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BY EMAIL

July 13, 2023

Ms. Nancy Marconi
Registrar
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4
Registrar@oeb.ca

Dear Ms. Marconi:

**Re: Ontario Energy Board (OEB) Staff Submission
EPCOR Electricity Distribution Ontario Inc.
Application for 2023 Electricity Distribution Rates
OEB File Number: EB-2022-0028**

Pursuant to the OEB's Decision and Order Dated June 15, 2023 (Decision), EPCOR Electricity Distribution Ontario Inc. (EEDO) filed a Draft Rate Order (DRO) with supporting material on July 6, 2023.

The decision stated that "EPCOR Electricity Distribution Ontario Inc. shall file with the OEB and forward to intervenors and OEB staff a Draft Rate Order with a proposed Tariff of Rates and Charges, updated load forecast, and all revised supporting excel models".

OEB staff has reviewed the DRO and submits that EEDO has not implemented all the OEB's directions set out in the Decision as outlined the following paragraphs.

Treatment of Deferral Account for Non-Electricity Billing:

In the Decision, the OEB found that the proposed Deferral Account for Non-Electricity Billing "is a Group 2 account and should be brought forward for prudence review and disposition in EEDO's next rebasing application". The Accounting Order for the Deferral Account for Non-Electricity Billing in the DRO states "audited balances in this account, together with any carrying charges, will be brought forward for disposition on an annual basis."¹ OEB staff submits that subject to correcting the disposition from "on an annual basis" to "in EEDO's next rebasing application", the accounting order is acceptable.

¹ DRO, page 53

PILs Workform:

In its Decision, the OEB approved EEDO's approach to its PILs expense.² In discussing that matter, the OEB noted that OEB staff had submitted that the PILs calculation should be updated to reflect the Decision. EEDO did not provide a revised PILs Workform as part of the package of material in support of its Draft Rate Order. To ensure that the record is complete regarding support for EEDO's final rate order, OEB staff reiterates its submission that the OEB should direct EEDO to file a revised PILs Workform to reflect the Decision for review by OEB staff prior to the OEB issuing a final rate order.

Corrections to Chapter 2 Appendix Excel File:

OEB staff submits that EEDO has implemented the approved Capital budget for the purpose of rate calculations. OEB staff notes that the revised Capital budget was not implemented throughout all tabs in the Chapter 2 Appendix Excel file, however the revised Capital budget was implemented in the Chapter 2 Appendix file on tabs 2-AA and 2-BA, as well as the in the Revenue Requirement Workform.

Similarly, OEB staff submits that EEDO has implemented the approved OM&A budget for the purpose of rate calculations. OEB staff notes that the revised OM&A budget was not implemented throughout all tabs in the Chapter 2 Appendix Excel file, however, the revised OM&A budget was implemented in the Chapter 2 Appendix Excel file on tab 2-JA, as well as in the Revenue Requirement Workform.

OEB staff submits that a corrected Chapter 2 Appendix Excel file should be filed for review by OEB staff that fully incorporates the approved Capital and OM&A budgets.

Revenue Requirement Workform:

OEB staff submits that there is small error in the Revenue Requirement Workform, at Tab 3, that has an immaterial impact on final rates. Cell Q17, Adjustment to the Accumulated Depreciation (average) was entered as \$5,556 and should be \$2,778. Correcting the value would increase the Accumulated Depreciation (average) from -\$11,493,817 to -\$11,496,595. OEB staff submits that a corrected Revenue Requirement Workform should be filed for review by OEB staff. If the corrected Revenue Requirement Workform produces different rates from the current version, then an updated Tariff of Rates and Charges and Bill Impact model to reflect the changes should be filed as well.

Conclusion:

OEB staff submits that EEDO has implemented the load forecast and rate design, capital parameters and effective date as outlined in the Decision. OEB staff further submits that the Tariff of Rates and Charges should be approved subject to: the change to the draft accounting order requested above; the filing of corrected models; and any

² Decision and Order, page 29

changes to rates resulting from the correction of the Revenue Requirement Workform.

Yours truly,

Andrew Frank
Senior Advisor, Major Rate Applications and Consolidations

Encl.

cc: All parties in EB-2022-0028