

**Niagara Peninsula Energy Inc.**  
**EB-2023-0040**  
**October 6, 2023**

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**Staff Question-1**

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

On September 28, 2023 the OEB issued a letter regarding 2024 Preliminary Uniform Transmission Rates (UTRs) and Hydro One Sub-Transmission Rates.<sup>1</sup> 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.<sup>2</sup> Any further updates to Hydro One's proposed host RTSR will be reflected in the final rate generator.

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

**UTRs**

Uniform Transmission Rates	Unit	2022		2023		2024
Rate Description		Jan to Mar	Apr to Dec	Jan to Jun	Jul to Dec	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**

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

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

<sup>2</sup> EB-2023-0030, Hydro One's 2024 Custom IR Annual Update Application

**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.

**Staff Question-2****Ref: 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:**

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

**Staff Question-3****Ref: 2024 IRM Rate Generator Model, Continuity Schedule, Tab 3****Ref: IRM Rate Generator – DVA Tabs Instructions - 2024 Rates****Ref: 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, Subaccount 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 proportionately by customer class and the residual balance will be transferred to Account 1595.

**Questions:**

- 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.