Rideau St. Lawrence Inc.

OEB Staff Questions

EB-2022-0061

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Please note, Rideau St. Lawrence Inc. (RSL) is responsible for ensuring that all documents it files with the OEB, including responses to OEB staff questions 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*.

**Staff Question-3**

Ref: (1) Rate Generator Model, Tab 3 – Continuity Schedule

 (2) Manager’s Summary, p. 28

The LV Variance Account records the net of the amount charged by a host distributor to an embedded distributor for transmission or low voltage services (Account 4750) and the amount billed to the embedded distributor’s customers based on the embedded distributor’s latest approved rates (Account 4075).[[1]](#footnote-1)

At reference 1, the total claim for the Low Voltage (LV) Variance Account is $119,007, accounting for approximately 54% of the Group 1 Account balances of $222,091.

At reference 2, RSL stated that RSL will continue using the low voltage service rates pursuant to the decision from RSL’s 2022 cost of service application.[[2]](#footnote-2)

Questions:

1. Please explain why the LV Variance Account balance is relatively high when the LV rates were just recently set in RSL’s cost of service application last year.

Response: a) RSL confirms that the claim of $119,007 for the LV Variance Account to be disposed of through this application (EB-2022-0061) is appropriate and correct for the following points:

* 2020 Low Voltage (LV) balance was claimed through the 2022 COS (EB-2021-0056).
* The claim for LV through this application (EB-2022-0061) is 2021 balance.
* The LV rates set in the 2022 COS (EB-2021-0056) did not become effective until July 1, 2022.
* The effective rates pertaining to the 2021 LV balance are set in RSL’s 2016 COS (EB-2015-0100).
1. [Accounting Guidance for Low Voltage Variance Account, May 1, 2006](https://www.oeb.ca/documents/cases_smartmeters_lvcharges_ltr_130606.pdf) [↑](#footnote-ref-1)
2. EB-2022-0056, Decision and Rate Order, June 14, 2022 [↑](#footnote-ref-2)