



November 8, 2022

BY RESS

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

Dear Ms. Marconi,

**Re: Enova Power Corp. Reply Submission
Application for 2023 Rates for Areas formerly served by Waterloo
North Hydro Inc.
Ontario Energy Board (OEB) File Number: EB-2022-0067**

On August 3rd, 2022, Waterloo North Hydro Inc. filed its IRM Application (EB-2022-0067) for 2023 rates. On September 1st, 2022, Kitchener Wilmot Hydro Inc. and Waterloo North Hydro Inc. merged to become Enova Power Corp. (EB-2022-0006)

Below is Enova Power Corp.'s (Enova) reply submission to the Hydro One Network Inc. (HONI), Vulnerable Energy Consumers Coalition (VECC) and OEB staff's submissions dated October 27, 2022.

Enova Reply Submission

Enova makes reply submissions on the following issues:

- Price Cap Adjustment
- Group 1 Deferral and Variance Accounts (DVAs)
- Retail Transmission Service Rates
- Lost Revenue Adjustment Mechanism Variance Account

Price Cap Adjustment

The OEB staff submitted an updated rate generator model to replace the placeholder value of 3.30% with the OEB 2023 inflation factor of 3.70%. Enova has no issue with the updates as it relates to the inflation factor.

However, Enova does note a minor error related to the Smart Meter Entity Charge

(SME). On Tab 17. Regulatory Charges in the IRM Rate Generator model, the rate is correct at \$0.42. On Tab 19. Final Tariff Schedule, an incorrect rate of \$0.43 is showing for each of the applicable rate classes. Enova requests that the OEB update the Tariff Schedule in the final rate order.

HONI and VECC did not directly comment on the model or this section of the application.

Group 1 Deferral and Variance Accounts (DVAs)

Group 1 DVA's Excluding Accounts 1588 and 1589

The OEB staff submitted that they support the request to dispose of the December 31, 2021 Group 1 DVA balances (excluding Accounts 1588 and 1589 which are commented on separately) on a final basis. Enova agrees with the OEB staff's submission.

HONI and VECC did not directly comment on this section of the application.

Accounts 1588 and 1589

The OEB staff submitted that they support Enova's request to dispose of Account 1588's credit balance of \$1,249,562 and Account 1589's credit balance of \$2,318,489 in this proceeding on a final basis. These amounts are inclusive of the adjustments made to the 2015 to 2018 balances that were previously disposed of on a final basis.

While VECC did not file interrogatories as part of this proceeding, they did summarize the background of the issue and comment on Enova's response to the factors in the OEB's October 31, 2019 letter in their submission. VECC supports the adjustments and Enova's request to dispose of the credit balances of Accounts 1588 and 1589 in favour of customers.

Enova agrees with the OEB staff's and VECC's submissions and appreciates the opportunity to correct this issue.

HONI did not directly comment on this section of the application.

Allocation of Group 1 Accounts - Embedded Distributor

HONI submitted that Tables 2.7b and 2.7c as described in the interrogatory response were appropriate. Enova confirms that the underlying tables in the OEB's updated rate generator model (Tab 5. Allocating Def-Var Balances, Tab 6.1a GA

Allocation, tab 6.2 CBR B and Tab 7. Calculation of Def-Var RR) are identical to those included in the interrogatory responses.

Retail Transmission Service Rates

The OEB staff submitted that once the OEB approves the 2023 UTRs and/or host distributor RTSRs, appropriate updates to the Rate Generator model should be made. Enova agrees with the OEB.

HONI and VECC did not directly comment on this section of the application.

Lost Revenue Adjustment Mechanism Variance Account

OEB staff submitted that LRAMVA balance should be zero and recommends no further entries be permitted, but not discontinued to allow for future requests if necessary in a future rate application. This is the recommended approach for all distributors who have disposed of all outstanding LRAMVA balances. Enova will follow this approach.

Sincerely,

A handwritten signature in black ink that reads "A.P. Singh".

Albert P. Singh, MBA, CPA, CGA

Former VP Finance and CFO of Waterloo North Hydro Inc. (now Enova Power Corp.)