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BY EMAIL

February 17, 2022

Ms. Nancy Marconi  
Acting Registrar  
Ontario Energy Board  
2300 Yonge Street, 27<sup>th</sup> Floor  
Toronto, ON M4P 1E4  
[Registrar@oeb.ca](mailto:Registrar@oeb.ca)

Dear Ms. Marconi:

**Re: Ontario Energy Board (OEB) Staff Interrogatories  
Rideau St. Lawrence Distribution Inc.  
2022 Cost of Service Rate Application  
OEB File Number: EB-2021-0056**

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Please find attached OEB staff's interrogatories in the above referenced proceeding, pursuant to Procedural Order No. 1.

Responses to interrogatories, including supporting documentation, must not include personal information unless filed in accordance with rule 9A of the OEB's Rules of Practice and Procedure.

Yours truly,

*Original Signed By*

Margaret DeFazio, P. Eng.  
Senior Advisor – Electricity Distribution: Major Rate Applications & Consolidations

Encl.

cc: All parties in EB-2021-0056



# **ONTARIO ENERGY BOARD**

## **OEB Staff Submission**

**Rideau St. Lawrence Distribution Inc.**

**2022 Cost of Service Application**

**EB-2021-0056**

**February 17, 2022**

\* Responses to interrogatories, including supporting documentation, must not include personal information unless filed in accordance with rule 9A of the OEB's *Rules of Practice and Procedure*.

**0-Staff-1****Updated Revenue Requirement Work Form (RRWF) and Models**

Upon completing all interrogatories from Ontario Energy Board (OEB) staff and intervenors, please provide an updated RRWF in working Microsoft Excel format with any corrections or adjustments that the Applicant wishes to make to the amounts in the populated version of the RRWF filed in the initial applications. Entries for changes and adjustments should be included in the middle column on sheet 3 Data\_Input\_Sheet. Sheets 10 (Load Forecast), 11 (Cost Allocation), and 13 (Rate Design) should be updated, as necessary. Please include documentation of the corrections and adjustments, such as a reference to an interrogatory response or an explanatory note. Such notes should be documented on Sheet 14 Tracking Sheet and may also be included on other sheets in the RRWF to assist understanding of changes.

In addition, please file an updated set of models that reflects the interrogatory responses. Please ensure the models used are the latest available models on the OEB's 2022 Electricity Distributor Rate Applications webpage.

**0-Staff-2****Updated Bill Impacts**

Upon completing all interrogatories from OEB staff and intervenors, please provide an updated Tariff Schedule and Bill Impact model for all classes at the typical consumption / demand levels (e.g. 750 kWh for residential, 2,000 kWh for GS<50, etc.).

**Exhibit 1- Administration****1-Staff-3**

**Ref 1: Exhibit 1 / Tab7 / Schedule 1**

**Ref 2: Exhibit 1 / Tab7 / Schedule 9**

Preamble:

In response to feedback from its customers Rideau St. Lawrence Distribution Inc. (Rideau St. Lawrence Distribution) states it is "in the process of a website redesign, and plan to have it in place by the end of 2021."

Question(s):

- a) Please provide a revised schedule for the implementation of the website redesign.

**1-Staff-4**

**Ref 1: Exhibit 1**

- a) Does Rideau St. Lawrence Distribution have a corporate scorecard, that differs from the OEB scorecard? If so, please provide a copy of its corporate scorecard for each year over 2016-2021.

**1-Staff-5**

**Ref 1: Exhibit 1/ p. 220**

**Ref 2: Exhibit 1/ Appendix 1-10**

Preamble:

Rideau St. Lawrence Distribution provided its audited financial statements for 2018, 2019 and 2020 and the related Audited Financial Statements to RRR trial balance reconciliation.

Question(s):

- a) Please provide a reconciliation showing how the 2020 PP&E and intangible amounts shown in the financial statements reconcile to the 2020 net book value in Appendix 2-BA.

**Exhibit 2 – Rate Base**

**2-Staff-6**

**Ref 1: Exhibit 2/ Appendix 2.1 Distribution System Plan (DSP)/ p. 12, Table 4**

Preamble:

It is noted on page 12 and Table 4 of the DSP that Rideau St. Lawrence Distribution's Total Cost per Customer is \$194 and that its Total Cost per km of distribution line is \$14,040.

It is also noted on the information presented by Rideau St. Lawrence Distribution on the OEB Scorecard that Rideau St. Lawrence Distribution's Total Cost per Customer is \$572 and that its Total Cost per km of distribution line is \$31,636.

Question(s):

- a) Can Rideau St. Lawrence Distribution explain what has caused this inconsistency?
- b) Please state the Total Cost per Customer and the Total Cost per km of distribution line.

**2-Staff-7**

**Ref 1: Exhibit 2/ Appendix 2.1 Distribution System Plan (DSP)/ p. 27**

Preamble:

Rideau St. Lawrence Distribution states, “Recent assessment by a third party determined this station to be in good condition, with only minor capital maintenance required over the five-year budget period.”

Question(s):

- a) Several references throughout the DSP were made to assessments undertaken by a third party. Please confirm which third party or parties, and its or their qualifications to complete such assessments?

**2-Staff-8**

**Ref 1: Exhibit 2/ Appendix 2.1 Distribution System Plan (DSP)/ p.56 and 58/ Tables 39 and 40**

Preamble:

[Tables not included in preamble]

Question(s):

- a) In each of 2018-2021, Rideau St. Lawrence Distribution did not spend its System O&M Plan budget. Have the implications of underspending on O&M been assessed, and have the impacts been reflected in the new plan?
- b) Was the underspending a factor of capacity (i.e., resources to execute the O&M plan)?
  - a. If, so, what changes have been made to ensure the 2022-2026 O&M plan, which is, on average, is budgeted at 10% higher than the 2016-2021 O&M budgets can be completed?

**2-Staff-9****Ref 1: Exhibit 2/ Appendix 2.1 Distribution System Plan (DSP)/ p. 21**

Preamble:

As stated on page 21:

“In developing and implementing the Asset Management Plan, Rideau St. Lawrence Distribution has pursued the best practices of the electricity distribution industry and continues to work collaboratively with CHEC utilities for improved efficiencies and implementation of benchmark standards

...

In developing this Asset Management Plan, the following factors were considered:

- a. Available asset inventory and lead time for inventory purchases,
- b. Asset condition based on a visual inspection and stress calculation/measurement
- c. Current capital expense programs, and
- d. Best practices of the electricity industry”

Question(s):

- a) Is the referred to “best practices of the electricity distribution industry” the ISO 55000 series for asset management, or another similar standard?
- b) Please confirm whether there are Rideau St. Lawrence Distribution asset management governance documents and if so, whether they have been approved and issued (i.e., policy, strategy and asset management plan)?
  - i. If these documents are available, could you please point to the sections in this DSP where these were included, or provide them?
  - ii. If not, could you please indicate if Rideau St. Lawrence Distribution plans to include the asset management governance documents in future and the anticipated timeline?
- c) Please explain what equipment is in the asset inventory and what assets are purchased outside of regular inventory. How are replacements for equipment not in the asset inventory managed?

- d) Does continuing to “work collaboratively with CHEC utilities” include comparing and combining common component failure data?

**2-Staff-10****Ref 1: Exhibit 2/ Appendix 2.1 Distribution System Plan (DSP)/ p. 21**

Preamble:

The sixth paragraph on page 21 states:

“Each project identified is rated and ranked, based on the following factors, prescribed by the OEB”

Question(s):

- a) Could you please provide an explanation of what types of projects are considered for inclusion in the asset management system and for planning purposes (e.g. replacement, refurbishment, IT upgrade, annual inspections, testing, maintenance, condition assessments, tree trimming, etc.) and include examples so that it is understood what the meaning of “project” is? Each project proposed needs to be identified by type and rated and ranked based on the factors presented in Table 7. The definitions for these types of projects should be referenced.

**2-Staff-11****Ref 1: Exhibit 2/ Appendix 2.1 Distribution System Plan (DSP)/ p. 22**

Preamble:

On page 22, below Table 7, under “Factors for Rating Projects” the text continues:

“The detailed descriptions for each factor in Tables 7 to 11, resulting in a rating of 1 to 4, have been established based on the projects identified in this forecast period.”

Questions:

- a) Please point to where in this DSP the Health Scores and Weights were determined for Table 7 and provide text explaining how each Factor listed in Table 7 was determined.
- b) Please provide a rating table for “Safety”, as has been done for the other factors in Table 7.

**2-Staff-12****Ref 1: Exhibit 2/ Appendix 2.1 Distribution System Plan (DSP)/ p. 23**

Preamble:

On page 23, the first paragraph states:

“The material projects, identified in Section 4.5.2 show the rating and the score for each project, based on these factors.”

Questions:

- a) Section 4.5.2 provides a grouping of 18 projects, (11 renewal, 4 system access and 3 General Plant). Each project shows the rating and total score, which is based on the rating, weight and scores outlined in this DSP. Please provide a total list of all the capital projects which were considered and their prioritized ranking together with their ratings and weights.
  - i. From the total list of projects prepared, please indicate which projects were excluded from the planning process for the 2022-2026 period?
  - ii. Did Rideau St. Lawrence Distribution establish a scoring threshold below which projects would not be included in the 2022-2026 period and if so, which project were the ones excluded from above or from below the threshold score?
  - iii. Was the selection of projects to carry forward in the 2022-2026 period aligned with the established scoring?
  - iv. Could you please explain how projects that were included in the plan and could not be started are handled? How are these projects would be re-introduced into the planning cycle?
  - v. The total score for each General Plant project was “zero”. How is planning and prioritization done for projects with “zero” score?

**2-Staff-13****Ref 1: Exhibit 2/ Appendix 2.1 Distribution System Plan (DSP)/Section 3.1./ p. 23**

Preamble:

Rideau St. Lawrence Distribution states it “uses the GIS database as the central storage for all asset information, asset assessment and project identification. In the future, this will allow RSL better data mining and improved decision making.”



Question(s):

- a) Please provide more detailed information to clarify what characteristic and condition information is input into the GIS?

## 2-Staff-14

**Ref 1: Exhibit 2/ Appendix 2.1 Distribution System Plan (DSP)/ p. 24**  
**Exhibit 2/ Appendix 2.1 Distribution System Plan (DSP)/ p. 27**

Preamble:

Rideau St. Lawrence Distribution stated on page 24, “The distribution network includes nine distribution stations owned by RSL and two stations that are shared with Hydro One Networks Inc. (HONI).”

Also stated on page 24:

“This section summarizes the results of the Asset Condition Assessment study completed in 2020, with the objective of establishing the health and condition of fixed assets currently in service in RSL’s system.”

...

The assets covered by the report include:

- a. Substations / Feeders
- b. Distribution Transformers
- c. Poles
- d. Conductors
- e. Switches
- f. Meters
- g. General Plant”

It is stated on page 27, regarding Morrisburg MS2, “assessment by a third party determined this station to be in critical condition and recommended replacement to provide stable reliability.”

Question(s):

- a) Please provide indication of the terminal points between Rideau St. Lawrence Distribution and HONI stations and a list of equipment shared between Rideau St. Lawrence Distribution and Hydro One? (There are two distributing stations that are shared with Hydro One- Networks Inc. (HONI) – Glen Becker DS and Newboro DS)
- b) Please confirm whether the Asset Condition Assessment study completed in 2020 is included with this DSP and if so, please point to the Section in this DSP

where it can be found. Also, in several instances the DSP refers to assessments done by a third party. Please explain whether these assessments by a third party are included in the above 2020 Asset Condition Assessment study or whether they are from separate assessments.

- i. If the 2020 Asset Condition Assessment study is not included, could you please provide it?
  - ii. If these third-party assessments are not from the above 2020 study, or if these assessments are not included in this DSP, could you please provide them?
- c) Please confirm whether all these listed assets are assets which are intended to be included, monitored, scored, weighted, prioritized, planned, and managed by the asset management process in the future, as it continues to evolve.
  - i. If some of these assets will not be included in the asset management process in the future, could you please confirm which assets are intended to be included?
  - ii. Could you please confirm whether each of the assets included in the asset management process would require the same rigor of monitoring to implement asset management principles and methods?
- d) The heading of the Section “General Plant” is listed in the DSP text. Could you please confirm whether the Section “General Plant”, with the description of assets in it, is included with this DSP and if so, please point to the Section in this DSP where it can be found?
- e) To clarify, from Section 3.2.1.1 “Station Summary”, on pages 26 and 27, the following information is requested:
  - iii. Please provide examples of minor capital maintenance and the category of maintenance to which they belong, (e.g., preventative maintenance, corrective maintenance, breakdown maintenance)
  - iv. Please provide the evaluation that determined that the Morrisburg MS2 station is in critical condition.

## 2-Staff-15

**Ref 1: Exhibit 2/ Appendix 2.1 Distribution System Plan (DSP)/ p. 33**

**Ref 2: Exhibit 2/ Appendix 2.1 Distribution System Plan (DSP)/ Appendix A/  
Project Number CP2211**

Preamble:

In *Table 19 Station Health Index Summary* Rideau St. Lawrence Distribution has evaluated Morrisburg MS2 to have an asset condition of critical. Rideau St. Lawrence

Distribution is planning to rebuild the station in a new location and has categorized the investment category as System Access.

Question(s):

- a) Please elaborate on the statement in CP2211 that states “An additional feeder is required to supply demand in the community and provide reasonable reliability”.
- b) Please confirm that the total project cost is \$1 million as outlined in CP2211 and CP2311.
- c) What existing Rideau St. Lawrence Distribution property will the substation be relocated to, or is a new property required?
- d) What coordination work is required with Hydro One? Has Hydro One already provided an estimate for its costs, and are those costs included in the total project costs?
- e) What is the current MVA rating of the current substation and the new substation?
- f) Has Rideau St. Lawrence Distribution retained the design and construction resources for the project? If not, what is the timeline?
- g) Please consider if the project has been appropriately categorized within System Access.

## 2-Staff-16

### Ref 1: Exhibit 2/ Appendix 2.1 Distribution System Plan (DSP)/ p. 29

Preamble:

As stated on page 29, Section 3.2.1.2 “Inspections”:

“Rideau St. Lawrence Distribution Inc. owns and operates its nine substations, which are patrolled on the first business day of each month. Patrols at substations require the use of the “*Record of Substation Inspection*” which includes a checklist of items to inspect visually for defects.”

Question(s):

- a) Please provide completed representative samples of this information, that is, completed “*Record of Substation Inspection*” and the checklist used to carry out the inspections?

- b) Where are the results of the inspections recorded?
- c) How are inspections evaluated against past inspections to determine if condition is worsening?

**2-Staff-17****Ref 1: Filing Requirements Chapter 2 Appendices / App.2-AA Capital Projects**

Preamble:

In the capital projects listing, general plant category for 2022, there is \$60k forecast for vehicles.

Question(s):

- a) Please provide a material projects sheet, or similar business case and description, for this expenditure.

**2-Staff-18****Ref 1: Exhibit 2/ Appendix 2.1 Distribution System Plan (DSP)/ p. 11/ Table 3  
Exhibit 2/ Appendix 2.1 Distribution System Plan (DSP)/ p. 21**

Preamble:

Typical useful life of smart meters is listed as 15 years in Table 3 Rideau St. Lawrence Distribution's Asset Class Useful Life. Rideau St. Lawrence Distribution started installing smart meters in 2009.

Question(s):

- a) When was the smart meter roll out completed?
- b) Has Rideau St. Lawrence Distribution experienced increased volumes of smart meter failures due to age?
- c) Does Rideau St. Lawrence Distribution anticipate implementing a smart meter replacement program during the test period?

**2-Staff-19****Ref 1: Exhibit 2/ p. 65**

Preamble:

Rideau St. Lawrence Distribution stated that in the 2018 IRM it received approval for a rate rider for capital funding, which would end when rebased rates come into effect in 2022. In addition, Rideau St. Lawrence Distribution provided a summary of the actual capital funding received between 2018 and 2020 and the forecasted amount for 2021 (Table 2.24).

Question(s):

- a) Please confirm that the 2021 rate rider revenues are actual rate riders collected. If not confirmed, please provide actual 2021 revenues, and explain why actual revenues are not used.

**2-Staff-20****Ref 1: Exhibit 2/ p. 64-67****Ref 2: Decision and Rate Order, EB-2017-0265 Rideau St. Lawrence Distribution Inc./ p 4-5**

Preamble:

At the above reference Rideau St. Lawrence Distribution confirms the digger truck arrived in 2017 and depreciation was recorded in 2017.

Rideau St. Lawrence Distribution indicated that the cost recovery for the digger truck beginning in 2018 is not an Incremental Capital Module as the digger truck entered service prior to 2018.

Question(s):

At the second reference above, the OEB stated that it “considers the approach used for incremental capital funding as part of this settlement proposal consistent with the OEB’s Policy for the ICM.” The OEB further indicated that the “name of the capital funding rate riders from the 2017 ICM rate rider to the 2018 ICM rate rider.”

- a) Please explain why Rideau St. Lawrence Distribution is proposing not to treat the digger truck as an ICM.

- b) Please provide a calculation comparing the actual revenue requirement for the rate year and the actual rate riders collected up to April 30, 2022, similar to an ICM true-up calculation.
  - i) Please explain if the half year or full year depreciation was used on the actual revenue requirement true up calculation.
- c) Please confirm the half year rule was applied in calculating the depreciation in 2017 when the truck came into service, and whether the opening rate base inclusion amount reflects four and a half years of depreciation (half year in 2017, and full year from 2018-2021).
- d) Please indicate if half year or full year depreciation was used when determining the 2018 capital funding rate rider.

**2-Staff-21****Ref 1: Exhibit 2/ p. 60**

Preamble:

Rideau St. Lawrence Distribution stated the labour burden rate for this application was 54% compared with a 2020 rate of 53%.

Question(s):

- a) Please explain the drivers for the labour burden rate.
- b) Table 2.23 Overhead expense indicates the total O&M before capitalization increased 7.3% from the bridge to the test year. During the same period, administrative and general expenses increased by 11%. Please explain the drivers behind this increase.

**Exhibit 3 – Operating Revenue****3-Staff-22****Load Forecast****Ref 1: Exhibit 3/ pages 5, 18**

Preamble:

The load forecast is based on ten years of historic data, 2011 to 2020. The year 2021 is included as a forecast year.

Question(s):

- a) Please provide the customer connection counts by rate class for 2021.
- b) Please provide actual energy consumption and demand by rate class for 2021.
- c) Please provide monthly IESO purchases plus microFIT for 2021.
- d) Please provide predicted purchases for each month of 2021 using the proposed load forecast model and actual 2021 heating and cooling degree days.

### **3-Staff-23**

#### **Customer Connection Forecast**

**Ref 1: Exhibit 3/ pages 18-19**

Preamble:

Customer connections are forecasted based on a five-year geometric mean growth rate based on the years 2015 to 2020. Rideau St. Lawrence Distribution states that the customer connections are presented in a year-end format.

Question(s):

- a) As a scenario, please provide the forecast that would result if the five years used were 2014 to 2019.
- b) Please explain why a year-end forecast was used, and comment on the suitability of customer connections at the end of 2022 as opposed to the average for 2022 for setting billing determinants.

### **3-Staff-24**

#### **CDM**

**Ref 1: Exhibit 3/ page 23**

Preamble:

Rideau St. Lawrence Distribution states that it expects CDM will continue to be implemented in its service territory in the bridge and test year. It states that the impact of this would be captured in the trend variable.

Question(s):

- a) Please indicate the amount of new CDM estimated to have been delivered or forecasted to be delivered in each year from 2011 to 2022.

- b) Please comment on the suitability of a trend variable influenced by historic CDM activity to the test year influenced CDM in the bridge year and test year.

## **Exhibit 4 – Operating Costs**

### **4–Staff–25**

**Ref 1: Exhibit 4, pages 31-32**

**Ref 2: EB-2015-0040 – Report of the Ontario Energy Board - Regulatory Treatment of Pension and Other Post-employment Benefits (OPEBs) Costs – pages 12, 13, September 14, 2017.**

Preamble:

On December 15, 2021, Rideau St. Lawrence Distribution filed an Employee Post-Retirement Benefits document to update some of the information included in Exhibit 4. The updated information included interests and actuarial gain/loss in the calculation of the total defined benefit cost included in OM&A.

Reference 2 states:

“Under International Financial Reporting Standards (IFRS), a utility must recognize all actuarial gains and losses in OCI, but these amounts are never amortized into net income. Under Accounting Standards for Private Enterprises, all actuarial gains and losses are immediately recognized in net income. As the pension and OPEBs accrual amount that is recovered in rates is derived from the accounting expense recognized in net income, utilities who are recovering their pension and OPEB costs on an accrual basis under IFRS will not be able to dispose of any amounts pertaining to actuarial gains and losses because they will never form part of net income”.

Question(s):

- a) Please explain why Rideau St. Lawrence Distribution included actuarial gain/loss when calculating total defined benefit cost included in OM&A (Tables 4.40 – 4.16 and 4.41).
- b) To ensure completeness of the record, please update Exhibit 4 and correct/update any other evidence impacted by the changes identified in responding to the interrogatories.



**4-Staff-26****Ref 1: Exhibit 4/ p. 78**

Preamble:

Rideau St. Lawrence Distribution stated that the detailed project level savings file and the third-party evaluation reports have not been submitted with its application due to the sensitivity of privacy information of our customers listed in the file. Rideau St. Lawrence Distribution further stated that if this file is required, it will submit with confidentiality at the OEB's request.

Questions(s):

- c) Please identify what projects and savings and for what years in the LRAMVA Workform that the project level savings file relates to.
- d) Please identify what projects and savings and for what years in the LRAMVA Workform that the third-party evaluation reports relates to.

**4-Staff-27****Ref 1: LRAMVA Workform/ Tab 1****Ref 2: Exhibit 4/ p. 81**

Preamble:

The note in tab 1 (cell B87) of the LRAMVA Workform states the following:  
"Management decided to request an interim disposition of 2019 LRAMVA only in 2022 COS. Leave 2020 and 2021 to 2023 IRM."

However, as part of the application, in Exhibit 4, when discussing the LRAMVA Rate Rider, Rideau St. Lawrence Distribution indicates that it is "proposing disposition for Account 1568 LRAMVA over 1 year through LRAMVA Rate Riders, effective from January 1, 2022, to December 31, 2022."

Questions:

- a) Please reconcile these two statements referenced above and confirm whether Rideau St. Lawrence Distribution is seeking disposition of its LRAMVA balance on an interim or final basis.

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**Exhibit 5 – Cost of Capital and Capital Structure****5-Staff-28****Cost of Capital****Ref 1: Exhibit 5**

Question(s):

- a) Please update 2022 cost of capital parameters in accordance with the OEB's letter dated October 28, 2021.

**Exhibit 7 – Cost Allocation****7-Staff-29****Weighting Factors****Ref 1: Exhibit 7/ pages 8-10**

Preamble:

A services weighting factor over zero exists for every rate class.

Rideau St. Lawrence Distribution states that it reviewed the billing and collecting weighting factors used in its 2016 COS Application and concluded that it is appropriate to use them in this application.

OEB staff notes that the proposed billing and collecting weighting factor for GS 50 to 4,999 in this application is 2.3, while in the cost allocation model from the 2016 approved settlement, it was 2.6. Similarly, the Street Lighting weighting factor is 0.8 in this proceeding, and 0.9 in the 2016 approved settlement.

Question(s):

- a) Please confirm that Rideau St. Lawrence Distribution customers are not responsible for providing their own service connections regardless of rate class.
- b) If part a) cannot be confirmed, please briefly explain the circumstances under which Rideau St. Lawrence Distribution provides the service connection and in which circumstances the customer is responsible.

- c) Please explain the reason for the difference between the billing and collecting weighting factors from the 2016 approved settlement and the 2022 application.

**7-Staff-30****Demand Allocators****Ref 1: Exhibit 7/ page 14**

Preamble:

Rideau St. Lawrence Distribution states that it “intends to put plans in place to update its load profiles the next time when a cost allocation model is filed.”

Question(s):

- a) Please confirm that Rideau St. Lawrence Distribution commits to include a proposal to update its load profiles and resulting demand allocators in the next proceeding where it is required to file a cost allocation model.

**7-Staff-31****Revenue to Cost****Ref 1: Exhibit 7/ page 25**

Preamble:

Rideau St. Lawrence Distribution proposes to adjust its revenue-to-cost ratios for every rate class closer to 100%. This is “in order to reduce some of the cross-subsidization that was occurring.”

The Status Quo ratios result in one rate class, GS 50 to 4,999 kW above the range at 124.38%, while all remaining rate classes have revenue to cost ratios within the target ranges.

Question(s):

- a) As a scenario, please provide the revenue-to-cost ratios, and rates that would result if Rideau St. Lawrence Distribution were to reduce the revenue-to-cost ratio for GS 50 to 4,999 kW to the upper bound of its range, 120%, and make offsetting increases to the rate classes below the range (Residential and Sentinel Lights) as required.

**7-Staff-32****Meter Reading****Ref 1: Cost Allocation Model, I7.1 Meter Capital/ I7.2 Meter Reading**

Preamble:

On sheet I7.2 Meter Reading, the Street Lighting rate class has 72 meter reads per year. However, on sheet I7.1 Meter Capital, there are no meters assigned to the Street Lighting rate class.

Question(s):

- a) Please explain the apparent inconsistency.

**Exhibit 8 – Rate Design****8-Staff-33****Ref 1: Tariff Schedule and Bill Impact Model/ 3. Regulatory Charges**

Question(s):

- a) Please update 2022 Wireline Pole Attachment Charge in accordance with the OEB's letter dated December 16, 2021.

**8-Staff-34****Retail Transmission Service Rates****Ref 1: RTSR Workform/ sheet 4. UTRs and Sub-Transmission**

Preamble:

Rideau St. Lawrence Distribution is fully embedded in Hydro One Networks Inc. (Hydro One). The RTSR model has been completed using 2021 rates for Hydro One. On December 14, 2021, after Rideau St. Lawrence Distribution's application, Hydro One's 2022 rates were approved.

Question(s):

- a) Please provide an updated RTSR model populated with Hydro One's 2022 rates.

**8-Staff-35****Low Voltage****Ref 1: Exhibit 8/ page 27**

Preamble:

Rideau St. Lawrence Distribution has forecasted low voltage charges based on an estimate of inflation from 2021 host rates.

Question(s):

- a) Please calculate the low voltage cost, and low voltage rates that would result if Hydro One's current 2022 rates were used.

**8-Staff-36****Loss Factors****Ref 1: Exhibit 8/ pages 23-24****Ref: EB-2020-0053, Decision and Rate Order, May 27, 2021**

Preamble:

Rideau St. Lawrence Distribution states that the generation from microFIT has been included in the A(2) line.

The proposed total secondary loss factor of 1.0835 reflects an increase from the current approved loss factor of 1.0819.

Question(s):

- a) Please explain the source for the A(1) line, and what is included in these values.
- b) Is the supply from microFIT included in the A(1) line?
- c) Please explain what has caused losses to increase since Rideau St. Lawrence Distribution's previous cost of service. What measures could Rideau St. Lawrence Distribution take to reduce losses or prevent losses from increasing further in the future?

**8-Staff-37****Bill Impact Mitigation****Ref 1: Exhibit 8/ page 29**

Preamble:

Residential customers consuming 304 kWh have a total bill impact of 15.2%. Rideau St. Lawrence Distribution states that it has explored various scenarios with respect to revenue-to-cost ratios and disposition of deferral and variance accounts.

Question(s):

- a) As a scenario, please provide the bill impact that would result if the deferral and variance account recovery were extended to a second year.

**Exhibit 9 – Deferral and Variance Accounts****9-Staff-38****Ref 1: DVA Continuity Schedule/ Tab 2A****Ref 2: Exhibit 9/ p. 7**

Preamble:

Rideau St. Lawrence Distribution indicated that: “the variance in account 1588 RSVA-Power is to reverse the true up amounts for 2017 and 2018 RPP GA costs which were included in the disposition from 2020 IRM as a result of the review of 2017 GL balances under the New Accounting Guidance”. Table 9.3 details the adjustments shown in the Continuity Schedule, which is consistent with GA Analysis Workform.

Question(s):

- a) Please provide further details on this adjustment, which pertained to changes in 2017 and 2018 RPP GA costs.

**9-Staff-39****Ref 1: DVA Continuity Schedule****Ref 2: Exhibit 9/ p. 25-26**

Preamble:

Rideau St. Lawrence Distribution is requesting to dispose of Account 1518 – RCVA Retail and Account 1548 – RCVA STR, as of December 31, 2020, on a final basis and discontinue the accounts effective January 1, 2022.

Question(s):

- a) Rideau St. Lawrence Distribution is requesting to discontinue the accounts effective January 1, 2022. Please explain whether Rideau St. Lawrence Distribution is able to forecast the 2021 balances in the accounts with reasonable accuracy. If so,
  - i. Please provide the 2021 transactions forecasted in a format similar to that in Table 9.22 and 9.24. If actuals are available, please provide them.
  - ii. Please discuss Rideau St. Lawrence Distribution's views on disposing the forecasted balance.

**9-Staff-40****Ref 1: DVA Continuity Schedule/ Tab 2A****Ref 2: Exhibit 9/ p. 29-30**

Preamble:

At the references 1 and 2, Rideau St. Lawrence Distribution shows a net impact to account 1592.

Question(s):

- a) Please provide the detailed UCC continuity schedules used to calculate the differences between the legacy CCA rules and the accelerated rules for 2018 to 2021. As well, please show the revenue requirement impact of those annual CCA differences.
- b) Please confirm if the 1592 balance was calculated based on approved capital additions from Rideau St. Lawrence Distribution's last cost-of-service proceeding, or actual capital additions in each year.

**9-Staff-41****Ref 1: Exhibit 9/ p. 16-17**

## Preamble:

At the first reference, Rideau St. Lawrence Distribution includes a paragraph from the OEB's Wireline Pole Attachment Charges Report (EB-2015-0304) that reads:

"For those LDCs that the new charge applies to, the increase in the pole attachment charge in the midst of an incentive rate-setting term will result in revenues earned being greater than amounts previously approved in an LDC's distribution rates. The excess incremental revenues will need to be accumulated by LDCs in a new variance account, with the closing balance ultimately refunded to ratepayers in the LDC's next cost-based rate application."

Also, at reference 1 Rideau St. Lawrence Distribution indicated that the incremental pole attachment revenue collected was offset by the incremental cost paid to Hydro One and Bell Canada to have access to their poles and it is proposing to include the incremental pole rental expense, and this dispose the net impact through this application.

## Question(s):

- a) Please provide a summary of amounts and quantity of poles driving the actual pole attachment revenues each year (2018, 2019, 2020, and 2021 forecast).  
Table 9.17 includes the dollar amounts but not quantities.