

Follow-Up Questions

Staff Question – 1

Ref 1: Staff Question – 2

Ref 2: DVA Continuity Schedule, October 31, 2022

In response to Staff Question 2, Oshawa Power noted that the differences in the 2017 ending Group 1 balances between the audited balances in the Audit Report and the balances in the DVA Continuity Schedule is due the recording of the January 1, 2018 disposition journal entry on December 31, 2017 instead of January 1, 2018. The difference relating to the principal balance for Account 1580 is \$2,873,150. OEB staff prepared the below reconciliation to compare the DVA Continuity Schedule balance including the disposition entry to the audited balance which also includes the disposition entry. Please explain the difference noted in the table below.

Account	DVA Continuity Schedule (before disposition entry)	Approved Amount for Disposition per Reference 2	Balance After Disposition Entry	Balance in Audit Report (after disposition entry)	Difference
WMS	(4,380,636)	(3,156,355)	(1,224,281)		
CBR Class A	1,662	0			
CBR Class B	290,228	283,205	(573,433)		
Total Account 1580	(4,669,201)	(2,873,150)	(1,797,714)	(1,215,596)	(528,118)

OPUCN Response:

The above table provided appears to have some misstatements and totaling errors resulting in a difference. The table has been recreated below resulting in no differences requiring explanation (cells highlighted in yellow have been updated).

Account	DVA Continuity Schedule (before disposition entry)	Approved Amount for Disposition per Reference 2	Balance After Disposition Entry	Balance in Audit Report (after disposition entry)	Difference
WMS	(4,380,636)	(3,156,355)	(1,224,281)		
CBR Class A	1,662	-	1,662		
CBR Class B	290,228	283,205	7,023		
Total Account 1580	(4,088,746)	(2,873,150)	(1,215,596)	(1,215,596)	-

Staff Question – 2

Ref 1: Staff Question – 6

Ref 2: GA Analysis Workform, October 31, 2022

Ref 3: GA Analysis Workform Instructions – 2023 Rates , May 27, 2022

In the 2021 GA tab of the pre-filed GA Analysis Workform, reconciling 3a for “Significant prior year period billing adjustments recorded in the current year” was \$202,239. This reconciling item was revised in the Oct. 31, 2022 GA Analysis Workform, to be equal to principal adjustments in cells J145, J147, J148 of the Principal Adjustment tab, which represents adjustments to reallocate amounts back to the year in which it relates.

In response to staff question 6, it states that reconciling item 3a was revised to remove adjustments related to the current period 2021. Referring to the GA Analysis Instructions, Appendix A #3, please clarify what this statement means, and why a reconciling item is no longer required.

OPUCN Response:

The GA Analysis Workform was revised to remove any items related to the current period 2021. These items were included as reconciling items with corresponding offsets in item 3a in error. All current period adjustments removed have been reflected in the closing GL balance for 2021.

The table below illustrates the changes to remove current year items:

GA Analysis Workform		Original Submission	Revised Submission
1b	CT 148 True-up GA Charges based on Actual Non-RPP Volumes - current year	(772,777)	-
3a	Significant prior period billing adjustments recorded in current year	202,239	(1,676,334)
6	Behind the meter generation	(947,582)	-
7	Class A adjustment	(158,214)	-
Total		(1,676,334)	(1,676,334)
Details of 3a - Original Submission:			
Prior period billing adjustments recorded in 2021		(1,676,334)	
Current period billing adjustments recorded in 2021		1,878,573	
		202,239	

The prior period billing adjustments (3a) included current year adjustments in the amount of \$1,878,573 in error. These were offset by items 1b, 6, and 7 in the amount of (\$1,878,573).

Staff Question – 3

Ref 1: Staff Question 2

Ref 2: Appendix G – Audit Report

As noted in Staff Question 2, there are differences in Accounts 1588 and 1589 balances as shown in the Audit Report and the DVA Continuity Schedule due to timing related principal adjustments shown in the table in response to Staff Question 2c. All other 2017 to 2019 principal adjustments shown in the principal adjustment tab of the GA Analysis Workform are included in the balances shown in the Audit Report.

- a) Please confirm that the balances shown in the Audit Report are not the balances in the general ledger for 2017 to 2019 as the balances in the Audit Report include principal adjustments that are not recorded in the general ledger. If not confirmed, please explain.
- b) The principal adjustments that are included in the 2017 to 2019 balances in the Audit Report correspond to a principal adjustment in the future year to reflect the correcting journal entry recorded in the general ledger. For the corresponding journal entries made in 2020 and 2021 (e.g. \$4,608,932 for CHP Embedded Generation 2017-2020 adjustment recorded in 2021 as per the Principal Adjustment tab of the GA Analysis Workform), please explain whether the auditor reviewed these journal entries.

OPUCN Response:

- a) Confirmed. The audit report includes permanent principal adjustments that were not recorded in the general ledger during the applicable year.
- b) Confirmed. All adjustments were reviewed and approved by the auditor during the special purpose audit prior to submission to the IESO. The resulting journal entries were reviewed in detail during the year end audit.

Staff Question – 4

Ref 1: OPUCN_EB-2022-0057_Analysis 2018 Balance.xlsx

Ref 2: Manager's Summary, Page 23

In reference #3, Oshawa PUC noted that the residual balance of Account 1595 (2018) was mainly caused by a billing error. The Rate Rider for Disposition of Global Adjustment Sub-Account (2018) implemented for billing purposes for the General Service 50 to 999 kW, General Service 1,000 to 4,999 kW, and Street Lighting rate classes was calculated by the rate generator model as a credit rate rider of \$0.0019/kWh but implemented as a debit rate rider of \$0.0019/kW for billing purposes.

In reference #1, Oshawa PUC provided a breakdown of the amounts in 1595 (2018) by class.

As discussed via teleconference, the global adjustment portion of account 1595(2018) should be disposed of as a separate rate rider to Non-RPP customers, outside of the rate generator model. The amount, including interest, should equal the variance calculated in cell BW33 of the continuity schedule. The remaining amount should be disposed to all customers via the IRM model.

- a) Please provide a breakdown of the Non-RPP rate rider calculations for account 1595 (2018).
- b) Update the continuity schedule to include on the amounts being allocated to all customers.

OPUCN Response:

- a) See table below

	Unit	Total Metered kWh	Total Metered kW	Metered kWh for Non-RPP Customers (excluding WMP)	Metered kW for Non-RPP Customers (excluding WMP)	1595 Recovery Proportion (2018) from IRM model	GA Balance Allocated to Non-RPP ONLY	Non-RPP Rate Rider for 24 months	
LARGE USE SERVICE CLASSIFICATION	kW	36,146,632	73,363	36,146,632	73,363	-3%	\$21,038.33	\$0.0003	kWh
GENERAL SERVICE 1,000 TO 4,999 KW SERVICE CLASSIFICATION	kW	69,311,783	170,784	69,311,783	170,784	18%	(\$112,841.93)	(\$0.0008)	kWh
GENERAL SERVICE 50 TO 999 KW SERVICE CLASSIFICATION	kW	311,418,919	788,025	198,542,746	506,208	60%	(\$381,877.48)	(\$0.0010)	kWh
GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION	kWh	119,245,755	0	16,704,834	0	4%	(\$22,950.90)	(\$0.0007)	kWh
RESIDENTIAL SERVICE CLASSIFICATION	kWh	512,708,991	0	8,714,908	0	20%	(\$130,055.10)	(\$0.0075)	kWh
STREET LIGHTING SERVICE CLASSIFICATION	kW	4,352,367	22,551	4,352,367	22,551	2%	(\$10,136.65)	(\$0.0012)	kWh
UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION	kWh	844,682	0	0	0	0%	(\$637.53)	n/a	
SENTINEL LIGHTING SERVICE CLASSIFICATION	kW	24,360	81	0	0	0%	(\$63.75)	n/a	
Total		1,054,053,489	1,054,804	333,773,270	772,906		(\$637,525.01)		

- b) OPUCN_EB-2022-0057_2023-IRM-Rate-Generator-Model Rev2_20220630 has been updated to reflect:
 - i. 3. Continuity Schedule: A variance of (\$637,525) for Disposition and Recovery/Refund of Regulatory Balances (2018) related to the amount of GA to be returned to all non-RPP customers (including interest).
 - ii. 3. Continuity Schedule: Total claim for 1595 (2018) is now (\$5,609) representing principal and interest (\$6,780) plus projected interest on December 31, 2021 balances \$1,172.
 - iii. 18. Additional Rates: Rate Riders for Disposition of Account 1595 – Applicable only for Non-RPP Customers as per table above have been entered.