

**EB-2023-0041 Niagara-on-the-Lake Hydro Inc.**

**Error Checking Review**

**Please see NOTL Hydro Responses below in blue.**

1. Ref 1: Exhibit 1, Table 1.8, p. 20  
Ref 2: Exhibit 6, Table 6.4, p. 5  
Ref 3: Chapter 2 Appendix 2-BA

Depreciation expense amounts in Ref 1 and Ref 2 do not reconcile with net depreciation amounts in Ref 3 for years 2019, 2020, 2021, 2022. Please provide an explanation.

**NOTL Hydro Response**

Revised Chapter 2 Appendix 2-BA There are two reasons for the difference.

The first is that the ICM depreciation is included in the Asset Continuity Schedule for 2019 at \$53,433 and 2020 at (\$239,849). The amounts were recorded in the variance account 1508 and are therefore not included in depreciation expense accounts 5705 in those years.

The second is due to small differences related to how NOTL Hydro's accounting system treats the depreciation expense and accumulated depreciation on disposals. These amounts are revised in Chapter 2 Appendix 2-BA. There was no impact to NBV, just a movement between the additions and disposals columns.

2. Ref 1: Exhibit 1, Table 1.9, p. 21

For Long Term Debt, Short Term Debt, Return on Equity, Weighted Debt Rate, and Regulated Rate of Return (in both lines), the Diff (%) numbers which represent the change in 2024 vs 2019 appear to show the sign (+/-) in reverse. Also, the Diff (%) numbers are shown in the Diff (\$) column instead of Diff (%) column. Please revise.

**NOTL Hydro Response**

Revised Exhibit 1, Table 1.9, p. 21.

3. Ref 1: Exhibit 1, Table 1.10, p. 22  
Ref 2: Revenue Requirement Workform, Tab 9, cell F28

The 2024 Projected Revenue Requirement of \$6,725,840 in Ref 1 does not equal to the sum of all the components in the table (from '2019 Revenue Requirement' line to 'Other' line) which is equal to \$6,725,757 (this amount is equal to the base revenue requirement in Ref 2). Please revise.

**NOTL Hydro Response**

Revised Exhibit 1, Table 1.10, p. 22.

4. Ref 1: Exhibit 1, Table 1.12, p. 23  
Ref 2: Exhibit 3, Table 3.14, p. 15  
Ref 3: Exhibit 3, Table 3.16, p. 16  
Ref 4: [Decision and Order \(EB-2018-0056\)](#), Settlement Proposal, Exhibit N1, Tab 1, Schedule 1, Page 19, Table 12

The total load of 226,322,506 kwh for 2019BA in Ref 1 does not reconcile with the total load in Ref 4 which shows 222,679,374 kwh.

The consumption (kWh) in the Board Approved 2019 column in Ref 2 do not match with the Settlement Proposal column in Ref 4.

The total demand of 279,590 kW for 2019BA in Ref 1 does not reconcile with that in Ref 4 which shows 274,758 kW.

Demand in the Board Approved 2019 column in Ref 3 do not match with consumption (kW) in Ref 4.

Please explain the difference and revise the tables in Ref 1, Ref 2 and Ref 3 as needed.

### NOTL Hydro Response

Revised Exhibit 1, Table 1.12, p. 23, Exhibit 3, Table 3.14, p. 15, Exhibit 3, Table 3.16, p. 16

NOTL Hydro inadvertently included the Weather Normalized Load Forecast without the CDM adjustment in Tables 1.12, 3.14, and 3.16.

5. Ref 1: Exhibit 1, Table 1.16, p. 26  
Ref 2: Exhibit 2, Table 2.4, p. 7  
Ref 3: Ch 2, Appendix 2-AB, actual net capital expenditures (row 23)

The actual capital expenditures from 2019–2023 in Ref 1 and Ref 2 do not reconcile with the actual net capital expenditures from 2019-2023 in Ref 3. Please provide an explanation and reconcile the two as needed.

### NOTL Hydro Response

2023 amounts adjusted in Ch 2, Appendix 2AA and Ch 2, Appendix 2AB to included CWIP items that will be capitalized in 2023 consistent with Ch2 Appendix 2BA.

Note added to Exhibit 1 p 26 and revised heading in Exhibit 2, Table 2.4, p. 7

Revised DSP Table 20, pg 42 and Table 21, pg 43.

Actual net capital expenditures includes changes in Construction Work in Progress (CWIP) which is the difference from the amounts in Ch 2, Appendix 2AB. 2020 does not include the amount from the ICM of \$2,565k that was transferred from account 1508 to 1815.

2019 – Appendix 2AB \$1,143k + CWIP \$958k = \$2,101k  
2020 – Appendix 2AB \$4,557k - CWIP \$1,410k = \$3,147k  
2021 – Appendix 2AB \$2,456k - CWIP \$519k = \$1,937k  
2022 – Appendix 2AB \$784k + CWIP \$1,310k = \$2,094k  
2023 – Appendix 2AB revised \$4,026k – CWIP \$1,789k = \$2,237k

6. Ref 1: Exhibit 1, p. 33, Line 3 and p. 35, line 5  
Ref 2: DVA\_Continuity\_Schedule\_CoS, Tab 2a, cell BT43  
Ref 3: Exhibit 1, Table 1.27, p. 34

The total claim of \$823,130 for Group 1 DVA in Ref 1 is different from the total claim of \$823,799.28 in Ref 2 and in Ref 3. Please explain the difference and revise the amount as needed.

**NOTL Hydro Response**

Updated Exhibit 1 pg. 33 line 3 and added note to pg. 35 line 5.

The difference in the amounts is the portion of the DVA balance that is attributable to customers that transitioned between Class A and Class B during the period when the rate riders accrued. These are applied as a flat rate charge to these customers and not included in the calculation of the rate rider.

- 7. Ref 1: Exhibit 1, Table 1.24, p. 31 and Table 1.31, p.37  
Ref 2: Exhibit 8, Table 8.23, p. 20  
Ref 3: NOTLH\_2924\_Tariff\_Schedule\_and\_Bill Impact\_Model\_1.0, Tab 6

Several bill impacts in \$ and % in Ref 1 and Ref 2 are different from the bill impact numbers shown in Ref 3. Please provide an explanation and revise the numbers.

**NOTL Hydro Response**

Revised Exhibit 1, Table 1.24 and Table 1.31 and Exhibit 8 Table 8.23.

NOTL Hydro utilized the 2023 version to calculate bill impacts as the 2024 model was not available at the time the application was due. NOTL Hydro was instructed by OEB staff to submit the 2024 Tariff Schedule and Bill impact model following the initial submission of the exhibits. Certain assumptions regarding cost of power and proportions allocated to the different RPP rates were changed in the 2024 model changing the bill impacts. It would be beneficial to have the appropriate OEB models available to filers before the application due dates.

- 8. Ref 1: Exhibit 1, Table 1.24, p. 31 and Table 1.31, p. 37

The label for GS > 50 appears twice on the table. Please revise.

**NOTL Hydro Response**

Revised Exhibit 1, Table 1.24, and Table 1.31. Table 8.23 was also revised as it contained the same error.

- 9. Ref 1: Exhibit 2, 2.2.2.3 Disposals, p. 28, lines30-32  
Ref 2: Ch 2 Appendix 2-BA  
Ref 3: Accounting Procedures Handbook (APH)

Ref 1 states “in 2019, NOTL Hydro disposed of one of the old 25 MVA transformers at the NOTL Station that was originally installed by Ontario Hydro in 1985. The disposal of this asset reduced NOTL Hydro’s net book value for 2019 by approximately \$225k.”

In Ref 2, there is no significant disposal shown in 1815 – Transformer Station Equipment >50kV, but there is a decrease in 1850- Line Transformers. The APH in Ref 3 outlines what should be in each account. Please confirm that the disposal is in the correct account.

**NOTL Hydro Response**

Revised Exhibit 2 2.2.2.3 Disposals.

The disposal of the old 25 MVA transformer occurred in 2018 and was recorded in account 1815 in accordance with the APH. The majority of the disposals in 2019 related to a review and

revaluation of transformers held for use and was recorded in account 1815 in accordance with the APH.

10. Ref 1: Exhibit 4, p. 17, Table 4.12  
Ref 2: Exhibit 4, 2.4.3.6, p. 41  
Ref 3: Chapter 2 Appendix 2-JD, Line Item 6205  
Ref 4: Chapter 2 Appendix 2-JA  
Ref 5: Chapter 2 Appendix 2-JB

The line item 6205 in Ref 3 – Donations includes values for 2019-2022. These amounts are not included in Ref 4 and Ref 5 which results in different totals between the tables. Charitable contributions are described in Ref 2 and are included in line item 6205 – sub account LEAP funding. Please confirm the total OMA amounts for 2019-2022 and the amounts in account 6205-Donation.

**NOTL Hydro Response**  
Revised Exhibit 4, 2.4.3.6

In appendix 2-JD there are two lines for 6205, Donations and Leap Funding. The Donations portion is not included in appendix 2-JA or 2-JB because they are not recoverable. For clarity Table 4.35 was updated to remove the additional \$1,000 LEAP Administration amount which is not recoverable. The total donations amounts are correct.

11. Ref 1: Exhibit 4, page 18, Table 4.13  
Ref 2: Ch 2 Appendix 2-L

The values in the two tables are not the same. For example, the 2019 actual numbers of FTEs in Ref 1 is 17.01 but in Ref 2 is 18. Please explain and revise as needed.

**NOTL Hydro Response**  
Revised Ch 2 Appendix 2-L.

The incorrect years data were input for 2019.

12. Ref 1: Exhibit 4, page 22, Table 4.19  
Ref 2: Ch 2 Appendix 2-JA

Table 4.19 in Ref 1 is labelled “2022 and 2024 NOTL...” when it contains values for 2022 and 2023. Please revise.

**NOTL Hydro Response**  
Revised title for Exhibit 4, page 22, Table 4.19.

13. Ref 1: Exhibit 4, Table 4.23, p. 27  
Ref 2: Chapter 2 Appendix 2-K

In Ref 1 and Ref 2, the following do not match for actual 2019 and actual 2020:  
- Total Salary and Wages including overtime and incentive pay

- Total Benefits (Current + Accrued)
- Total Compensation (Salary, Wages, & Benefits)

In Ref 2, the Total Compensation (Salary, Wages & Benefits) – Total amounts do not reconcile with the Total Compensation (Capital, OM&A) – Total amounts for actual 2019 and actual 2020.

Please revise and reconcile as needed.

[NOTL Hydro Response](#)

[Revised Appendix 2-K.](#)

[Incorrect years data were input for 2019 and 2020.](#)

14. Ref 1: Exhibit 6, p. 6, line 7 and p. 8, Table 6.8  
Ref 2: Rev\_Reqt\_Workform, Tab 6, Line 9

PILs/tax in Ref 1 shows \$140,043 compared to \$140,029 shown in the Ref 2. Please explain the difference and revise the number as needed.

[NOTL Hydro Response](#)

[Revised Exhibit 6, p. 6, line 7 and p. 8, Table 6.8.](#)

15. Ref 1: Exhibit 6, p. 6, lines 3-4  
Ref 2: Exhibit 6, Table 6.6, p. 6  
Ref 3: Exhibit 6, Table 6.7, p. 7  
Ref 4: Exhibit 6, Table 6.7, p. 8  
Ref 5: Exhibit 6, Table 6.9, p. 9

Lines 3-4 in Ref 1 states “The following two tables show the revenue for 2024 using both current 2023 rates and proposed rates. The difference of \$679,706 is equal to the net revenue deficiency.”

The net revenue deficiency of \$679,706 in Ref 1 appears to be incorrect. The difference between total revenue in Ref 2 (\$6,046,134.18) and Ref 3 (6,725,757.07) is \$679,623 which matches with the net revenue deficiency in Ref 4 and gross deficiency in Ref 5. Please confirm and revise the number.

[NOTL Hydro Response](#)

[Revised Exhibit 6, p. 6, lines 3-4.](#)

16. Ref 1: Exhibit 6, Table 6.17, p. 14

The table in Ref 1 does not contain a 2024 column. Test year is shown as 2025. Please revise.

[NOTL Hydro Response](#)

[Revised Exhibit 6, Table 6.17, p. 14](#)

17. Ref 1: Exhibit 9, Table 9.2, p. 5  
Ref 2: Exhibit 1, Table 1.27, p. 34  
Ref 3: DVA Continuity Schedule\_CoS, Tab 2a

Account 1595 (2018) to (2022) sub-account balances in Ref 1 and Ref 2 do not match those in the DVA Continuity Schedule in Ref 3 (shifted by one year). Please revise.

**NOTL Hydro Response**

NOTL Hydro is aware of this discrepancy, and it is the result of the limitations in the OEB model. Only the 2023 DVA Continuity Model was available at the time of filing and NOTL Hydro does not have the capability to make changes to the Macros in the model or the years available. It would be beneficial to have the appropriate OEB models available to filers before the application due dates.

18. Ref 1: Exhibit 9, Table 9.3, p.7  
Ref 2: DVA Continuity Schedule\_CoS, Tab 2a  
Account 1595 (2018) to (2022) sub-account Dec. 31, 2022 balances in Ref 1 do not match the Principal and Interest balances (sum of columns BO and BP) in Ref 2 (shifted by one year). Please revise.

**NOTL Hydro Response**

NOTL Hydro is aware of this discrepancy, and it is the result of the limitations in the OEB model. Only the 2023 DVA Continuity Model was available at the time of filing and NOTL Hydro does not have the capability to make changes to the Macros in the model or the years available. It would be beneficial to have the appropriate OEB models available to filers before the application due dates.

19. Ref 1: Chapter 2 Appendix 2-C  
Ref 2: Chapter 2 Appendix 2-BA

2019 Meters and Smart Meter additions in Ref 1 (cells I45 and I46) do not agree with additions in Ref 2 (cells E55 and E56). Please explain and revise as needed.

**NOTL Hydro Response**

Revised Chapter 2 Appendix 2-BA

Incorrect breakdown of meters was input. The total amount was correct.