



February 2, 2023

Ontario Energy Board  
2300 Yonge Street, 27<sup>th</sup> Floor  
P.O. Box 2319  
Toronto, ON M4P 1E4  
Attention: Registrar

Dear Ms. Marconi:

**Re: 2023 IRM Electricity Distribution Rate Application,  
Interrogatory Responses  
Halton Hills Hydro Inc.,  
Board File no. EB-2022-0036**

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Please find attached Halton Hills Hydro Inc.'s ("HHHI") Staff Interrogatory responses its 2023 Incentive Regulation Mechanism– Price Cap IR ("IRM") Rate Application with the Ontario Energy Board ("the Board").

The Interrogatory responses have been filed through the Ontario Energy Board Web Portal.

In the event of any additional information, questions or concerns, please contact David Smelsky, Chief Financial Officer, at [dsmelsky@haltonhillshydro.com](mailto:dsmelsky@haltonhillshydro.com) or (519) 853-3700 extension 208, or Tracy Rehberg-Rawlingson, Regulatory Affairs Officer, at [tracyr@haltonhillshydro.com](mailto:tracyr@haltonhillshydro.com) or (519) 853-3700 extension 257.

Sincerely,

Tracy Rehberg-Rawlingson  
Regulatory Affairs Officer, HHHI

Cc: Scott Knapman, President & CEO, HHHI  
David J. Smelsky, CFO, HHHI

**ONTARIO ENERGY BOARD  
IN THE MATTER OF AN APPLICATION BY  
HALTON HILLS HYDRO INC. (“HHHI”)  
2023 IRM APPLICATION  
RESPONSES FROM HALTON HILLS HYDRO INC. TO OEB STAFF QUESTIONS**

**OEB Staff Question #1**

**Ref: IRM Rate Generator Tab 16, 17, 19 and 20 – Annual Adjustment Mechanism**

**Ref: OEB Letter, 2023 Inflation Parameters**

**Ref: EB-2022-0020, Decision and Order**

**Ref: EB-2022-0021, Decision and Order**

OEB staff has made the following updates to Halton Hills Hydro’s Rate Generator:

- Updated the IPI Inflation Factor to 3.70% in Tab 16 and Tab 17-Retail Service Charges
- Updated the Ontario Electricity Rebate in Tab 20 to 11.7% (as of November 1, 2022)
- Updated the Wireline Pole Attachment Charge to \$36.05 in Tab 17
- Updated Retail Service Charges by the inflation factor of 3.7% in Tab 17

**Question:**

- a) Please confirm the accuracy of these updates in the attached rate generator.

**Response:**

- a) Confirmed.

**OEB Staff Question #2**

**Ref: IRM Rate Generator Tab 17, 19 and 20 Smart Meter Entity (SME) Charge**

OEB staff has updated the SME charge from \$0.43 to \$0.42.

**Question:**

- a) Please confirm this is correct.

**Response:**

- a) Confirmed.

**OEB Staff Question #3**

**Ref: IRM Rate Generator Tab 17 and Tab 20 – Regulatory Charges, Time of Use RPP Prices and Distribution Rate Protection Charge**

OEB staff has made the following updates to Tab 17 of the rate generator:

**Regulatory Charges**

Effective Date of Regulatory Charges		January 1, 2022	January 1, 2023
Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0030	0.0041
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0005	0.0007
Standard Supply Service - Administrative Charge (if applicable)	\$/kWh	0.25	0.25

Distribution Rate Protection (DRP) Amount (Applicable to LDCs under the Distribution Rate Protection program):	\$	38.08
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**Time-of-Use RPP Prices**

As of	November 1, 2022	
Off-Peak	\$/kWh	0.0740
Mid-Peak	\$/kWh	0.1020
On-Peak	\$/kWh	0.1510

**Question:**

- Please confirm the accuracy of these updates in the rate generator.

**Response:**

- Confirmed.

#### OEB Staff Question #4

**Ref: IRM Rate Generator Tab 19 and Tab 20 – Retail Service Transmission Rates (RTSRs)**

**Ref: Decision and Order, EB-2021-0110**

OEB staff made the following updates to Tab 11 of the rate generator model:

Uniform Transmission Rates		Unit		2021 Jan to Jun		2021 Jul to Dec		2022 Jan to Mar		2022 Apr to Dec		2023	
Rate Description				Rate		Rate		Rate		Rate		Rate	
Network Service Rate		kW	\$	4.67	\$	4.90	\$	5.13	\$	5.46	\$	5.60	
Line Connection Service Rate		kW	\$	0.77	\$	0.81	\$	0.88	\$	0.88	\$	0.92	
Transformation Connection Service Rate		kW	\$	2.53	\$	2.65	\$	2.81	\$	2.81	\$	3.10	

  

Hydro One Sub-Transmission Rates		Unit		2021		2022		2023	
Rate Description				Rate		Rate		Rate	
Network Service Rate		kW	\$		3.4778	\$		4.3473	4.6545
Line Connection Service Rate		kW	\$		0.8128	\$		0.6788	0.6056
Transformation Connection Service Rate		kW	\$		2.0458	\$		2.3267	2.8924
Both Line and Transformation Connection Service Rate		kW	\$		2.8586	\$		3.0055	3.4980

#### Question:

- Please confirm the accuracy of these updates in the rate generator.

#### Response:

- Confirmed.

**OEB Staff Question #5**

**Ref: 2023 Rate Generator Tab 3, Continuity Schedule -Account 1595**

Tab 3 of the rate generator shows an approved disposition principal amount of \$971,346 and an interest amount of (\$66,234) in Account 1595(2021).

**Question:**

- a) Please provide a breakdown of the balances approved for disposition in 2021 and reconcile these balances.

**Response:**

- a) Please see Table IRR 1 – Reconciled 2021 Approved Dispositions below.

**Table IRR 1 – Reconciled 2021 Approved Dispositions**

Account Description	USfoA	Principal	Carrying Charges	TOTAL
LV Variance Account	1550	(1,205)	(1,440)	(2,645)
Smart Metering Entity Charge Variance Account	1551	(28,367)	(1,378)	(29,745)
RSVA - Wholesale Market Service Charge	1580	(164,341)	(13,934)	(178,275)
Variance WMS – Sub-account CBR Class A	1580	-	-	-
Variance WMS – Sub-account CBR Class B	1580	(48,347)	(2,261)	(50,608)
RSVA - Retail Transmission Network Charge	1584	215,404	7,143	222,547
RSVA - Retail Transmission Connection Charge	1586	74,610	2,216	76,826
RSVA - Power (excluding Global Adjustment)	1588	502,335	34,059	536,394
RSVA - Global Adjustment	1589	(2,779,672)	(76,492)	(2,856,164)
Other Regulatory Assets - Sub-Account - Deferred IFRS Transition Costs	1508	(35,443)	28,685	(6,758)
Pole Attachment Revenue Variance	1508	(407,845)	(5,864)	(413,709)
Other Regulatory Assets - Sub-Account - OEB Assessment	1508	197,255	6,101	203,355
Other Regulatory Assets - Sub-Account - Depreciation Adjustment	1508	1,100,879	-	1,100,879
Retail Cost Variance Account - Retail	1518	46,024	1,498	47,522
Retail Cost Variance Account - STR	1548	629	35	664
LRAM Variance Account	1568	324,286	20,907	345,192
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Stranded Meter Costs	1555	32,452	66,959	99,411
<b>TOTALS</b>		<b>(971,348)</b>	<b>66,235</b>	<b>(905,113)</b>

**OEB Staff Question #6**

**Ref: IRM Rate Generator Tab 3, November 11, 2022**

**Ref: Global Adjustment Analysis Workform, November 11, 2022**

OEB staff has prepared the following table which shows differences in Account 1588 2021 transactions between the 2023 IRM Rate Generator Model and the 2023 IRM GA Analysis Workform.

**Table 1 – Differences in Account 1588 2021 Transactions**

<b>Account</b>	<b>2023 IRM Rate Generator Model</b>	<b>2023 GA Analysis Workform – Tab Account 1588 Reasonability</b>	<b>Difference</b>
	<b>Transactions Debit / (Credit) during 2021</b>	<b>Transactions - 2021</b>	
1588	126,535	299,832	(173,297)

**Questions:**

- Please confirm whether Halton Hills Hydro is in agreement with OEB staff's calculations and values in the above-noted Table 1.
- If this is not the case, please explain, and update Table 1.
- Please update the relevant evidence to resolve this difference.
- In the alternative, please explain why Halton Hills Hydro is of the view that no changes are required.

**Response:**

- Confirmed.
- Not applicable.
- The value of the 2021 1588 principal transactions have been updated to \$319,663 to properly represent that all postings to the GL were principal transactions and principal adjustments have been updated to \$0. The principal adjustment of \$193,128 was moved to transactions to total the \$319,663.
- Please see revised Rate Generator and GA Analysis Workform, February 2, 2023.
- Not applicable.



**OEB Staff Question #7**

**Ref: IRM Rate Generator Tab 3, November 11, 2022**

**Ref: Global Adjustment Analysis Workform, November 11, 2022**

OEB staff has prepared the following table which shows differences in Account 1588 2021 principal amounts between the 2023 IRM Rate Generator Model and the 2023 IRM GA Analysis Workform.

**Table 2 – Differences in Account 1588 2021 Principal Amounts**

<b>Account</b>	<b>2023 IRM Rate Generator Model</b>	<b>2023 GA Analysis Workform – Tab Account 1588 Reasonability and Tab Principal Adjustments</b>	<b>Difference</b>
	<b>Principal Adjustments during 2021</b>	<b>Principal Adjustments - 2021</b>	
1588	193,128	(153,466)	346,594

**Questions:**

- Please confirm whether Halton Hills Hydro is in agreement with OEB staff's calculations and values in the above-noted Table 2.
- If this is not the case, please explain, and update the Table 2.
- Please update the relevant evidence to resolve this difference.
- In the alternative, please explain why Halton Hills Hydro is of the view that no changes are required.

**Response:**

- Confirmed.
- Not applicable.
- The value of the 2021 1588 principal transactions have been updated to \$319,663 to properly represent that all postings to the GL were principal transactions and principal adjustments have been updated to \$0. Please see revised Rate Generator and GA Analysis Workform, February 2, 2023.
- Not applicable.

**OEB Staff Question #8**

**Ref: IRM Rate Generator Tab 3, November 11, 2022**

**Ref: Global Adjustment Analysis Workform, November 11, 2022**

OEB staff has prepared the following table which shows differences in Account 1589 2021 transactions between the 2023 IRM Rate Generator Model and the 2023 IRM GA Analysis Workform.

**Table 3 – Differences in Account 1589 2021 Transactions**

<b>Account</b>	<b>2023 IRM Rate Generator Model</b>	<b>2023 GA Analysis Workform – Tab GA 2021</b>	<b>Difference</b>
	<b>Transactions Debit / (Credit) during 2021</b>	<b>Net Change in Principal Balance in the GL (i.e. Transactions in the Year) - 2021</b>	
1589	(9,254)	(29,085)	19,831

**Questions:**

- Please confirm whether Halton Hills Hydro is in agreement with OEB staff's calculations and values in the above-noted Table 3.
- If this is not the case, please explain, and update Table 3.
- Please update the relevant evidence to resolve this difference.
- In the alternative, please explain why Halton Hills Hydro is of the view that no changes are required.

**Response:**

- Confirmed.
- Not applicable.
- The value of the 2021 1589 principal balance has been updated to \$(29,085) to properly represent that all postings to the GL were principal transactions and principal adjustments have been updated to \$0. Please see revised Rate Generator and GA Analysis Workform, February 2, 2023.
- Not applicable.

**OEB Staff Question #9**

**Ref: DVA Continuity Schedule, 2021 Cost of Service, March 25, 2021**  
**Ref: Global Adjustment Analysis Workform, 2021 Cost of Service, August 27, 2020**  
**Ref: Global Adjustment Analysis Workform, November 11, 2022**  
**Ref: Manager's Summary, November 11, 2022, p. 6**

Halton Hills Hydro had 2019 principal adjustments of a credit of \$1,210,325 in Account 1588 and a debit of \$1,777,993 in Account 1589 that were approved by the OEB in its 2021 cost of service proceeding, as per the associated 2021 cost of service DVA continuity schedule and 2021 cost of service GA Analysis Workform.

However, in Note 8 of the GA Analysis Workform in the 2023 IRM proceeding, Halton Hills Hydro suggested that the 2019 principal adjustments were a credit of \$921,789 in Account 1588 and a credit of \$554,961 in Account 1589.

OEB staff has prepared the following table which shows these differences.

**Table 4 – Differences in Accounts 1588 and 1589 2019 Principal Adjustments**

<b>Account</b>	<b>2023 IRM GA Analysis Workform - 2019 Principal Adjustments</b>	<b>2021 CoS GA Analysis Workform and 2021 CoS DVA Continuity Schedule - 2019 Principal Adjustments</b>	<b>Difference</b>
1588	(921,789)	(1,210,325)	288,536
1589	(554,961)	1,777,993	(2,332,954)

Halton Hills Hydro also suggested that the CT 148 true-up of \$554,961 (debit to Account 1588 and credit to Account 1589) was part of the 2019 principal adjustments that were approved by the OEB in the 2021 cost of service proceeding. However, Halton Hills Hydro stated that the actual re-allocation was not posted to the GL until 2022 and will be adjusted accordingly with 2022 year-end balance dispositions.

**Questions:**

- Please confirm whether Halton Hills Hydro is in agreement with OEB staff's calculations and values in the above-noted Table 4.
- If this is not the case, please explain, and update Table 4.
- Please update the relevant evidence to resolve this difference, including a reconciliation of the 2019 principal adjustments that were approved in the 2021 cost of service proceeding to those shown in Note 8 of the GA Analysis Workform in the 2023 IRM proceeding.

- d) In the alternative, please explain why Halton Hills Hydro is of the view that no changes are required.
- e) After this reconciliation has been conducted, please explain which amounts should be reversed as 2020 principal adjustments in Note 9 of the 2023 IRM GA Analysis Workform, depending on what amounts have been recorded in the 2020 GL.
- f) Please confirm that the 2019 principal adjustment CT 148 true-up of \$554,961 (debit to Account 1588 and credit to Account 1589) that was posted to the 2022 GL will be reversed as a 2022 principal adjustment in the 2024 IRM rate proceeding (as opposed to a 2020 principal adjustment in the current proceeding). If this is not the case, please explain.

**Response:**

- a) HHHI disagrees with the OEB Staff's analysis.
- b) While the 2019 total principle adjustments in the 2021 COS GA Workform total \$(1,210,325), this total includes a 2016-2018 reversal of \$319,754 principal adjustments that related to 2016-2018 principle adjustments. If this \$319,754 is removed from the total, the actual principal adjustments that are relevant for this application total \$(1,530,079). The relevant evidence was updated to reflect the approved 2019 principal adjustments.
- c) Please see Table IRR 2 below. There are account 1588 reversals in 2020 from 2017 (\$1,491,431), 2018 (\$233,233) and 2019 (\$392,257) (total of \$2,116,921) as well as reversals for \$720,098 and \$(79,927) related to 2019 true up amounts posted in 2020. The relevant evidence was updated to reflect the changes.

**Table IRR 2 – Account 1588 2020 Principal Adjustments Reconciled to 2021 COS 2019**

**Principal Adjustments**

Adjustment Description		Amount	Amount to be Reversed in Current Application	Explanation if not to be reversed in current application
1	CT 148 true-up of GA Charges based on actual RPP volumes	(2,332,954)		Recorded as 2019 principal adjustment only, was not included in the transaction column for any year. Although it was recorded in the 2019 GL no reversing entry required. Was also not recorded in the 2020 transactions or principal adjustments. The offsetting debit of \$2,332,954 was applied to Account 1589.
2	CT 1142 true-up based on actuals	(392,257)	392,257	CT 142 true up for 2019 included in 2019 transactions and principal adjustments and the same amounts were reversed as part of 2020 transactions and principal adjustments. An additional net amount of \$247,914 is included in 2020 transactions as part of the IESO invoice processing. This results in a net debit of \$247,914 recorded as part of 2020 transactions.
3	Unbilled to actual revenue differences			
4	Accrue CT 142 Final true-up 2019 11	720,098	(720,098)	
5	Accrue CT 142 Final true-up 2019 12	(79,927)	79,927	
6	CT 148 true-up of GA Charges based on FINAL actual Non-RPP volumes	554,961		Was not posted into GL until 2022 so no reversal needed in 2020. The offsetting credit of \$554,961 was applied to Account 1589.
7				
8				
<b>Total reconciled to 2021 COS</b>		<b>(1,530,079)</b>	<b>(247,914)</b>	
A	Reverse CT 1142 true-up based on actuals 2017		1,491,431	Recorded as credits in principal adjustments in their respective years (2017/2018) and a credit in 2020 GL transaction column offset by a 2020 debit reversing principal adjustment entry. The amounts were not recorded in the transaction column or principal adjustment column of any other year. The 2021 COS GA Workform incorrectly labelled these adjustments in column W. It should have been 2020 GL.
B	Reverse CT 1142 true-up based on actuals 2018		233,233	
<b>TOTAL 2020 Principal Adjustments</b>			<b>1,476,750</b>	

Note: As it pertains to Account 1588, the 2017 principal adjustment of \$1,104,174 and 2018 principal adjustment of \$413,506 were included as principal adjustments only, were not included in the transaction column for any year. Although it was recorded in the 2019 GL no reversing entry required. Were also not recorded in the 2020 transactions or 2019/2020 principal adjustments. The offsetting credits of \$1,104,174 and \$413,506 were applied to Account 1589 with the opposing sign.

- d) Not applicable.
- e) Please see HHHI response to OEB Staff question 9 parts b) and c).
- f) Confirmed.

**OEB Staff Question #10**

**Ref: Global Adjustment Analysis Workform, November 11, 2022**

**Ref: IRM Rate Generator Tab 3, November 11, 2022**

Halton Hills Hydro has recorded 2021 “current year” principal adjustments in the Tab Principal Adjustments of the 2023 IRM GA Analysis Workform of a credit of \$153,466 in Account 1588 and a credit of \$19,831 in Account 1589. However, Halton Hills Hydro also indicated that these 2021 “current year” principal adjustments were recorded in the 2021 GL and not the 2022 GL.

OEB staff also notes that based on an above OEB staff question, the 2021 principal adjustment of a credit of \$153,466 in Account 1588 may need to be revised, as well as from additional OEB staff questions below. OEB staff also notes that the 2021 principal adjustment of a credit of \$19,831 in Account 1589 may need to be revised, as per additional OEB staff questions below.

OEB staff also notes that as part of the 2021 principal adjustment of a credit of \$153,466 in Account 1588, Halton Hills Hydro has stated that it has recorded a credit of \$173,297 that relates to a “Reversal of CT 1142/142 true-up based on actuals”. However, Halton Hills Hydro has not recorded a corresponding principal adjustment in 2020 that may need to be reversed in 2021.

**Questions:**

- a) Please confirm whether Halton Hills Hydro meant to reference the 2021 “current year” principal adjustments in the Tab Principal Adjustments of the 2023 IRM GA Analysis Workform of a credit of \$153,466 in Account 1588 (or any revised amount) and a credit of \$19,831 in Account 1589 (or any revised amount) as being recorded in the 2022 GL, instead of the 2021 GL.
- b) If these amounts (or any revised amounts) were recorded in the 2022 GL:
  - i. Please update the labelling in the relevant cells of columns K and W of the Principal Adjustments tab of the 2023 IRM GA Analysis Workform.
  - ii. Please explain why these amounts are not part of the balance recorded in Column BW “Variance RRR vs. 2021 Balance (Principal + Interest)” in Tab 3 of the 2023 IRM Rate Generator Model.
- c) If these amounts (or any revised amounts) were not recorded in the 2022 GL, please explain, particularly why there are 2021 principal adjustments recorded in the 2021 GL layered on top of the “Transactions Debit / (Credit) During 2021” amounts recorded in Tab 3 of the 2023 IRM Rate Generator Model that are also part of the 2021 GL.
- d) Please explain why Halton Hills Hydro, as part of the 2021 principal adjustment of a credit of \$153,466 in Account 1588, it has stated that it has recorded a credit of \$173,297 that relates to a “Reversal of CT 1142/142 true-up based on actuals”, when it has not recorded a corresponding principal adjustment in 2020 that may need to be reversed in 2021.

**Response:**

- a) Please see revised Rate Generator and GA Analysis Workform, February 2, 2023. All amounts that were presented as 2021 principal adjustments have been zeroed out because they were already been recorded in 2021 GL therefore also reflected in the 2021 transactions column in the Rate Generator model.
- b) Not applicable.
  - i. Not applicable.
  - ii. Not applicable.
- c) Please see revised Rate Generator and GA Analysis Workform, February 2, 2023. All amounts that were presented as 2021 principal adjustments have been zeroed out because they were already been recorded in 2021 GL therefore also reflected in the 2021 transactions column in the Rate Generator model.
- d) Please see revised Rate Generator and GA Analysis Workform, February 2, 2023. All amounts that were presented as 2021 principal adjustments have been zeroed out because they were already been recorded in 2021 GL therefore also reflected in the 2021 transactions column in the Rate Generator model. This includes the former credit of \$173,297 and relates to 2021 consumption.

**OEB Staff Question #11**

**Ref: IRM Rate Generator Tab 3, November 11, 2022**

**Ref: 2022 IRM Rate Generator, Tab 3, March 24, 2022**

**Ref: Global Adjustment Analysis Workform, November 11, 2022**

**Ref: 2022 IRM Global Adjustment Analysis Workform, October 29, 2021**

OEB staff notes that there are differences between the 2020 transactions related to Accounts 1588 and 1589 between the current 2023 IRM proceeding and the 2022 IRM proceeding.

OEB staff has prepared the following table which shows these differences related to 2020 transactions.

**Table 5 – Differences in Accounts 1588 and 1589 2020 Transactions**

<b>Account</b>	<b>2023 IRM Rate Generator Model - Transactions Debit / (Credit) During 2020</b>	<b>2022 IRM Rate Generator Model - Transactions Debit / (Credit) During 2020</b>	<b>Difference</b>
1588	(2,649,128)	(2,999,106)	349,978
1589	71,779	421,757	(349,978)

**Questions:**

- Please confirm whether Halton Hills Hydro is in agreement with OEB staff's calculations and values in the above-noted Table 5.
- If this is not the case, please explain, and update Table 5.
- Please update the relevant evidence to resolve this difference.
- In the alternative, please explain why Halton Hills Hydro is of the view that no changes are required.

**Response:**

- Confirmed.
- Not applicable.
- Please see revised Rate Generator and GA Analysis Workform, February 2, 2023. All amounts were included in principal transactions. The \$349,978 reflects a re-allocation that should have been reflected in the 2022 IRM but was not and has since been corrected in the 2023 IRM.
- Not applicable.



**OEB Staff Question #12**

**Ref: IRM Rate Generator Tab 3, November 11, 2022**  
**Ref: 2022 IRM Rate Generator, Tab 3, March 24, 2022**  
**Ref: Global Adjustment Analysis Workform, November 11, 2022**  
**Ref: 2022 IRM Global Adjustment Analysis Workform, October 29, 2021**

OEB staff notes that there are differences between the 2020 principal adjustments related to Accounts 1588 and 1589 between the current 2023 IRM proceeding and the 2022 IRM proceeding.

OEB staff has prepared the following table which shows these differences related to 2020 principal adjustments.

**Table 6 – Differences in Accounts 1588 and 1589 2020 Principal Amounts  
 between 2023 IRM and 2022 IRM**

<b>Account</b>	<b>2023 IRM Rate Generator Model - Principal Adjustments During 2020</b>	<b>2022 IRM Rate Generator Model - Principal Adjustments During 2020</b>	<b>Difference</b>
1588	1,476,750	1,271,767	204,983
1589	0	204,983	(204,983)

**Questions:**

- Please confirm whether Halton Hills Hydro is in agreement with OEB staff's calculations and values in the above-noted Table 6.
- If this is not the case, please explain, and update Table 6.
- Please update the relevant evidence to resolve this difference.
- In the alternative, please explain why Halton Hills Hydro is of the view that no changes are required.

**Response:**

- Confirmed.
- Not applicable.
- Please see revised Rate Generator and GA Analysis Workform, February 2, 2023. All amounts were included in principal transactions. The \$204,983 reflects a re-allocation that should have been reflected in the 2022 IRM but was not and has since been corrected in the 2023 IRM
- Not applicable.

**OEB Staff Question #13**

**Ref: IRM Rate Generator Tab 3, November 11, 2022**

**Ref: 2022 IRM Rate Generator, Tab 3, March 24, 2022**

**Ref: Global Adjustment Analysis Workform, November 11, 2022**

**Ref: 2022 IRM Global Adjustment Analysis Workform, October 29, 2021**

OEB staff notes that Halton Hills Hydro has included an Account 1589 2020 principal adjustment of a credit of \$349,978 in Tab GA 2020 and Tab Principal Adjustments of the 2022 IRM GA Analysis Workform and the 2022 IRM Rate Generator Model. However, this is labeled as a reconciling item (and not a principal adjustment) in Tab GA 2020 and missing from Tab Principal Adjustments of the 2023 IRM GA Analysis Workform and the 2023 IRM Rate Generator Model.

OEB staff also notes that Halton Hills Hydro has included an Account 1588 2020 principal adjustment of a debit of \$349,978 in Tab Account 1588 Reasonability and Tab Principal Adjustments of the 2022 IRM GA Analysis Workform and the 2022 IRM Rate Generator Model. However, this is missing from Tab Account 1588 Reasonability and Tab Principal Adjustments of the 2023 IRM GA Analysis Workform and the 2023 IRM Rate Generator Model.

**Questions:**

- a) Please explain why Halton Hills Hydro has included an Account 1589 2020 principal adjustment of a credit of \$349,978 in Tab GA 2020 and Tab Principal Adjustments of the 2022 IRM GA Analysis Workform (and the 2022 IRM Rate Generator Model), but this is labeled as a reconciling item (and not a principal adjustment) in Tab GA 2020 and missing from Tab Principal Adjustments of the 2023 IRM GA Analysis Workform (and the 2023 IRM Rate Generator Model).
- b) Please explain why this amount is not reversed as an Account 1589 2021. principal adjustment in the 2023 GA Analysis Workform (Tab GA 2021 and Tab Principal Adjustments) and the 2023 IRM Rate Generator Model (Tab 3).
- c) Please explain why Halton Hills Hydro has included an Account 1588 2020 principal adjustment of a debit of \$349,978 in Tab Account 1588 Reasonability and Tab Principal Adjustments of the 2022 IRM GA Analysis Workform (and the 2022 IRM Rate Generator Model), but this is missing from Tab Account 1588 Reasonability and Tab Principal Adjustments of the 2023 IRM GA Analysis Workform (and the 2023 IRM Rate Generator Model).
- d) Please explain why this amount is not reversed as an Account 1588 2021 principal adjustment in the 2023 GA Analysis Workform (Tab Account 1588 Reasonability and Tab Principal Adjustments) and the 2023 IRM Rate Generator Model (Tab 3)

**Response:**

- a) The \$(349,978) as a principal adjustment and a reconciling item were in error. The \$(349,978) and \$(7,046) were removed as they included in the principal transactions of \$71,779. The debit of \$57,672 was changed to a credit.
- b) Not applicable.
- c) The \$349,978 as a principal adjustment was in error. The \$349,978 has been included in the principal transactions of \$(2,649,128) and therefore removed from the principal adjustments.
- d) Not applicable.

**OEB Staff Question #14**

**Ref: Global Adjustment Analysis Workform, November 11, 2022**

**Ref: Manager's Summary, p. 6, November 11, 2022**

Halton Hills Hydro provided an explanation of why the 2020 Account 1588 Reasonability Tab "Account 1588 as % of Account 4705", cell G19, of -3.2% is greater than the threshold of +/- 1%. Halton Hills Hydro's explanation resulted in a revised cell G19 of -0.01%, including the following adjustments to both the 2020 principal adjustments and the 2020 Account 4705:

- An addition of \$1,491,431 related to 2017 true-ups (although Halton Hills Hydro stated a "reduction" in its explanation)
- An addition of \$233,233 related to 2018 true-ups (although Halton Hills Hydro stated a "reduction" in its explanation)
- A reduction of \$554,961 related to 2019 true-ups

OEB staff has prepared the following table which shows the calculations that support Halton Hills Hydro's explanation at cell B66 of the Tab Account 1588 Reasonability of the 2023 IRM GA Analysis Workform, as well as the Manager's Summary, including Halton Hills Hydro's pro-forma adjustments included as part of its explanation.

**Table 7 – Pro-Forma Adjustments to the 2023 IRM GA Analysis Workform –  
Tab Account 1588 Reasonability**

	<b>Account</b>	<b>2020 Transactions</b>	<b>2020 Principal Adjustments</b>	<b>2020 Net Activity</b>	<b>2020 Account 4705</b>	<b>2020 Account 1588 as % of Account 4705</b>
2023 IRM GA Analysis Workform - Tab Account 1588 Reasonability	1588	(2,649,128)	1,476,750	(1,172,378)	36,876,214	-3.18%
Add: 2017 true- ups	1588		1,491,431	1,491,431	1,491,431	
Add: 2018 true- ups	1588		233,233	233,233	233,233	
Sub-total	1588	(2,649,128)	3,201,414	552,286	38,600,878	1.43%
Subtract: 2019 true-ups	1588		(554,961)	(554,961)	(554,961)	
Total	1588	(2,649,128)	2,646,453	(2,675)	38,045,917	-0.01%

OEB staff notes that there are other 2020 principal adjustments in the 2023 IRM GA Analysis Workform that have not been included by Halton Hills Hydro in its above pro-forma adjustments, such as a debit of \$392,257 for 2019 true-ups, a credit of \$720,098 for additional 2019 true-ups, and a debit of \$79,927 for additional 2019 true-ups.

OEB staff also notes that other revisions to the 2020 transactions and principal adjustments may need to be included in Halton Hills Hydro's explanation summary, based on the answers to the above OEB staff questions, such as:

- The 2020 principal adjustment debit of \$349,978 to Account 1588
- Any further revisions to the 2020 transactions and principal adjustments once reconciled to the amounts that were presented in the 2022 IRM proceeding
- Any further revisions to the 2020 principal adjustments once reconciled to the amounts that should be reversed based on the OEB-approved 2019 principal adjustments in the 2021 cost of service proceeding

**Questions:**

- a) Please confirm whether Halton Hills Hydro is in agreement with OEB staff's calculations and values in the above-noted Table 7.
- b) If this is not the case, please explain, and update Table 7.
- c) Please update the relevant evidence to resolve this difference.
- d) In the alternative, please explain why Halton Hills Hydro is of the view that no changes are required.
- e) Please explain why Halton Hills Hydro has included the two above-noted references to a "reduction" in its explanation at cell B66 of the Tab Account 1588 Reasonability of the 2023 IRM GA Analysis Workform, as well as the Manager's Summary, when Halton Hills Hydro has added these amounts and not subtracted them.
- f) Please confirm that Halton Hills Hydro's analysis should be revised to reflect reductions and not the additions that Halton Hills Hydro has included in its calculations. Please update the analysis. If this is not the case, please explain.
- g) Please explain why Halton Hills Hydro in its above pro-forma adjustments in its explanation, has not included all 2020 transactions and principal adjustments such as the following and please update the analysis as required.
  - i. A debit of \$392,257 for 2019 true-ups
  - ii. A credit of \$720,098 for additional 2019 true-ups
  - iii. A debit of \$79,927 for additional 2019 true-ups
  - iv. Other revisions to the 2020 transactions and principal adjustments may need to be included in Halton Hills Hydro's explanation summary, such as:
    - o The 2020 principal adjustment debit of \$349,978 to Account 1588

- Any further revisions to the 2020 transactions and principal adjustments once reconciled to the amounts that were presented in the 2022 IRM proceeding
- Any further revisions to the 2020 principal adjustments once reconciled to the amounts that should be reversed based on the OEB-approved 2019 principal adjustments in the 2021 cost of service proceeding
- Other

<b>Response:</b>
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- a) Confirmed.
- b) Not applicable
- c) Please see revised Rate Generator and GA Workform, February 2, 2023.
- d) Not applicable.
- e) Cell B66 of the Tab Account 1588 Reasonability should have read “addition, thus reducing the variance or Total Activity in Calendar Year and the reasonability percentage”. Alternatively, it could be explained as subtracting the credits of \$1,491,431 and \$233,233. Please see Table IRR 3 below.

**Table IRR 3 - Explanation of 2020 1588 Pro-forma Adjustments**

	Account	2020 Transactions	2020 Principal Adjustments	2020 Net Activity	2020 Account 4705	Explanation for Pro-Forma Adjustments	2020 Account 1588 as % of Account 4705
2023 IRM GA Analysis Workform - Tab Account 1588 Reasonability	1588	(2,649,128)	1,476,750	(1,172,378)	36,876,214	As per GA Workform Reasonability test	-3.18%
Subtract 2017 true-ups	1588	(1,491,431)	1,491,431	-	(1,491,431)	4705 is reduced by \$1,491,431 recovered from the IESO for 2017 amounts, therefore the credit needs to be subtracted from 4705. The 2020 net activity is \$0 because there are offsetting amounts recorded in both 2020 transactions and 2020 principal adjustments that need to be subtracted.	
Subtract 2018 true-ups	1588	(233,233)	233,233	-	(233,233)	4705 is reduced by \$233,233 recovered from the IESO for 2018 amounts, therefore the credit needs to be subtracted from 4705. The 2020 net activity is \$0 because there are offsetting amounts recorded in both 2020 transactions and 2020 principal adjustments that need to be subtracted.	
Sub-total	1588	(924,464)	(247,914)	(1,172,378)	38,600,878		-3.04%
Subtract 2019 true-ups	1588	(392,978) 720,098 (79,927)		(392,978) 720,098 (79,927)	(392,978) 720,098 (79,927)	CT 142 true up for 2019 included in 2019 transactions and principal adjustments and the same amounts were reversed as part of 2020 transactions and principal adjustments. An additional net amount of \$247,914 is included in 2020 transactions as part of the IESO invoice processing. This results in a net debit of \$247,914 recorded as part of 2020 transactions. The \$247,914 needs to be subtracted from both transactions and 4705.	
Subtract Losses Over collected	1588	(840,021)		(840,021)		Billed consumption without losses = 503,399MWhs, OEB Approved losses = 5.6%, actual losses = 3.55% for difference of 2.05%. Difference multiplied by total = 503,398,621 X 2.05% = 10,319,672. Total kWhs difference times estimated cost of power of \$0.0814 = 10,319,672kWhs X \$0.0814/kWhs = \$840,021 over collection resulting from difference between Board approved and actual losses.	
<b>Total</b>	<b>1588</b>	<b>(331,636)</b>	<b>(247,914)</b>	<b>(579,550)</b>	<b>38,353,685</b>		<b>-1.51%</b>

- f) Please see HHHI response to OEB Staff's question 14 part e).  
g) Please see HHHI response to OEB Staff's question 14 part e).

**OEB Staff Question #15**

OEB staff notes that based on the responses to OEB staff's questions, 2020 and 2021 Accounts 1588 and 1589 balances may need to be changed, including the transactions and principal adjustments. This may impact the threshold calculations in the GA Analysis Workform.

**Questions:**

- a) If changes are required to Account 1588 and the revised Account 1588 Reasonability Tab "Account 1588 as % of Account 4705", cell G19 and cell G20, are greater than the threshold of +/- 1%, please explain.
- b) If changes are required to Account 1589 and the revised Tab GA 2020 and Tab GA 2021 cells C93 (i.e., Unresolved Difference as % of Expected GA Payments to IESO) are greater than the threshold of +/- 1%, please explain.

**Response:**

- a) Amounts were revised to reflect that all values are posted through principal transactions and no principal adjustments. Please see HHHI Response to OEB Staff's question 14 part a).
- b) Not applicable.



**OEB Staff Question #16**

**Ref: Manager's Summary, page 13**

The 2021 CDM Guidelines (section 8) indicates that “Distributors filing an application for 2023 rates should seek disposition of all outstanding LRAMVA balances related to previously established thresholds. Distributors not rebasing for 2023 rates who have complete information on eligible savings (i.e., needing only to account for persistence of savings in future years) may seek a rate adjustment on a prospective basis to address amounts that would otherwise be recorded in the LRAMVA for all years until their next rebasing application.” Halton Hills Hydro states that it will not have prospective disposition amounts in future years.

**Questions:**

- a) Please explain why Halton Hills Hydro will not have prospective disposition amounts in future years
- b) Please confirm that if the disposition of the LRAMVA balance in this application is approved as filed, that the balance in the LRAMVA and any prospective LRAM-eligible amounts will be zero.

**Response:**

- a) Following HHHP's last rebasing application in 2021, CDM savings to 2020 were incorporated in its load forecast so there is no persistence of historical CDM savings beyond April 2021. HHHP does not have an LRAMVA threshold and there are no savings in 2021 or 2022 so its prospective disposition amounts in future years which are based on historic savings is zero.
- b) Confirmed.

**OEB Staff Question #17**

**Ref: Manager's Summary, page 13**

Halton Hills notes in its Manager's Summary that "The LRAMVA amounts, by class, excluding 2011 to 2014 programs, are provided in 3-VECC-15, part f). Persistence of programs from 2011 to 2014 are consistently excluded in Table IRR-45 (3-VECC-15) and persistence calculations in the LRAMVA workform."

**Question:**

- a) Please explain what is meant by the above-noted statements, and provide the referenced materials, if necessary.

**Response:**

- a) This paragraph relates to the preceding two paragraphs of the Manager's Summary in reference to the LRAMVA amounts used in EB-2015-0074. The 2016 LRAMVA threshold is not provided in the EB-2015-0074 settlement agreement so a reference to an interrogatory with the relevant values is provided (3-VECC-15 in EB-2015-0074).

**OEB Staff Question #18**

**Ref: Manager's Summary, page 12**

**Ref: LRAMVA Workform, Tab 5 and Tab 7**

Halton Hills Hydro states in its Manager Summary that the 2019 and 2020 retrofit savings were provided by Halton Hills Hydro's consultant Aladaco. OEB staff is unable to confirm the source and calculation of the retrofit savings data in tab 5 of the LRAMVA workform.

**Question:**

- a) Please clarify and provide the source of the retrofit savings for 2019 and 2020 in Tab 5 of the LRAMVA workform and as referenced in Tab 7 of the retrofit savings (e.g. the 2019 Aladaco Report and the 2020 Aladaco Report).

**Response:**

- a) The source of 2019 and 2020 savings is a CDM report generated for HHHI by Aladaco Consulting. Please see Halton\_Staff-18 Attachment 1 - Aladaco\_CDM\_2019-20 Savings.