



Ontario  
Energy  
Board | Commission  
de l'énergie  
de l'Ontario

**BY EMAIL**

September 29, 2022

Nancy Marconi  
Registrar  
Ontario Energy Board  
2300 Yonge Street, 27th Floor  
Toronto ON M4P 1E4

Dear Ms. Marconi:

**Re: Waterloo North Hydro Inc. (Waterloo North Hydro)  
Application for 2023 Distribution Rates  
Ontario Energy Board File Number: EB-2022-0067**

In accordance with Procedural Order No. 1, please find attached the Ontario Energy Board (OEB) staff interrogatories in the above proceeding. The applicant and intervenors have been copied on this filing.

Enova Power Corp.'s (formerly Waterloo North Hydro Inc.) responses to interrogatories are due by October 13, 2022.

Any questions relating to this letter should be directed to Arturo Lau at [Arturo.Lau@oeb.ca](mailto:Arturo.Lau@oeb.ca). The OEB's toll-free number is 1-888-632-6273.

Yours truly,

Arturo Lau  
Advisor

Encl.

**OEB Staff Interrogatories  
Enova Power Corp.  
EB-2022-0067**

Please note, Enova Power Corp. is responsible for ensuring that all documents it files with the OEB, including responses to OEB staff interrogatories 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 is aware that Waterloo North Hydro Inc. and Kitchener-Wilmot Hydro have amalgamated and incorporated under the name Enova Power Corp.<sup>1</sup> For the purposes of interrogatories, former Waterloo North Hydro Inc. is referred to as Enova-WNH and former Kitchener-Wilmot Hydro is referred to as Enova- Kitchener-Wilmot.

**OEB Staff – 1**

**Ref: (1) IRM Rate Generator Tab 1 Cells F18**

OEB staff has updated the rate generator model on Tab 1 to reflect the correct case number.

**Question:**

- a) Please confirm that the update is correct.

**OEB Staff – 2**

**Ref: (1) 2023 IRM Rate Generator Tab 3 Cell AW23  
(2) 2022 IRM Rate Generator Tab 3 Cells BG23 and BL23**

OEB staff notes that Enova- WNH's RSVA (account 1580) 2020 closing balance for including interest in its 2022 IRM Rate Generator is (\$1,052,462) and in its 2020 closing balance including interest in the 2023 IRM Rate Generator is (\$1,245,299).

**Question:**

- a) Please explain the difference in the 2020 closing balance between the two IRM applications.
- b) Please discuss what the principal adjustment of \$314,081 represents in the 2021 RSVA in the 2023 IRM rate generator.

---

<sup>1</sup> EB-2022-0006, OEB Letter, September 14, 2022

### **OEB Staff – 3**

#### **Ref: (1) 2023 IRM Rate Generator Tab 6- Question 3a**

OEB staff notes that Enova- WNH's has only filled out the non-loss adjusted billing determinants of each customer on the year the customer transitioned between Class A and B. Generally, consumptions that are left blank or 0 are considered customers who have not connected or have been disconnected from the distributor.

#### **Question:**

- a) Please fill out the remainder of the Table for 3a for Customers 1-10 inclusive of 2019-2021.
- b) Please provide an explanation, for each consumer, if there are substantial (i.e. over 20%) consumption differences between consecutive periods.

### **OEB Staff – 4**

#### **Ref: (1) 2023 IRM Rate Generator Tab 11**

Enova- WNH is partially embedded within Enova-Kitchener-Wilmot Hydro, Energy+ and Hydro One.

#### **Question:**

- a) Please confirm that the distributor, in rows 44 to 56, is for Enova-Kitchener-Wilmot Hydro.
  - a. OEB staff has updated the rates for 2021 Jan to Jun based on Enova-Kitchener-Wilmot Hydro's 2021 Rate Order (EB-2020-0035). Please confirm accuracy.
- b) Please confirm that the distributor, in rows 59 to 71, is for Energy+.
  - a. OEB staff has updated the rates for 2021 based on Energy+'s 2021 Rate Order (EB-2020-0016). Please confirm accuracy.

### **OEB Staff – 5**

#### **Ref: (1) 2023 IRM Rate Generator Tab 17**

OEB staff has updated the Smart Metering Entity charge to \$0.42, effective January 1, 2023, based on OEB Letter issued September 8, 2022 (EB-2022-0137).

#### **Question:**

- a) Please confirm the update in the IRM rate generator.

## **OEB Staff – 6**

**Ref: (1) 2023 IRM Rate Generator, Tab 3  
(2) 2022 IRM Rate Generator, Tab 3**

Enova- WNH, in its Account 1580- RSVA Wholesale Market Service Charge, recorded a transaction during 2021 of \$967,631. OEB staff noted in Enova-WNH's 2022 IRM rate application, the same account had a transaction during 2020 of \$(748,787).

Enova- WNH, in its Account 1584- RSVA Retail Transmission Network Charge, recorded a transaction during 2021 of \$2,258,244. OEB staff noted in Enova-WNH's 2022 IRM rate application, the same account had a transaction during 2020 of \$(24,985).

### **Questions:**

- a) For Account 1580- RSVA Wholesale Market Service Charge, please explain the factors that have resulted in a substantial difference in transactions between 2021 and 2020.
- b) For Account 1584- RSVA Retail Transmission Network Charge, please explain the factors that have resulted in a substantial difference in transactions between 2021 and 2020.

## **OEB Staff – 7**

**Ref: (1) EB-2021-0062, 2022 IRM Decision and Rate Order, December 9, 2021, page 7 & 8  
(2) Manager's Summary, August 3, 2022, page 11**

In the 2022 IRM decision, it was noted that the settlement agreement for Enova – WNH's cost of service proceeding for 2021 rates stipulated that Enova – WNH not dispose of 2019 balances for Accounts 1588 and 1589, pending a special purpose inspection (Inspection) by the OEB of those accounts.<sup>2</sup> The distributor was to apply for disposition of those accounts upon completion of the Inspection.

The Inspection related to a prior period adjustment of approximately \$2.6 million in overstated Global Adjustment (GA) costs attributable to Regulated Price Plan (RPP) customers, impacting Accounts 1588 and 1589 balances between the years 2015 to 2018.

---

<sup>2</sup> EB-2020-0059, 2021 Cost of Service, Settlement Proposal, page 39 (attached to December 10, 2020 decision and rate order)

Also in the 2022 IRM decision, the OEB agreed that in addition to the Inspection regarding the prior period adjustment of approximately \$2.6 million, Enova – WNH would further benefit from having the overall reasonability of the 2019 and 2020 Account 1588 and 1589 balances (including compliance with the OEB’s Accounting Guidance) assessed by the OEB’s Inspection and Enforcement group.

In the current proceeding, Enova – WNH noted that the issuance date of the Inspection Report was expected to occur before the interrogatory period.

**Questions:**

- a) Please file the Inspection Report on the record of this proceeding, as well as any written response from Enova – WNH regarding the findings.
- b) If the Inspection Report has not yet been issued, please outline Enova – WNH’s planned timing to file this report on the record of this proceeding.

**OEB Staff – 8**

**Ref: (1) Manager’s Summary, August 3, 2022, page 11  
(2) IRM Rate Generator Model, Tab 3, August 3, 2022**

In the current application, Enova – WNH noted that the total of the 2015 – 2018 corrections, as well as the revised balances for 2019 – 2020, have restated the opening principal balances for 2021, of a credit of \$682,786 and a credit of \$897,220 for Accounts 1588 and 1589, respectively. These amounts are reconciled in Attachment G – 1588-1589 GL Reconciliation 2015-2021.

Enova – WNH further noted that the Account 1588 and Account 1589 balances will be confirmed by the OEB’s Inspection Report when issued.

Tab 3 of the IRM Rate Generator Model shows December 31, 2020 closing principal balances of a credit of \$682,786 for Account 1588 and a credit of \$897,220 for Account 1589.

**Question:**

- a) Please confirm that the December 31, 2020 closing principal balances of a credit of \$682,786 for Account 1588, and a credit of \$897,220 for Account 1589, in Tab 3 of the 2023 IRM Rate Generator Model reconcile to the outcome of the Inspection Report that is to be filed on the record of this proceeding. If this is not the case, please explain.

**OEB Staff – 9**

**Ref: (1) Manager’s Summary, August 3, 2022, page 10 & 22  
(2) IRM Rate Generator Model, Tab 3, August 3, 2022**

OEB staff has created the following table, OEB Staff Table 1, which shows the principal adjustments that were made as a result of the Inspection. These adjustments are described in the Manager’s Summary and also reflected as 2020 principal adjustments in Tab 3 of the IRM Rate Generator model.

**OEB Staff Table 1 – Inspection Results –  
Principal Adjustments to Accounts 1588 and 1589 Balances**

	<b>Account 1588</b>	<b>Account 1589</b>
Adjustments relating to 2015 to 2018 balances	(\$150,641)	(\$1,417,250)
Adjustments relating to 2019 balances	\$21,751	\$393,945
Adjustments relating to 2020 balances	<u>\$55,642</u>	<u>\$74,243</u>
Total Adjustments	<u>(73,249)</u>	<u>(949,062)</u>

Enova – WNH stated that the Account 1588 and 1589 balances for the years of 2015 to 2018 were previously approved for disposition on a final basis. However, given the magnitude of the adjustments and the fact that they are in favour of customers, Enova – WNH is of the view that correcting the amounts is a fair and prudent action. Enova – WNH further stated that the adjustments to 2015 to 2018 balances arose due to errors in its settlement process during those years.

**Questions:**

- a) Please confirm whether Enova – WNH is in agreement with OEB staff’s calculations and values shown in OEB Staff Table 1. If this is not the case, please explain, and update OEB Staff Table 1, as required.
- b) Please provide OEB precedents where the OEB has approved corrections to balances previously disposed on a final basis, specifically where such corrections were a credit to customers. Please provide the EB# and the date of the respective OEB decision.

**OEB Staff – 10**

**Ref: (1) Manager’s Summary, August 3, 2022, page 21 & 22**  
**(2) [OEB Letter](#), Adjustments to Correct for Errors in Electricity Distributor**  
**“Pass-Through” Variance Accounts After Disposition, October 31, 2019**

As noted in both the Manager’s Summary and OEB Staff Table 1, Enova – WNH is proposing to adjust 2015 to 2018 balances that were previously approved for disposition on a final basis. These adjustments are a credit to Account 1588 of \$150,641 and a credit to Account 1589 of \$1,417,250.

OEB staff notes that Enova – WNH has not specifically addressed the OEB’s October 31, 2019 letter, regarding adjustments to correct for errors after disposition.

For example, the OEB outlined factors that it may consider to determine on a case-by-case basis whether to make a retroactive adjustment based on the particular circumstances of each case.

**Question:**

- a) Please describe how Enova – WNH has satisfied the OEB’s concerns noted in the OEB’s October 31, 2019 letter, regarding adjustments to correct for errors after disposition.