

Festival Hydro Inc.
EB-2022-0032

Please note, Festival Hydro Inc. 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*.

Staff Question-1

Reference: Manger's Summary & [Chapter 3 of OEB's Incentive Rate-Setting Applications' Filing Requirements](#) (section 3.1.2)

Please provide a statement as to who will be affected by the application, including identification of any specific customer(s) or customer groups that are or will be affected by a particular request or proposal.

All of Festival Hydro Inc.'s customer will be affected by this application.

Customer groups include:

Residential Service

General Service Less Than 50 kW Service

General Service 50 to 4,999 kW Service

Large Use Service

Unmetered Scattered Load Service

Sentinel Lighting Service

Street Lighting Service

Staff Question-2

Reference: IRM Rate Generator Model, Tab 2: Current Tariff Schedule

A selection has not been made for the box in cell BC9.

Ontario Energy Board

Incentive Rate-setting Mechanism Rate Generator for 2023 Filers

Please wait as macro imports and formats your current tariff schedule

Below is your 2022 OEB-approved Tariff of Rates and Charges. Please review to ensure accurate description and/or rate description to ensure consistency across all LDCs.

If you have identified any discrepancies between this sheet and your approved tariff of rates and charges, please provide a description of the discrepancy in the adjacent column.

Have you confirmed the accuracy of the tariff sheet below?

Festival Hydro Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2022

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2021-0024

RESIDENTIAL SERVICE CLASSIFICATION

A customer is classed as residential when all the following conditions are met:

(a) the property is zoned strictly residential by the local municipality,

(b) the account is created and maintained in the customer's name.

- a) Please confirm whether you have identified any discrepancies between the Current Tariff Schedule sheet and your approved tariff of rates and charges. If so, please outline any discrepancies. If not, please complete the box in cell BC9 on Tab 2.

Festival has not identified any discrepancies between the Current Tariff Schedule and our approved tariff of rates and charges. Box in cell BC9 on Tab 2 has been completed.

- b) Please confirm the accuracy of the Current Tariff Schedule sheet.

Accuracy of the Current Tariff Schedule sheet is confirmed by Festival.

Staff Question-3

Reference 1: IRM Rate Generator Model in 2022 Application (EB-2021-0024), dated December 9, 2021. Tab 3: Continuity Schedule, cell BF34

Reference 2 & 3: IRM Rate Generator Model, Tab 3. Continuity Schedule

Reference 1 shows that the principle adjustment during 2020 is \$14,151 (cell BF34).

Account Descriptions	Account Number	Closing Interest Amounts as of Dec 31, 2019	2020				Closing Principal Balance as of Dec 31, 2020	Of In Amt of
			Opening Principal Amounts as of Jan 1, 2020	Transactions Debit / (Credit) during 2020	QEB-Approved Disposition during 2020	Principal Adjustments ¹ during 2020		
Group 1 Accounts								
LV Variance Account	1550	901	88,394	157,192	16,415		229,171	
Smart Metering Entity Charge Variance Account	1551	(987)	(30,562)	(14,612)	(26,705)		(18,469)	
RSVA - Wholesale Market Service Charge ⁵	1580	(228)	(214,168)	(286,100)	(93,033)		(407,234)	
Variance WMS – Sub-account CBR Class A ³	1580	0	0				0	
Variance WMS – Sub-account CBR Class B ⁵	1580	(503)	(37,161)	(9,988)	(8,137)		(39,012)	
RSVA - Retail Transmission Network Charge	1584	(1,925)	(89,876)	125,570	(12,845)		48,539	
RSVA - Retail Transmission Connection Charge	1586	4,981	184,676	28,337	134,543		78,470	
RSVA - Power ⁴	1588	(14,909)	(302,945)	(967,372)	(325,675)		(944,642)	
RSVA - Global Adjustment ⁴	1589	3,120	(21,615)	1,002,157	(180,157)		1,160,699	
Disposition and Recovery/Refund of Regulatory Balances (2015 and pre-2015) ³	1595	0	0				0	
Disposition and Recovery/Refund of Regulatory Balances (2016) ³	1595	1	(0)				(0)	
Disposition and Recovery/Refund of Regulatory Balances (2017) ³	1595	(24,293)	(80,471)		(80,471)		(0)	
Disposition and Recovery/Refund of Regulatory Balances (2018) ³	1595	17,784	68,080	(16)		(14,151)	53,113	
Disposition and Recovery/Refund of Regulatory Balances (2019) ³	1595	7,707	(13,722)	576			(15,146)	
Disposition and Recovery/Refund of Regulatory Balances (2020) ³	1595	0	0	590,946	576,066		14,880	
Disposition and Recovery/Refund of Regulatory Balances (2021) ³	1595	0	0				0	
<i>Not to be disposed of until two years after rate rider has expired and that balance has been audited. Refer to the Filing Requirements for disposition eligibility.</i>	1595	0	0				0	

The \$14,151 adjustment is not reflected in the IRM Rate Generator Model in the 2023 application on Tab 3: Continuity Schedule.

Reference 2:

Account Descriptions	Account Number	2.1.7 RRR ⁵	
		As of Dec 31, 2021	Variance RRR vs. 2021 Balance (Principal + Interest)
Group 1 Accounts			
LV Variance Account	1550	323,031	(0)
Smart Metering Entity Charge Variance Account	1551	(27,995)	1
RSVA - Wholesale Market Service Charge ⁵	1580	145,492	(49,878)
Variance WMS – Sub-account CBR Class A ³	1580	0	0
Variance WMS – Sub-account CBR Class B ⁵	1580	(49,879)	(0)
RSVA - Retail Transmission Network Charge	1584	1,104,016	(0)
RSVA - Retail Transmission Connection Charge	1586	54,227	(0)
RSVA - Power ⁴	1588	(1,251,950)	1
RSVA - Global Adjustment ⁴	1589	1,333,697	(0)
Disposition and Recovery/Refund of Regulatory Balances (2018) ³	1595	0	(87,173)
Disposition and Recovery/Refund of Regulatory Balances (2019) ³	1595	(5,688)	0
Disposition and Recovery/Refund of Regulatory Balances (2020) ³	1595	20,533	(0)
Disposition and Recovery/Refund of Regulatory Balances (2021) ³	1595	(345)	0
Disposition and Recovery/Refund of Regulatory Balances (2022) ³	1595		0
<i>Not to be disposed of until two years after rate rider has expired and that balance has been audited. Refer to the Filing Requirements for disposition eligibility.</i>	1595		0
RSVA - Global Adjustment requested for disposition	1589	1,333,697	(0)
Total Group 1 Balance excluding Account 1589 - Global Adjustment requested for disposition		361,326	(87,172)
Total Group 1 Balance requested for disposition		1,695,024	(87,172)

Reference 3:

Account Descriptions	Account Number	Projected Interest from Jan 1, 2023 to Apr 30, 2023 on Dec 31, 2021 balance adjusted for disposition during 2022 ¹		
		Total Interest	Total Claim	
Group 1 Accounts				
LV Variance Account	1550		2,853	166,704
Smart Metering Entity Charge Variance Account	1551		(220)	(13,474)
RSVA - Wholesale Market Service Charge ²	1580		8,554	491,423
Variance WMS – Sub-account CBR Class A ²	1580		0	0
Variance WMS – Sub-account CBR Class B ²	1580		(659)	(40,344)
RSVA - Retail Transmission Network Charge	1584		16,877	992,432
RSVA - Retail Transmission Connection Charge	1586		276	25,799
RSVA - Power ⁴	1588		(35,092)	(1,270,450)
RSVA - Global Adjustment ⁴	1589		33,688	1,353,461
Disposition and Recovery/Refund of Regulatory Balances (2018) ³	1595		293	14,445
Disposition and Recovery/Refund of Regulatory Balances (2019) ³	1595		7,266	0

- a) Reference 1 - \$14,151 was included as a principle adjustment in 2020 in the 2022 IRM application. Why is this not reflected in the 2020 principal adjustment in the 2023 Rate Generator Model?

Festival has corrected the 2020 principal adjustment amount to reflect the \$14,151 in the 2023 Rate Generator Model.

- b) Reference 2 - Please provide an explanation of the variance of \$87,173.

The variance is due to the \$87,173 amount being filed on the Account 1595 (2017) line on the 2.1.7 RRR Form. It was entered as \$87,173 and thus there would have been no variance. Since correcting the 2020 principal adjustment amount of \$(14,151), the variance amount shows \$73,022. Resulting in a final variance of \$(14,151).

The amount of \$(14,151) to correct for an error in the 2018 transactions which was identified while completing the 1595 workform as part of last year's Application. Festival will book the adjustment to the account within 2022 general ledger.

- c) Reference 3 - Please note that Section 3.2.5.5 of the *Filing Requirements for Electricity Distribution Rate Applications – 2022 Edition for 2023 Rate Applications* states that distributors are expected to request disposition of residual balances in Account 1595 Sub-accounts for each vintage year only once, on a final basis. Please explain the request to dispose Account 1595 (2018) again, for a claim amount of \$14,445.

The request for disposition of Account 1595 (2018) has been removed in the updated IRM Rate Generator Model.

d) Reference 3 - Please explain what the balance of \$14,445 pertains to.

Most of the \$14,445 relates to the \$14,151 adjustment that had not been included in 2020, corrected as a part of “a)” above. The remaining difference is related to an interest accrual amount that will not be claimed as Account 1595 (2018) has already been disposed in a previous year.

Staff Question-4

Reference: IRM Rate Generator Model, Tab 3: Continuity Schedule, cells BT28 and BT29

On September 16, 2022, Festival Hydro Inc. filed a letter with the OEB requesting to withdraw its request to dispose of the account balances in accounts 1588 and 1589 as part of the 2023 application.

OEB staff have updated cells BT28 and BT29 from \$1,270,450 and \$1,353,461 respectively, to \$0.00 and \$0.00 respectively to reflect that there will be no disposition claim.

a) Please review this change and confirm the accuracy of the updated IRM Rate Generator model.

Festival has reviewed the change and confirms the accuracy of the updated IRM Rate Generator Model.

Staff Question-5

Reference: IRM Rate Generator Model, Tab 4: Billing Determinants for Deferral and Variance

A selection has not been made for the checkbox in cell J4.

IRM Rate Generator Filers

Data on this worksheet has been populated using your most recent RRR filing.

If you have identified any issues, please contact the OEB.

Have you confirmed the accuracy of the data below?

If a distributor uses the actual GA price to bill non-RPP Class B customers for an entire rate class, it must exclude these customers from the allocation of the GA balance and the calculation of the resulting rate riders. These rate classes are not to be charged/refunded the general GA rate rider as they did not contribute to the GA balance.

Please contact the OEB to make adjustments to the IRM rate generator for this situation.

Unit	Total Metered kWh	Total Metered kW	Metered kWh for Non-RPP Customers (excluding WMP)	Metered kW for Non-RPP Customers (excluding WMP)	Metered kWh for Wholesale Market Participants (WMP)	Metered kW for Wholesale Market Participants (WMP)	Total Metered kWh less WMP consumption (if applicable)	Total Metered kW less WMP consumption (if applicable)	159

a) Please confirm the volumetric data on Tab 4 of the IRM Rate Generator Model is accurate. If not, please outline any required changes for OEB staff to make.

Festival confirms the volumetric data on Tab 4 of the IRM Rate Generator Model is accurate.

Staff Question-6

Reference: IRM Rate Generator Model, Tab 6. Class A Consumption Data

The rate class in cells D492 and D494 are empty.

Rate Classes with Class A Customers - Billing Determinants by Rate Class			2021
Rate Class			
Rate Class 1	kWh		221,982,624
	kW		525,901
Rate Class 2	kWh		28,057,094
	kW		41,861

a) Please specify the type of customer for Rate Class 1 and Rate Class 2

[Festival has updated the rate classes on Tab 6.](#)

Staff Question-7

OEB staff has made the following changes in the IRM Rate Generator Model, with explanations below. OEB staff has attached an updated IRM Rate Generator Model to these questions.

Please refer to the [letter](#) announcing the new Smart Metering Entity charge of \$0.42, effective January 1, 2023.

Reference 1: IRM Rate Generator Model, Tab 17: Regulatory Charges

Cell D33 has been updated from \$0.43 to \$0.42 for the Smart Meter Entity Charge.

Reference 2: IRM Rate Generator Model, Tab 19: Final Tariff Schedule

Cells E30 and E60 have been updated from \$0.43 to \$0.42 for the Smart Meter Entity Charge.

- a) Please review the above two changes and confirm the accuracy of the updated IRM Rate Generator Model.

Festival has reviewed the two changes and confirms the accuracy of the updated IRM Rate Generator Model.