**E.L.K. Energy Inc.**

**EB-2022-0023**

**OEB Staff Follow-up Questions**

**January 31, 2023**

Please note, E.L.K. Energy Inc. (E.L.K.) 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-1**

**Ref: Rate Generator Model – Tab 3 Continuity Schedule, Projected Interest**

In the application, it’s noted that the OEB’s prescribed interest rates have been applied to calculate the projected interest from January 1, 2022 to April 30, 2023 (columns BQ and BR in Tab 3). OEB staff has noted that a number of interest amounts in columns BQ and BR are not correct.

Please review the calculations and update the input in the two columns with formulars (and ensure the correct 2021 year-end balance adjusted for 2022 disposition, and interest rates are applied). Confirmed and Updated with formulas in the columns

**Follow-up Question-1**

For both columns, the projected interest should be based on the 2021 year-end principal balances adjusted for 2022 disposition (i.e. column BO). For column BR, the projected interest should be calculated for four months, not 90 days. Please review and make necessary updates. Corrected to 120

**Staff Question-2**

**Ref: Rate Generator Model – Tab 3 Continuity Schedule, Account 1595 (2018)**

In columns BM and BN of the Continuity Schedule, it’s noted that E.L.K. has entered the 2022 disposition amounts in Accounts 1595 (2016) and 1595 (2017) into row 33 for Account 1595 (2018).

Please review all balances entered in row 33 for Account 1595 (2018). Please remove any balances that do not belong to this account. Confirmed balance for 2016 and 2017 were removed. RRR balance -106940 included the 2016 and 2017 balances thus the reason for the variance.

**Follow-up Question-2**

The correction has not been done properly. For example, in 2021 and 2022, there were no OEB-approved disposition amounts (columns BM, BN, BE and BJ) in Account 1595 (2018). Please review all balances in row 33 and make necessary adjustments. Please explain for any variance in column BW. Corrected

**Staff Question-3**

**Ref: Rate Generator Model - Tab 3 Continuity Schedule, Account 1580 Sub-account CBR Class B**

As reported in the Continuity Schedule, E.L.K. has balances in Account 1580 Sub-account CBR Class B. However, it’s noted that E.L.K. reported $0 for this sub-account in the RRR 2.1.7 filing. It’s understood that in RRR filing, the control account balance in Account 1580 includes any sub-account balances (which is different than the Continuity Schedule requirements). The Sub-account CBR Class B balances should still be reported in RRR 2.1.7.

1. Please update the 2021 RRR 2.1.7 filing to include the correct Sub-account CBR Class B balances. Confirm will update sub acct to (27483.56) and reduce main account 1580 to (7234.64)
2. As noted in cell BX23 in the Continuity Schedule, the variance in cell BW23 should match 2021 year-end balance in Sub-account CBR Class B. If the variance does not match, please provide an explanation. Confirmed matches

**Follow-up Question-3**

Following E.L.K.’s response in part a above, if in RRR the control account balance (including sub-account balance) is (7,234.64) and the sub-account balance is (27,483.56), then the net control account balance (excluding sub-account) should be (7,234.64) – (27,483.56) = 20,248.92. However, in the current continuity schedule, the control account’s 2021 year-end balance (excluding sub-account) is $0 (principal plus interest), which does not match 20,248.92.

1. Please review and provide the correct control account and sub-account balances, and make necessary updates to the continuity schedule.
2. If E.L.K. will make any RRR data revision, please summarize the data changes 1(data as filed, and as revised).
3. The variance in cell BW23 should match 2021 year-end balance in Sub-account CBR Class B. If the variance does not match, please provide an explanation.

Balance in 1580 rsva at Dec 31 2021 is (34717.70) which is sum of 1580-02 (27482.56) and 1580 (7234.64) which agrees to our GL. Will update RRR once with is confirmed.

**Follow-up Question-4**

**Ref1: Rate Generator Model – Tab 3 Continuity Schedule, 2020 Year-end Balances in Accounts 1550, 1551, 1580 (including sub-accounts), 1584 and 1586**

**Ref2: EB-2021-0016, ELK\_DVA\_DVA Continuity Schedule\_Settlement\_20220610 (excel model), Tab 2a Continuity Schedule**

1. Please explain why the 2020 year-end balances in Accounts 1550, 1551, 1580 (including sub-accounts), 1584 and 1586 entered in columns AW and BB do not match the 2020 year-end balances in Reference 2 evidence filed with the Settlement Proposal in E.L.K.’s 2022 Cost of Service proceeding. (These accounts were disposed of on final basis in the 2022 Cost of Service proceeding.) Corrected
2. Please review and make necessary updates for the 2020 year-end balances in the current Continuity Schedule.Corrected
3. After any updates are made in part b, if there are any non-zero variances in column BW, please provide explanations. None
4. In the situation that E.L.K. will need to make any RRR data revision, please summarize the data changes (data as filed, and as revised). None

Updated with 2022 cost of service data