is however a proposal seeking disposition of its 2016 1595 vintage balances.