**Oakville Hydro Electricity Distribution Inc.**

**2023 Annual IR Application (EB-2022-0055)**

**Response to OEB Staff Interrogatories**

**Staff Question-1**

**Ref:**

1. Rate Generator Model
2. 2023 GA Analysis Workform

**Question:**

|  |  |  |
| --- | --- | --- |
| GA Analysis Workform (GA 2021 tab) | Net Change in Principal Balance in the GL (i.e. Transactions in the Year) | - $5,286,312 |
| DVA Continuity Schedule | Transactions Debit/Credit during 2021 | -$5,189,526 |
|  | Difference | - $ 96,486 |

Please reconcile and explain the above noted difference in Transaction in cell BD29 at reference 1) Tab ‘3. DVA Continuity Schedule’ to the value at reference 2) Tab ‘GA 2021’, cell C75.

**Response:**

Oakville Hydro inadvertently populated -$5,286,312 in cell C75 in Tab “GA 2021” of the GA Analysis Workform, instead of -$5,189,526. Oakville Hydro has updated the GA Analysis Workform, filed as an attachment to this response.

**Staff Question-2**

**Ref:**

1. Rate Generator Model

Rate Generator Model

**Question:** Please indicate how the proportions in Tab ‘4. Billing Det. For Def-Var’ are derived in column O.

**Response:**

The proportions in column O of the Tab ‘4. Billing Det. For Def-Var’ are derived by the total metred kWh (2017 RRR Filling Data) in column C of the Tab ‘4. Billing Det. For Def-Var’ in 2019 IRM Rate Generator (EB-2018-0059). The residual account balance of the 1595 Recovery (2019) is allocated to rate classes in proportion to the recovery share as established when rate riders were implemented, which is in line with the foot note 1 in the Tab ‘4. Billing Det. For Def-Var’ of the Rate Generator model.

The table below lists the total metered kWh for each rate class.



**Staff Question-3**

**Ref:**

1. Rate Generator Model
2. 2023 GA Analysis Workform

**Question:**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DVA Continuity Schedule**  | **GA Analysis Workform (Account 1588 tab)** | **Difference** |
|  Transactions  | -$216,048 | $106,405 | -$322,453 |
|  Principal Adjustments  | -$ 477,584 | -$ 477,584 | $0 |
|  Total Activity  | -$693,632 | -$48,726 | -$400,616 |

Please reconcile Transactions at reference 2) Tab ‘Account 1588’ to the values at reference 1) Tab ‘3. Continuity Schedule’.

**Response:**

Oakville Hydro inadvertently populated $106,405 (instead of -$216,048) in transactions column in Account 1588 tab of GA Analysis Workform. Oakville Hydro has updated the GA Analysis Workform, which will be filed separately.



**Staff Question-4**

**Ref:**

1. Rate Generator Model

**Question:** Please reconcile the highlighted cells and input data in column H and J (Hydro One Line Connection) in Tab ‘12.RTSR – Historical Wholesale’ at reference 1).

**Response:**

Oakville Hydro confirms that there is no Line Connection charge paid to Hydro One. Oakville Hydro is charged by Hydro One only for the Network and Transformation Connection.

**Staff Question-5**

**Ref:**

1. Rate Generator Model

**Question:** At the above reference Tab ‘6.Class A Consumption Data’, Customer 7’s kW and kWh values in 2021 decrease from 1,121,260 kWh and 3168 kW to 358,332 kWh and 911 kW, respectively. Please confirm that the values noted are accurate and, if possible, explain the substantive change in this customer’s consumption and demand.

**Response:**

Oakville Hydro confirms that the Customer 7’s kW and kWh values are accurate. The substantive change in this customer’s consumption and demand is because the customer was progressively shutting down and production moved to another country at the end of December 2021.

**Staff Question-6**

**Ref:**

1. 2023 GA Analysis Workform

**Question:**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **RRR** | **GA Analysis Workform (GA 2021 tab)** | **Difference** |
| Non-RPP Class A | 196,664,453 | 191,011,654 | 5,652,799 |
| Non-RPP Class B\* | 496,009,593 | 501,662,393 | - 5,652,800 |

Please reconcile and explain the above noted difference in the RRR data and consumption data entered at reference 1) tab ‘GA 2021’ cell D17 and D18. Please update the GA analysis workform accordingly.

**Response:**

Oakville Hydro inadvertently reported the Class A customers uplifted kWhs (196,664,453 kWhs) as Class A customers Metered kWhs in Table 5 (Class A consumption) of RRR 2.1.5 Performance Based Regulation for 2021 reporting period. Oakville Hydro will submit a change request to make the correction of Table 5 in 2021 RRR 2.1.5. The Non-RPP Class A and Non-RPP Class B consumptions in GA Workform are correct.

**Staff Question -7**

**Ref:**

1. 2023 GA Analysis Workform
2. Rate Generator Model, Tab 3 – DVA Continuity Schedule

For Accounts 1589 and 1588, the variance between RRR vs. 2021 Balance (column BW) in the DVA Continuity Schedule typically equals the reversed sign of “Total Current Year Principal Adjustments” in the principal adjustment tab of the GA Analysis Workform as principal adjustments are typically timing differences that will reverse. The table below shows the difference between the two items noted above. Please reconcile and explain the difference between the Current Year Principal Adjustments shown in the GA Analysis Workform to the variance between the RRR vs. 2021 Balance in the DVA Continuity Schedule.

|  |  |  |
| --- | --- | --- |
|  | **Account 1589** | **Account 1588** |
| GA Analysis Workform - Principal Adjustment Tab | 3,660,722 | 223,477 |
| DVA Continuity Schedule - column BW | 125 | 795,393 |
|  | 3,660,597 | -   571,916 |

**Response:**

In the GA Analysis Workform, the following rows were entered in the current year principal adjustments section when they should have been entered under the Reversal Principal Adjustments section:

* Acct 1589: CT 2148 for prior period corrections - 2016 GA $1,677,308 2021
* Acct 1589: CT 2148 for prior period corrections - 2017 GA $1,482,858 2021
* Acct 1588: Adjustment - OEB Audit EG Adjustment -$322,453 2021

The above entries have been moved to the Reversal Principal Adjustments section.

The two tables below list the constituents of the DVA Continuity Schedule – column BW per above schedule:

Account 1588



Account 1589



The items totaling $249,463 and -$418,407 under 2016 relate to reversals of prior ‘approved’ principal adjustment sections for Account 1588 and 1589 respectively for the year of 2016 in the 2022 IRM GA Analysis Workform (EB-2021-0048). 2016 was the first year Oakville Hydro utilised the GA Analysis Workform and put the principal adjustments in the Continuity Schedule to ensure that the balances of Account 1588 and 1589 reflected a full calendar year. However, there were no prior approved principal adjustments before 2016 and these entries should have been reversed. The tables below illustrate how these amounts were presented in the 2022 Rate Application filing:





The above amounts have been ‘reversed’ by entering, using reverse amounts, in the Reversal Principal Adjustments section in the updated GA Analysis Workform.

An additional correction to remove the net impact of -$82,023 GA balances pertaining to Class A customers from the 2023 IRM GA Analysis Workform has also been made. The updated GA Analysis Workform and 2023 IRM Rate Generator filed with this response reflect these adjustments. The updated submission is summarised below:

|  |  |  |
| --- | --- | --- |
|  | **Account 1589** | **Account 1588** |
| GA Analysis Workform - Principal Adjustment Tab | 500,556 | 545,929 |
| DVA Continuity Schedule - column BW | (500,555) | (545,930) |
|  | 1 |  (1) |

**Staff Question -8**

**Ref:**

1. Rate Generator Model – Tab 17, 19

Question: OEB staff has updated the Smart Meter Entity Charge to $0.42 in Tab 17 and reflected in Tab 19. Please confirm this update in the attached model.

**Response:**

Oakville Hydro confirms that the Smart Meter Entity Charge in Tab 17 and Tab 19 have updated to be $0.42 in the Rate Generator Model, which was sent to Oakville Hydro on September 12, 2022. We note the Smart Meter Entity Charge is effective until December 31, 2023 per Tab 19, instead of December 31, 2027 as mentioned in the OEB’s letter (EB-2022-0137 - Smart Metering Charge - January 1, 2023 – December 31, 2027).

**Staff Question -9**

**Ref:**

1. LRAMVA Workform – Tab 2

Question: Oakville Hydro indicates it last rebased in 2014 with a new LRAMVA threshold approved at that time. As part of its LRAMVA request, it has included persisting amounts from 2013 and 2014 into 2021 and 2022, as well as the prospective LRAM-eligible amounts from 2023-2027. Please discuss the appropriateness of including persisting amounts from 2013 and 2014 when these amounts were built into rates with the approval of the rebasing application and new load forecast in 2014.

**Response:**

Oakville Hydro filed its 2014 Cost of Service application on October 1, 2013, at which time final 2013 and 2014 CDM savings were not available. The load forecast approved in the 2014 rebasing included an estimated CDM impact (threshold), against which any actual CDM savings were to be compared. In this application, the use of persistent amounts from the 2013 and 2014 programs is appropriate. This is consistent with previous years LRAM approved calculations.

**Staff Question -10**

**Ref:**

1. LRAMVA Workform – Tab 5

Question: Please discuss, with clear cell references to the supporting documentation files submitted with the application, where the net energy and net demand savings were derived from to populate the following tables:

1. Table 5-d – 2018 program savings
2. Table 5-e – 2019 program savings
3. Table 5-f – 2020 program savings

**Response:**

All the net energy and net demand savings in these tables come from tab “7. Persistence Report”. The data in this tab is identical to the data provided in the approved 2022 Rate Application (EB‐2021‐0045), hence all of the detailed supporting data was not filed with the 2023 Rate Application.

1. Table 5-d – 2018 program savings

For 2018 data in tab “7. Persistence Report”

* rows 205-209, 215-216 and 221-222 are supported by the attached file “Participation and Cost Report - Oakville Hydro Electricity Distribution Inc. - 2019 03.xlsx” on tab “LDC Progress”.
* rows 212 and 219 are supported by the attached file “Oakville projects for 2018.xlsx” on tabs “Retrofit” and “Measures” respectively.
* These numbers were originally approved in the 2020 Rate Application (EB-2019-0059).
1. Table 5-e. 2019 Lost Revenues Work Form

The 2019 data in tab “7. Persistence Report”, rows 225-234 are supported by the attached file “Oakville-Settlements-2019\_20200817.xlsx”, originally filed with the 2021 Rate Application (EB-2020-0045). I added 2 tabs – “2019 CFF Summary” and “2019 CFF Project Details” which were in a separate file called “OH-Retrofit 2019.xlsx”.

The tab “2019 Summary” areas cells I19-I30 and S19-S30 feed the tab “7. Persistence Report” rows 225 to 234.

1. Table 5-f – 2020 program savings

The 2020 data in tab “7. Persistence Report”, row 235 is supported by the attached file “Oakville\_2020\_CFF-Projects\_20210818.xlsx”. This data was approved in the 2022 Rate Application (EB-2021-0048).