



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

BY EMAIL

December 16, 2022

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

Dear Ms. Marconi:

Re: EB-2022-0037 Application for 2023 Rates

In accordance with Procedural Order #1, please find attached the Ontario Energy Board (OEB) staff interrogatories in the above proceeding. The applicant has been copied on this filing.

Hearst Power Distribution Company Limited's responses to interrogatories are due by January 13, 2023.

Any questions relating to this letter should be directed to Vithooshan Ganesanathan at vithooshan.ganesanathan@oeb.ca. The OEB's toll-free number is 1-888-632-6273.

Yours truly,

Vithooshan Ganesanathan
Incentive Rate Setting & Regulatory Accounting

Encl.

**OEB Staff Interrogatories
Hearst Power Distribution Company Limited
EB-2022-0037**

Please note, Hearst Power Distribution Company Limited (Hearst Power) 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-1

Preamble:

OEB staff has updated the Rate Generator Model with the changes in Table 1 below.

Table 1: Updates to the Rate Generator Model

Item	Location¹	Description of Update	Reference for Update
1	Rate Generator Model - Tab 11 (RTSR – UTRs & Sub-Tx)	\$4.6545/kW - Network Service Rate \$0.6056/kW - Line Connection Service Rate \$2.8924/kW - Transformation Connection Service Rate \$3.4980/kW - Both Line and Transformation Connection Service Rate	EB-2021-0110, Decision and Order, November 29, 2022
2	Rate Generator Model - Tab 11 (RTSR – UTRs & Sub-Tx)	\$5.60/kW - Network Service Rate \$0.92/kW - Line Connection Service Rate \$3.10/kW - Transformation Connection Service Rate	EB-2022-0250, Decision and Rate Order, December 8, 2022
3	Rate Generator Model - Tab 16 (Rev2Cost_GDPIPI)	Price Escalator was updated to 3.70%	OEB Letter, 2023 Inflation parameters, issued October 20, 2022
4	Rate Generator Model - Tab 17 (Regulatory Costs)	Wireline Pole Attachment was updated to \$36.05	EB-2022-0221, Decision and Order, November 3, 2022

¹ Any changes in the Rate Generator Model impacts Tabs 19 - Final Tariff Schedule and Tab 20 - Bill Impacts.

Item	Location ¹	Description of Update	Reference for Update												
5	Rate Generator Model - Tab 17 (Regulatory Costs)	Various Retail Service Charges were updated	EB-2022-0220, Decision and Order, November 3, 2022												
6	Rate Generator Model - Tab 17 (Regulatory Costs)	Time-of-Use (TOU) Regulated Price Plan (RPP) prices were updated as per the values in Table 1 below. <u>Table 1: TOU RPP Prices as of November 1, 2022</u> <table border="1"> <thead> <tr> <th>As of</th> <th colspan="2">November 1, 2022</th> </tr> </thead> <tbody> <tr> <td>Off-Peak</td> <td>\$/kWh</td> <td>0.0740</td> </tr> <tr> <td>Mid-Peak</td> <td>\$/kWh</td> <td>0.1020</td> </tr> <tr> <td>On-Peak</td> <td>\$/kWh</td> <td>0.1510</td> </tr> </tbody> </table>	As of	November 1, 2022		Off-Peak	\$/kWh	0.0740	Mid-Peak	\$/kWh	0.1020	On-Peak	\$/kWh	0.1510	Regulated Price Plan Price Report, October 21, 2022
As of	November 1, 2022														
Off-Peak	\$/kWh	0.0740													
Mid-Peak	\$/kWh	0.1020													
On-Peak	\$/kWh	0.1510													
7	Rate Generator Model - Tab 17 (Regulatory Costs)	Smart Metering Entity Charge was updated to \$0.42	EB-2022-0137, Decision and Order, September 28, 2022												
8	Rate Generator Model - Tab 17 (Regulatory Costs)	Distribution Rate Projection was updated to \$38.08	EB-2022-0186, Decision and Rate Order, June 16, 2022												
9	Rate Generator Model - Tab 17 (Regulatory Costs)	\$0.0041 - WMS charge \$0.0004 - CBR B \$0.0007 - RRRP	EB-2022-0269, Decision and Order, December 8, 2022												

Question:

- a) Please confirm that the updates made to the Rate Generator model are accurate.

OEB Staff-2

Ref: (1) Manager's Summary, p. 9

Preamble:

Hearst Power states that it is not proposing to dispose of the deferral variance accounts because the threshold test was not.

Question:

- a) Please elaborate on why Hearst Power is not requesting disposition of their deferral various accounts.

OEB Staff-3

Ref: (1) GA Analysis Workform, Tab GA 2021

Preamble:

Below is an excerpt of Note 5 from the GA Analysis Workform at the above-noted reference:

Table 2: GA Analysis Workform, Note 5: Reconciling Items

Item		Amount	Explanation	Principal Adjustments	
Net Change in Principal Balance in the GL (i.e. Transactions in the Year)				Principal Adjustment on DVA Continuity Schedule	If "no", please provide an explanation
5	Impacts of GA deferral/recovery	\$129,088		No	2020 GA deferral and 2021 GA recovery are offsetting each other in the Continuity Schedule
6	Remove difference between prior year accrual/unbilled to actual from load transfers	\$(2,094)	No accrual/forecast are entered previously, only the actual from LTLT is entered	No	Reconciled with IESO as per as monthly settlements
7	Retail GA Price Billed vs Wholesale GA Actual Price paid to IESO	\$60,530	Hearst Power is billed both by Hydro One and IESO and Hydro One charged the GA recovery over the GA Actual Rate paid above (M)	No	Reconciled with IESO as per as monthly settlements

Questions:

- a) Please provide calculations for the \$129,088 amount in item 5 in Table 2 above and explain how the 2020 GA deferral and 2021 GA recovery are offsetting each other in the Continuity Schedule in the Rate Generator Model.
- b) Please confirm whether Hearst Power is charged the GA recovery by both Hydro One and the IESO for the same consumption. If yes, does Hearst Power plan on addressing this issue.
- c) Please briefly explain the \$60,530 adjustment in item 7. Is this adjustment part of the \$129,088 adjustment in item 5?

OEB Staff-4

Ref: (1) GA Analysis Workform, Tab Account 1588, Cell G20

Preamble:

At the above noted reference, the GA Analysis Workform calculates the annual Account 1588 balance relative to cost of power to be -1.6%. Please see an exert of the table from the reference below.

Table 2: GA Analysis Workform, Account 1588 Reasonability Test

Year	Account 1588 - RSVA Power			Account 4705 - Power Purchased	Account 1588 as % of Account 4705
	Transactions	Principal Adjustments	Total Activity in Calendar Year		
2021	- 74,109	-	- 74,109	4,680,133	- 1.6%

Hearst Power did not provide an explanation of why the % is higher than the 1% threshold for Account 1588.

Question:

- a) Please explain why Account 1588 as % of Account 4705 is -1.6%.

OEB Staff-5

Ref: (1) Manager's Summary, p. 18

Preamble:

The 2021 CDM Guidelines (section 8) require distributors filing an application for 2023 rates to seek disposition of all outstanding LRAMVA balances related to previously established thresholds, including approval of LRAM-eligible amounts in future years (arising from persisting savings) until a distributor's next rebasing application, unless a distributor does not have complete information on eligible savings.

Questions:

- a) Please confirm that the distributor will not be seeking to dispose of any balance in the LRAMVA due to LRAM-eligible CDM activities funded by the IESO through the Conservation First Framework or Interim Framework in a future year's application.
 - I. If not confirmed, please explain why a request for disposition was not submitted as part of this application.
 - II. If confirmed, please also confirm that Hearst Power has verified that, relative to the LRAMVA threshold (if any) established in Hearst Power's most recent rebasing application, the balance in the LRAMVA, and any prospective LRAM-eligible amounts until the next rebasing, are either zero or a debit (i.e., not a credit that would need to be refunded to customers).