

**EPCOR Electricity Distribution Ontario Inc.**  
**January 25, 2022**

Please note, EPCOR Electricity Distribution Ontario Inc. (EPCOR) 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 note, OEB staff has updated the IRM model for the following:

- a) Uniform Transmission Rates on Sheet 11 to reflect the OEB's Decision and Order (EB-2021-0276) issued December 16, 2021.
- b) Sheet 17, Removed inflationary adjustment and updated charge from \$44.50 to \$34.76 for Wire Pole attachment as per EB-2021-0302, as well as removing reference to approval on an interim basis in Sheet 19
- c) Sheet 20 to reflect the November 1, 2021 Ontario Electricity Rebate of 17%

**Staff Question-1**

Ref: (1) 2022 IRM Rate Generator Model, Tab 3, November 2, 2021  
(2) GA Analysis Workform, Tab Principal Adjustments, November 2, 2021  
(3) EB-2020-0018, OEB Staff Follow-up Question #1, March 3, 2021

**Preamble:**

OEB staff has prepared a table to highlight Account 1588 and Account 1589 variances in the December 31, 2020 RRR 2.1.7 versus the December 31, 2020 balance (principal and interest) in the 2022 IRM Rate Generator Model. OEB Staff Table 1 summarizes these variances.

A similar table was prepared by OEB staff in EPCOR's 2021 IRM proceeding, as per Reference #3 (which EPCOR agreed with in that proceeding).

**OEB Staff Table 1**  
**Variances in the RRR 2.1.7 Versus the Balance in the 2022 IRM Rate Generator Model – December 31, 2020**

	31-Dec-20 RRR 2.1.7	31-Dec-20 2022 IRM Rate Generator Model November 2, 2021			31-Dec-20 Variance	2022 IRM Rate Proceeding November 2, 2021		
						2019 GL	GA Analysis	
						Adjusting	Workform	
						Journal Entry	Nov 2, 2021:	
							2020 Principal	Total
							Adjustments	
							Current Year	
	A	B	C	D = B + C	E = A - D	G	H	I = G - H
Account 1588	232,257	25,860	-13,972	11,888	220,369	256,790	36,421	220,369
Account 1589	611,424	511,117	21,803	532,920	78,504	-256,819	-335,322	78,503

**Questions:**

- Please confirm whether EPCOR is in agreement with OEB staff's calculations in the above noted OEB Staff Table 1, which explain the variances.
- If this is not the case, please explain, and update OEB Staff Table 1.
- Please confirm that the 2019 GL Adjusting Journal Entry (column G) is in the RRR 2.1.7, but not in the 2022 IRM Rate Generator Model balances. If this is not the case, please explain.
- Please confirm that the 2020 Principal Adjustments Current Year (column H) are not in the RRR 2.1.7, but are in the 2022 IRM Rate Generator Model balances. If this is not the case, please explain.

**Staff Question-2**

Ref: (1) 2022 IRM Rate Generator Model, Tab 3, November 2, 2021  
(2) GA Analysis Workform, Tab Principal Adjustments, November 2, 2021

**Preamble:**

OEB staff has prepared OEB Staff Table 2, which summarizes OEB staff's understanding of EPCOR's treatment of a 2019 general ledger entry in the 2022 IRM Rate Generator Model, Tab 3 and the GA Analysis Workform. The 2019 general ledger entry was made to debit Account 1588 by \$256,790 and credit Account 1589 by \$256,819.

**OEB Staff Table 2**  
**Treatment of the 2019 General Ledger Entry**

<b>Section of the 2022 IRM Rate Generator Model, Tab 3</b>	<b>Do these balances include the above noted 2019 general ledger entry?</b>	<b>Do these balances include any reversal of the above noted 2019 general ledger entry?</b>
January 1, 2020 Account 1588 and Account 1589 opening balances, cells BC28 (i.e., credit of \$68,028) and BC29 (i.e., debit of \$320,998)	No	No
2020 transaction balances, cells BD28 (i.e., a debit of \$108,359) and BD29 (i.e., a debit of \$679,204). Note that the Account 1589 number of \$679,204 may need to change, depending on the answer to Staff Question-1	No	No
2020 principal adjustments, cell BF28 (i.e., a credit of \$190,411) and BF29 (i.e., a credit of \$320,558) and the GA Analysis Workform	No	No

**Questions:**

- a) Please confirm whether EPCOR is in agreement with OEB Staff Table 2.
- b) If this is not the case, please explain, and update OEB Staff Table 2, as well as OEB Staff Table 1, as required.

### **Staff Question-3**

Ref: (1) EB-2020-0018, OEB Staff Follow-up Question #1, March 3, 2021

#### **Preamble:**

In the 2021 IRM Proceeding, EPCOR noted that while no further adjustments were required in 2019, in order to properly reflect the 2020 IRM decision (EB-2019-0027) findings, EPCOR would need to reverse the above noted 2019 general ledger entry in fiscal year 2020. EPCOR stated that if this entry is not made, there will be an ongoing variance between the general ledger and the DVA continuity schedule.

#### **Questions:**

- a) Please confirm that EPCOR did not reverse in the 2020 general ledger the above noted 2019 general ledger entry and as a result, OEB Staff Table 1 and OEB Staff Table 2 do not need to be updated.
- b) If the above noted 2019 general ledger entry was not reversed in the 2020 general ledger, please explain when EPCOR plans to reverse this 2019 general ledger entry, in order to rectify any ongoing variances between the general ledger and the DVA continuity schedule.
- c) If the above noted 2019 general ledger entry was reversed in the 2020 general ledger, please explain and update OEB Staff Table 1 and OEB Staff Table 2.

### **Staff Question-4**

Ref: (1) 2022 IRM Rate Generator Model, Tab 3, November 2, 2021  
(2) GA Analysis Workform, Tab GA 2020, November 2, 2021

#### **Preamble:**

As per Reference #1 (2022 IRM Rate Generator Model), cell BD29, EPCOR has recorded a debit amount of \$679,204 for Account 1589 "Transactions Debit / (Credit) during 2020".

However, as per Reference #2 (GA Analysis Workform), cell C75, EPCOR has recorded a debit amount of \$422,414 for Account 1589 "Net Change in Principal Balance in the GL (i.e. Transactions in the Year)."

OEB staff also notes that the difference between these two Account 1589 numbers is a debit amount of \$256,790, which equals the Account 1588 component of the above noted 2019 general ledger entry.

**Question:**

- a) Please clarify which is the correct Account 1589 number, whether it is a debit amount of \$679,204 or a debit amount of \$422,414.
- b) If the correct number is not a debit amount of \$679,204, please update OEB Staff Table 1 and OEB Staff Table 2.
- c) Please explain why the Account 1589 difference of a debit amount of \$256,790 equals the Account 1588 component of the above noted 2019 general ledger entry.

**Staff Question-5**

Ref: (1) 2022 IRM Rate Generator Model, Tab 3, November 2, 2021  
(2) GA Analysis Workform, Tab GA 2020, November 2, 2021

**Preamble:**

If the correct number as per Staff-1 is a debit amount of \$679,204, instead of a debit amount of \$422,414, then Reference #2 (GA Analysis Workform, Tab GA 2020) needs to be updated. If there is an update, cell C93, "Unresolved Difference as % of Expected GA Payments to IESO", changes from 0.3% to 3.4%.

**Questions:**

- a) If the GA Analysis Workform needs to be updated to reflect a revised Account 1589 "Net Change in Principal Balance in the GL (i.e. Transactions in the Year)" of a debit amount of \$679,204, please explain the large "Unresolved Difference as % of Expected GA Payments to IESO" of 3.4%, or any different percentage, as calculated by EPCOR.
- b) Please identify any additional reconciling items and/or identify corrections to the balance requested for disposition.

**Staff Question-6**

Ref: (1) OEB Instructions for Completing GA Analysis Workform – 2022 Rates, June 24, 2021, page 17-18  
(2) GA Analysis Workform, Tab GA 2020, November 2, 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, EPCOR has not included a reconciling item for the “Impacts of GA Deferral”.

**Question:**

- 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.

**Staff Question-7**

Ref: Excel LRAMVA work form, Tab 1

**Question:**

- a) Please confirm that cell H15 should read as 2022 IRM and not 2013 COS. If so, please file a revised LRAMVA work form.

**Staff Question-8**

Ref: Excel LRAMVA work form, Tab 1a

**Preamble:**

Tab 1a (Cell B 21) states the following:

Please document any changes in assumptions made to the generic inputs of the LRAMVA work form. This may include, but are not limited to, the use of different monthly multipliers to claim demand savings from energy efficiency programs; use of different rate allocations between current year savings and prior year

savings adjustments; inclusion of additional adjustments affecting distribution rates; etc. All changes should be highlighted in the work form as well.

**Questions:**

- a) Tab 1a has not been provided. Please clarify if any changes have been made in the LRAMVA work form and not documented in Tab 1a.
- b) If changes have been made and not documented in Tab 1a, please file a revised LRAMVA work form.

**Staff Question-9**

Ref: Excel LRAMVA work form

**Preamble:**

Tab 1 (Cell G32) shows a streetlighting debit balance of \$39,455 (including carry charges).

**Question:**

- a) The streetlighting tab has not been completed. Please complete the streetlighting tab in the LRAMVA work form and file a revised LRAMVA work form.

**Staff Question-10**

Ref: Excel LRAMVA work form, Tab 5

**Preamble:**

EPCOR rebased in 2013. It appears that EPCOR has included persisting savings from 2011-2013. The amount for those years is \$28,537 (Tab cells AM 1114-1116).

**Question:**

- a) Please review and confirm if these savings amounts are built into the updated 2013 forecast that was incorporated into the 2013 COS decision and if EPCOR has already been collecting these amounts. If so, please file a revised LRAMVA work form to remove these savings amounts.

**Staff Question-11**

Ref: (1) Excel LRAMVA work form, Tab 5

(2) Participation and Cost Report – LDC Progress Tab

**Preamble:**

In the IESO's Participation and Cost report filed in the 2021IRM proceeding, the Residential Save on Energy Heating and Cooling Program indicates savings of 268,705 kWh (LDC Progress Tab) and the LRAMVA work form Tab 5 (cell D657) indicates Net Energy Savings of 281,969 kWh.

**Question:**

- a) Please reconcile and explain the differences between 281,696 kWh and 268,705 kWh.