Northern Ontario Wires Inc.

OEB Staff Questions

EB-2021-0047

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Please note, Northern Ontario Wires Inc. (Northern Ontario Wires) 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*.

OEB staff has made the following generic updates in Rate Generator Models attached:

* Updated the IPI Inflation Factor to 3.30%[[1]](#footnote-1) in Tab 16 and Tab 17-Retail Service Charges
* Updated the Ontario Electricity Rebate in Tab 20 to 17% (as of November 1, 2021)
* Updated the Wireline Pole Attachment Charge to $34.76[[2]](#footnote-2) in Tab 17
* Updated the 2022 UTRs[[3]](#footnote-3) and Hydro One Sub-transmission rates[[4]](#footnote-4) in Tab 15

**Staff Question-1**

**Ref: Managers Summary Page 7 and Chapter 3 Pages 14 - 15**

Northern Ontario Wires stated in its Mangers summary:

“Residual balances in Account 1595 for each vintage year have only been disposed once. NOW Inc. does not meet the criteria to dispose of any 1595 sub-accounts in this application.”

Chapter 3 states:

When approval for disposition of DVA balances is received from the OEB, the approved amounts of principal and carrying charges are transferred to Account 1595 for that rate year.

• 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 subaccount. For example:

January 1 rate year – If 2019 rate riders end on December 31, 2019, the balance of sub-account 1595 (2019) could be disposed of once the December 31, 2021 account balance has been audited. Therefore, sub-account 1595 (2019) would be eligible for disposition in the 2023 rate year.

May 1 rate year – If 2019 rate riders end on April 30, 2020, the balance of sub-account 1595 (2019) could be disposed of once the December 31, 2022 account balance has been audited. Therefore, sub-account 1595 (2019) would be eligible for disposition in the 2024 rate year.

No further transactions are expected to flow through the Account 1595 sub-accounts once the residual balance has been disposed of.

1. Please explain why Northern Ontario Wires has not applied to dispose of Account 1595 – (2017).

***Northern Ontario Wires have not applied to dispose of the residual balance in Account 1595 – (2017) because of the requirement to wait until two years after the expiry of the rate rider.***

***The Rate Rider for 2017 was effective until April 30, 2019. As the 2017 rate riders end on April 30, 2019, the balance of sub-account 1595 (2017) can be disposed of once the December 31, 2021 account balance has been audited. Therefore, sub-account 1595 (2017) would be eligible for disposition in the 2023 rate year.***

1. If Northern Ontario Wires agrees with OEB staff that Account 1595 – (2017) is eligible for disposition, please fill out the 1595 workform and check yes on tab 3 for disposition.

***This account is not eligible for disposition as per the response in part a).***

1. 2022 inflation factor established in the Decision and Order issued on November 18, 2021, EB-2021-0212 [↑](#footnote-ref-1)
2. EB-2021-0302, Decision and Order, issued December 16, 2021 [↑](#footnote-ref-2)
3. EB-2021-0276, Decision and Rate Order, issued December 16, 2021 [↑](#footnote-ref-3)
4. EB-2021-0032, Decision and Rate Order, issued December 14, 2021 [↑](#footnote-ref-4)