



Burlington**hydro**
inc.

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

October 10, 2023

Dear Ms. Marconi,

**Re: Burlington Hydro Inc.
2024 IRM Application for Electricity Distribution Rates (EB-2023-0008)**

On October 2nd, 2023 OEB Staff sent Burlington Hydro Inc. ("BHI") questions on BHI's 2024 IRM application (EB-2023-0008).

BHI provides its responses to OEB Staff questions as well as updated live versions of the following models:

- Burlington_Attachment 1_2024 IRM Model_20231010.xlxb
- Burlington_Attachment 3_2024 LRAMVA Workform_20231010.xlsx

BHI confirms that the responses do not include any personal information, as identified in the certification requirements for personal information in Chapter 1 of the filing requirements.

The submission and supporting materials are being filed through Board's RESS system.

Yours truly,

A handwritten signature in black ink, appearing to read 'A. Pappas'.

Adam Pappas
Director, Regulatory Affairs, Supply Chain & Capital Planning
Email: apappas@burlingtonhydro.com
Tel: 905-332-2341

Attachments

Staff Question-1**Ref 1: 2024 IRM Rate Generator Model, Class A consumption, Tab 6**

In Cell C487, Burlington Hydro indicated there were 26 rate classes in where there were customers who were Class A for a full year during the period Account 1589 GA or Account 1580 CBR B balance accumulated.

OEB staff notes there is only one rate class filled out.

Question:

- a) Please update Tab 6 accordingly.

Response:

- a) BHI has updated cell C487 in Tab 6 to reflect that there was 1 rate class in where there were customers who were Class A for a full year during the period Account 1589 GA or Account 1580 CBR B balance accumulated.

The updated IRM model has been filed as Burlington_Attachment 1_2024 IRM Model_20231010.xlsb.

Staff Question-2**Ref 1: Manager's Summary, page 26****Ref 2: 2024 LRAMVA Workform**

Burlington Hydro notes that post-project submissions were used to calculate net savings for 2018-2022 CDM projects, which were not captured in the April 2019 P&C Report. Burlington Hydro further notes that these projects are identified in Tab "3-a. Rate Class Allocations" of the LRAMVA Workform. OEB staff notes that the LRAMVA Workform does not include this project information.

Questions:

- a) Please provide the project information noted above in relation to the 2018-2022 CDM projects.
- b) If necessary, please provide a revised LRAMVA Workform which includes the project information.

Response:

- a) BHI provides this project information in Tab "3-a. 2020-2022 Projects" of the revised LRAMVA Workform.
- b) The revised LRAMVA Workform has been filed as Burlington_Attachment 3_2024 LRAMVA Workform_20231010.xlsx.

Staff Question-3**Ref 1: Manager's Summary, page 27****Ref 2: 2024 LRAMVA Workform****Ref 3: IRM Rate Generator Model**

Burlington Hydro notes the calculation for one of the two rate riders (the GS<50 kW rate class rider) results in a volumetric rate rider that rounds to zero at five significant digits (i.e., the fourth decimal place). Burlington Hydro requests the entire LRAMVA balance (a credit of \$14,467) be recorded in Account 1595 for disposition in a future rate-setting proceeding.

Question:

- a) Please confirm that Burlington Hydro requested that OEB staff modify the IRM Rate Generator Model prior to filing its application to reflect that it is not seeking disposition of its LRAMVA balance.

Response:

- a) BHI confirms it requested that OEB staff modify the IRM Rate Generator Model prior to filing its application to reflect that it is not seeking disposition of its LRAMVA balance.

Staff Question-4**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 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.

Response:

- a) BHI does not have a balance in Account 1509 – Impacts Arising from the COVID-19 Emergency, Subaccount Forgone Revenues from Postponing Rate Implementation.
- b) BHI did not postpone rate implementations as a result of COVID-19.

Staff Question/Interrogatory-5**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:

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

Response:

- a) BHI has updated Tab 3 (Continuity Schedule) to reflect the Q4 2023 OEB-prescribed interest rate of 5.49%.

The updated IRM model has been filed as Burlington_Attachment 1_2024 IRM Model_20231010.xlsm.

Staff Question-6

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.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 Burlington Hydro's rate generator with the 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		
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
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:

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

Response:

- a) BHI confirms the accuracy of the Rate Generator Model update, as well as the accuracy of the resulting Retail Transmission Service Rates following these updates.

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