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BY EMAIL

November 23, 2021

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

Dear Ms. Long:

**Re: Wataynikaneyap Power LP (WPLP)
2022 Electricity Transmission Rates Application
Ontario Energy Board File Number: EB-2021-0134**

In accordance with the OEB's Decision and Order in the above referenced proceeding, please find attached OEB staff's comments on WPLP's Draft Rate Order and supporting schedules filed on November 16, 2021.

WPLP and all registered intervenors have been copied on this filing.

Yours truly,

Michael Price
Project Advisor - Generation and Transmission

cc: All parties in EB-2021-0134



ONTARIO ENERGY BOARD

OEB STAFF SUBMISSION ON DRAFT RATE ORDER AND SUPPORTING SCHEDULES

WATAYNIKANEYAP POWER LP (WPLP)

2022 ELECTRICITY TRANSMISSION RATES APPLICATION

EB-2021-0134

NOVEMBER 23, 2021

INTRODUCTION

Wataynikaneyap Power LP (WPLP) filed an application with the OEB on April 28, 2021, under section 78 of the *Ontario Energy Board Act, 1998*, seeking approval of its 2022 electricity transmission revenue requirement and associated rates, effective April 1, 2022, and approval to charge Hydro One Remote Communities Inc. (HORCI) a fixed charge for transmission service, effective May 1, 2022. The application also requested the establishment of deferral and variance accounts. The application represented WPLP's first revenue requirement application.

A Settlement Proposal representing a complete settlement of all issues was filed with the OEB on September 3, 2021. The OEB issued its Decision and Order on September 30, 2021 accepting the Settlement Proposal as filed.

In accordance with the process set out in the Settlement Proposal, WPLP was required to file a draft Revenue Requirement and Charge Determinant Order (DRO) twenty days after the OEB issued its 2022 cost of capital parameters, complete with detailed calculations and supporting material, including:¹

- Revised 2022 electricity transmission revenue requirement and fixed charges to HORCI for transmission service
- Total bill impacts to customers on average and for a typical residential customer consuming 750 kWh per month and a typical General Service (GS < 50 kW) customer consuming 2,000 kWh per month
- All other requirements specified by the OEB in its Decision and Order for inclusion in the DRO

WPLP filed its DRO on November 16, 2021, pursuant to the Decision and Order.

In summary, OEB staff does not have concerns with the detailed calculations and supporting material provided by WPLP in the DRO. OEB staff's specific comments on the DRO follow.

1. Revised 2022 Electricity Transmission Revenue Requirement

In accordance with the OEB's Decision and Order, Attachment A - Revised 2022 Transmission Revenue Requirement of the DRO has been updated to reflect the OEB's 2022 cost of capital parameters for transmitters issued on October 28, 2021. The WPLP 2022 revenue requirement has been adjusted from \$41,546,266 in the Decision and

¹ The OEB's 2022 Cost of Capital Parameters were issued on October 28, 2021.

Order to \$41,992,091 in the DRO. The revenue requirement adjustment of \$445,825 consists of an increase of \$7,183 in income tax expense and an increase of \$438,642 in the cost of capital.

Operating Costs

The OM&A expenses, depreciation and amortization are unchanged. The income tax expense increase is a result of the impact of the 2022 cost of capital parameters update on WPLP's net regulatory income.

OEB staff submits that the operating costs in the DRO have been updated as required by the approved Settlement Proposal in this proceeding.

Cost of Capital

The deemed short-term debt and return on equity included in the cost of capital have been updated in the DRO based on the OEB's 2022 cost of capital parameters. WPLP's forecasted cost of long-term debt remains as approved in the Settlement Proposal.

OEB staff submits that WPLP's 2022 cost of capital has been updated as required by the approved Settlement Proposal in this proceeding.

Cost Allocation

The updated operating costs and cost of capital in the DRO for WPLP's 2022 revenue requirement are allocated either to the Uniform Transmission Rates (UTR) network pool or to fixed charges to HORCI based on the same methodology as in the approved Settlement Proposal.

OEB staff submits that WPLP's 2022 revenue requirement and allocation to the UTR network pool or to fixed monthly charges to HORCI, including underlying components, has been updated as required by the approved Settlement Proposal in this proceeding.

2. Bill Impacts

The DRO presents updated bill impacts on residential, general service and transmission-connected customers.

OEB staff has no concerns with the updated bill impact calculations provided by WPLP.

~All of which is respectfully submitted~