

Elexicon Energy Inc.
EB-2023-0014
October 03, 2023
OEB Staff Questions

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1-Staff-1

Ref: WRZ- 2024 Global Adjustments (GA) Analysis Workform, Tab GA 2022

In Reference 1, Elexicon did not fill the number in adjustment 1b for “CT148 True-up of GA charges based on actual Non-RPP volumes – current year”.

Question:

- a) Please explain why Elexicon did not fill the number for the cell of adjustment 1b.

1-Staff-2

Ref: WRZ- 2024 Global Adjustments (GA) Analysis Workform, Tab Principal Adjustments

OEB staff compiled the following table based on the information filed in Reference 1.

	Account 1589 RSVA GA	Account 1588 RSVA Power
Unbilled to Actual Revenue Differences (in last approved balance)	\$45,181 (Cell J20)	\$221,036 (Cell V21)
Unbilled to Actual Revenue Differences (in current principal adjustments)	\$175,910 (Cell J55)	\$24,404 (Cell V56)

Question:

- 1) Please explain why the proportions of the unbilled to actual revenue accruals between account 1589 and account 1588 have substantially changed in this application as compared to the proportions in the last application.

1-Staff-3

Uniform Transmission Rates -VRZ & WRZ

Ref 1: Rate Generator Model, Tab 11-12 RTSR

Ref 2: Rate Generator Model, Tab 21 Bill Impacts

Rates stated in Tab 11 are expected to be reflected on Tab 12 as applicable rates for billing determinants (see below).

Rate Description	Rate in Tab 11(\$)	Rate used in Tab 12(\$)
UTR-Network service rate-Jan to Mar	5.13	3.92/4.67
UTR-Network service rate-Apr to Dec	5.46	4.90
UTR-Line connection service rate-Jan to Mar	0.88	0.97/0.77
UTR-Line connection rate-Apr to Dec	0.88	0.81
UTR-Transformation connection service rate-Jan to Mar	2.81	2.33/2.53
UTR-Transformation connection rate-Apr to Dec	2.81	2.65

Question:

- a) Please confirm the correct rate to be used in Tab 12 for the part relating to payment to IESO.

On Tab 21 under the RTSR Row 104-105 we noticed a bill impact change of 7.02% and 4.71% for the WRZ, while 8.08% and 7.58% were recorded for the VRZ, these percentages are all above the 4%(+/-) threshold.

Question:

- b) Please explain the reason for these variances.

1-Staff-4

OEB published the 2023 Quarter 4 prescribed accounting interest rates-VRZ & WRZ

Ref 1: Rate Generator Model, Tab 3, Continuity Schedule

On September 12, 2023, the OEB published the 2023 Quarter 4 prescribed accounting interest rates applicable to the carrying charges of deferral, variance and construction work in progress (CWIP) accounts of natural gas utilities, electricity distributors and other rate-regulated entities.

Question:

- a) Please update Tab 3 (Continuity Schedule) as necessary to reflect the Q4 2023 OEB-prescribed interest rate of 5.49%.

1-Staff-5

2024 IRM question/ IR

Ref 1: 2024 IRM Rate Generator Model, Continuity Schedule, Tab 3

Ref 2: IRM Rate Generator – DVA Tabs Instructions - 2024 Rates

Ref 3: OEB Guidance for Electricity Distributors with Forgone Revenues Due to Postponed Rate Implementation from COVID-19, August 6, 2020, page 5

On July 18, 2023, the OEB issued the DVA Tabs Instructions for the 2024 IRM Rate Generator Model. Pages 1 and 3 noted that Account 1509 - Impacts Arising from the COVID-19 Emergency, Subaccount Forgone Revenues from Postponing Rate Implementation was added to the model. A separate rider is calculated for this account in Tab 7, if the disposition is approved.

Regarding Account 1509, Impacts Arising from the COVID-19 Emergency Account, Sub-account Forgone Revenues from Postponing Rate Implementation, the following steps are noted in the August 6, 2020 guidance:

1. Upon implementation of the forgone revenue rate rider that is calculated from the Forgone Revenue Model, the rate rider transactions will be recorded in the same Forgone Revenues Sub-account. This will draw down the accumulated balance of actual forgone revenues/amounts.
2. Any residual balance after the expiry of the rate riders should be requested for final disposition in a future rate application (cost of service or IRM), once the

balance has been audited in accordance with normal deferral and variance account disposition practices.

3. If disposition is approved, the residual balance in the Forgone Revenues Sub-account should be disposed of proportionately by customer class and the residual balance will be transferred to Account 1595.

Question(s):

- a) Please update Tab 3 (Continuity Schedule) as necessary to reflect a balance in Account 1509 – Impacts Arising from the COVID-19 Emergency, Subaccount Forgone Revenues from Postponing Rate Implementation. Please complete the above-noted steps #1, #2, #3.
- b) If this balance is not applicable, please explain.

1-Staff-6

Ref: 2024 IRM Rate Generator, Tab 11, 15 and 20

On September 28th, 2023, the OEB issued a letter regarding 2024 Preliminary Uniform Transmission Rates (UTRs) and Hydro One Sub-Transmission Rates.¹ The OEB determined to use of preliminary UTRs to calculate 2024 Retail Service Transmission rates (RTSR) to improve regulatory efficiency, allowing for this data to feed into the rate applications including annual updates for electricity distributors on a timelier basis. The OEB also directed distributors to update their 2024 application with Hydro One Network Inc.'s proposed host RTSRs.

OEB staff has updated LDC's rate generator with the 2024 preliminary UTRs/and proposed host RTSR by HONI as follows:

UTRs

Uniform Transmission Rates		Unit	2022 Jan to Mar		2022 Apr to Dec		2023 Jan to Jun		2023 Jul to Dec		2024	
Rate Description			Rate		Rate		Rate		Rate		Rate	
Network Service Rate		kW	\$	5.13	\$	5.46	\$	5.60	\$	5.37	\$	5.76
Line Connection Service Rate		kW	\$	0.88	\$	0.88	\$	0.92	\$	0.88	\$	0.95
Transformation Connection Service Rate		kW	\$	2.81	\$	2.81	\$	3.10	\$	2.98	\$	3.21

Hydro One Sub-Transmission Rates

¹ OEB Letter, EB-2023-0222, 2024 Preliminary Uniform Transmission Rates and Hydro One Sub-Transmission Rates, issued September 28, 2023.

Hydro One Sub-Transmission Rates		Unit	2022		2023		2024	
Rate Description			Rate		Rate		Rate	
Network Service Rate	kW	\$	4.3473	\$	4.6545	\$	4.5778	
Line Connection Service Rate	kW	\$	0.6788	\$	0.6056	\$	0.6056	
Transformation Connection Service Rate	kW	\$	2.3267	\$	2.8924	\$	3.0673	
Both Line and Transformation Connection Service Rate	kW	\$	3.0055	\$	3.4980	\$	3.6729	

Question: Please confirm the accuracy of the Rate Generator update, as well as the accuracy of the resulting Retail Transmission Service Rates following these updates.

1-Staff-7

Demand /Consumption options

Ref 1: Rate Generator Model, Tab 21 Bill Impact

On Tab 21 under the RTSR column of the RGM, a dropdown option was provided to enable LDCs to choose between consumption, Demand, and Demand interval however, we noticed that Elexicon Energy Inc. did not select any of the options in the model filed with your application.

- Do you have a particular reason for not selecting any of the options provided?
- If this was an omission can you confirm your selections for the classes in your application or re-filed an updated model?