

**OEB Staff Interrogatories
Oshawa PUC Networks Inc.
EB-2023-0046**

Please note, Oshawa Power is responsible for ensuring that all documents it files with the OEB, including responses to OEB staff questions and any other supporting documentation, do not include personal information as that phrase is defined in the *Freedom of Information and Protection of Privacy Act*, unless filed in accordance with rule 9A of the OEB's *Rules of Practice and Procedure*.

Staff Question - 1

Ref: Rate Generator Model 2024, 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%.

OPUCN Response:

The 2024 IRM Rate Generator Model, Tab 3 (Continuity Schedule) has been updated to reflect the Q4 2023 OEB-prescribed interest rate of 5.49%.

OEB Staff Question -2

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

On September 28, 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

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

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 preliminary UTRs/and proposed host RTSR by HONI as follows:

UTRs

| Uniform Transmission Rates | | Unit | 2022 | | 2023 | | 2024 |
|--|----|------|------------|------------|------------|------------|---------|
| | | | Jan to Mar | Apr to Dec | Jan to Jun | Jul to Dec | |
| 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

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

OPUCN Response:

OPUCN confirms the accuracy of the Rate Generator update relating to the 2024 Preliminary Uniform Transmission Rate (UTRs) and Hydro One Sub-Transmission Rates in Tab 11 (RTSR – UTRs & Sub-Tx). OPUCN also confirms the accuracy of the resulting Retail Transmission Service Rates following these updates in Tab 15 (RTSR Rates to Forecast) and Tab 20 (Final Tariff Schedule).

Staff Question - 3

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

Ref 2: Rate Generator Model 2023, Tab 3, Continuity Schedule

OEB staff has compiled a table below comparing Oshawa Power's continuity balances from the 2023 rate application and the 2024 rate application. The table shows Account 1595 (2016 and pre-2016) and Account 1595 (2018) have unexplained variances.

Question:

- a) Please explain the difference in the Account 1595 (2016 and pre-2016) and Account 1595 (2018) between the two IRM application.

| LDC NAME | Oshawa PUC Networks | | | | Staff Calculation | |
|---|--|---|---|--|--|--|
| | Account Number | From 2023 Rate Application | From 2024 filed application | Principal variance | Interest variance | |
| Account Descriptions | Closing Principal Balance as of Dec 31, 2021 | Closing Interest Amounts as of Dec 31, 2021 | Opening Principal Amounts as of Jan 1, 2022 | Opening Interest Amounts as of Jan 1, 2022 | Between Closing Balance as of Dec 31, 2021 and Opening Balance as of Jan 1, 2022 | Between Closing Balance as of Dec 31, 2021 and Opening Balance as of Jan 1, 2022 |
| LV Variance Account | 1550 | 0 | 0 | 0 | 0 | 0 |
| Smart Metering Entity Charge Variance Account | 1551 | (124,569) | (6,186) | (124,569) | (6,186) | 0 |
| RSVA - Wholesale Market Service Charge ⁵ | 1580 | (1,339,697) | (85,777) | (1,339,697) | (85,777) | 0 |
| Variance WMS – Sub-account CBR Class A5 | 1580 | 0 | 0 | 0 | 0 | 0 |
| Variance WMS – Sub-account CBR Class B5 | 1580 | (247,337) | (4,273) | (247,337) | (4,273) | 0 |
| RSVA - Retail Transmission Network Charge | 1584 | 2,288,496 | 9,209 | 2,288,496 | 9,209 | 0 |
| RSVA - Retail Transmission Connection Charge | 1586 | 1,886,088 | (5,044) | 1,886,088 | (5,044) | 0 |
| RSVA - Power ⁴ | 1588 | (3,949,386) | (45,367) | (3,949,386) | (45,367) | 0 |
| RSVA - Global Adjustment ⁴ | 1589 | (529,019) | (139,011) | (529,019) | (139,011) | 0 |
| Disposition and Recovery/Refund of Regulatory Balances (2009) ³ | 1595 | 0 | 0 | 0 | 0 | 0 |
| Disposition and Recovery/Refund of Regulatory Balances (2016 and pre-2016) ³ | 1595 | (54,317) | 189,673 | 0 | 0 | 54,317 (189,673) |
| Disposition and Recovery/Refund of Regulatory Balances (2017) ³ | 1595 | 0 | 0 | 0 | 0 | 0 |
| Disposition and Recovery/Refund of Regulatory Balances (2018) ³ | 1595 | (513,081) | (131,224) | 0 | 0 | 513,081 131,224 |
| Disposition and Recovery/Refund of Regulatory Balances (2019) ³ | 1595 | 0 | 0 | 0 | 0 | 0 |
| Disposition and Recovery/Refund of Regulatory Balances (2020) ³ | 1595 | (21,722) | (4,567) | (21,722) | (4,567) | 0 |
| Disposition and Recovery/Refund of Regulatory Balances (2021) ³ | 1595 | 1,861 | 45,955 | 1,861 | 45,955 | 0 |
| Disposition and Recovery/Refund of Regulatory Balances (2022) ³ | 1595 | 0 | 0 | 0 | 0 | 0 |
| Not to be disposed of until two years after rate rider has expired and that balance has been audited. Refer to the Filing Requirements for disposition eligibility. | 1595 | 0 | 0 | 0 | 0 | 0 |

OPUCN Response:

The 2024 IRM Rate Generator, Tab 3 (Continuity Schedule) has been updated to address the difference in the Account 1595 (2015) and Account 1595 (2018) balances between the 2023 and 2024 Rate Application. As shown in the table below, the Account 1595 (2015) balances were inputted under the Account 1595 (2017 and pre-2017) based on the earliest vintage year available in question 4 in Tab 1 (Information Sheet).

| Account Descriptions | Account Number | From 2023 Rate Application | | From 2024 Rate Application | | Variance | |
|---|----------------|--|---|---|--|---|--|
| | | Closing Principal Balance as of Dec 31, 2021 | Closing Interest Amounts as of Dec 31, 2021 | Opening Principal Amounts as of Jan 1, 2022 | Opening Interest Amounts as of Jan 1, 2022 | Principal - Between 2023 and 2024 Application | Interest - Between 2023 and 2024 Application |
| Disposition and Recovery/Refund of Regulatory Balances (2016 and pre-2016) ³ | 1595 | (54,317) | 189,673 | 0 | 0 | (54,317) | 189,673 |
| Disposition and Recovery/Refund of Regulatory Balances (2017 and pre-2017) ³ | 1595 | 0 | 0 | (54,317) | 189,673 | 54,317 | (189,673) |
| Disposition and Recovery/Refund of Regulatory Balances (2018) ³ | 1595 | (513,081) | (131,224) | (513,081) | (131,224) | 0 | 0 |

To address the variance between the Account 1595 (2017 and pre -2017) Dec 31, 2022 closing balance in Tab 3 (Continuity Schedule) and 2.1.7 RRR, a snapshot of the reported Account 1595 (2015) balances as of Dec 31, 2022 in 2.1.7 RRR is provided below which was not populated in the model.

2.1.7 RRR⁵

| Account Descriptions | Account Number | Closing Principal Balance as of Dec 31, 2022 | Closing Interest Amounts as of Dec 31, 2022 | As of Dec 31, 2022 | Variance RRR vs. 2022 Balance (Principal + Interest) |
|---|----------------|--|---|--------------------|--|
| Disposition and Recovery/Refund of Regulatory Balances (2017 and pre-2017) ³ | 1595 | (54,317) | 189,447 | 0 | 135,130 |
| Disposition and Recovery/Refund of Regulatory Balances (2018) ³ | 1595 | (613,081) | (141,050) | (654,131) | (0) |

Please provide an explanation of the variance in the Manager's Summary

Reported Account 1595 (2015) Principal and Interest as of Dec 31, 2022- 2.1.7 RRR:

| <input type="checkbox"/> | ACCOUNT DESCRIPTION | ACCOUNT NUMBER | PRINCIPAL (A) | INTEREST (B) | TOTAL BALANCE (A+B) |
|--------------------------|---|----------------|---------------|--------------|---------------------|
| <input type="checkbox"/> | Disposition and Recovery/Refund of Regulatory Balances (2013) | 1595 | | | 0 |
| <input type="checkbox"/> | Disposition and Recovery/Refund of Regulatory Balances (2014) | 1595 | | | 0 |
| <input type="checkbox"/> | Disposition and Recovery/Refund of Regulatory Balances (2015) | 1595 | -54,316.73 | 189,446.93 | 135,130 |

Staff Question - 4

Ref: Rate Generator Model 2024, Tab 6, Class A Consumption Data

Transition Customers - Non-loss Adjusted Billing Determinants by Customer

| Customer | Rate Class | | 2022 | |
|------------|--|-----------|------------------|----------------------------|
| | | | July to December | January to June |
| Customer 1 | GENERAL SERVICE 1,000 TO 4,999 KW SERVICE CLASSIFICATION | kWh | 2,519,553 | 2,814,729 |
| | | kW | 6,210 | 6,184 |
| | | Class A/B | A | B |
| Customer 2 | GENERAL SERVICE 50 TO 999 KW SERVICE CLASSIFICATION | kWh | 82,296 | 99,558 |
| | | kW | 329 | 277 |
| | | Class A/B | A | B |
| Customer 3 | GENERAL SERVICE 50 TO 999 KW SERVICE CLASSIFICATION | kWh | 360,713 | 1,955,223 |
| | | kW | 750 | 4,142 |
| | | Class A/B | B | A |
| Customer 4 | GENERAL SERVICE 50 TO 999 KW SERVICE CLASSIFICATION | kWh | 1,615,477 | See Customer 3 above |
| | | kW | 3,600 | Class B for July 2022 only |
| | | Class A/B | A | |

Questions:

- Please clarify the relationship between Customer 3 and Customer 4. and provide further explanation regarding the note for Customer 4.
- Customer 3 had a substantial decrease in consumption transferring from Class A at 1,955,223 kWh to Class B at 360,713 kWh. Please explain the factors that have resulted in the big difference.

OPUCN Response:

Customer 3 and Customer 4 represent the same customer. During our communications and follow-up requests with our customers concerning the ICI program for the period of July 1, 2022 through June 30, 2023, this customer inadvertently missed the deadline to complete and submit the opt-in documentation. As a result, this customer transitioned to a Class B customer effective July 1, 2022. Following the July 2022 settlement period, the customer was in contact with Oshawa Power requesting permission to opt-in to the ICI program despite missing the initial deadline. Oshawa Power contacted the IESO to explain the situation who informed us that the customer could opt-in on a prospective

basis only as the regulation did not allow for a retroactive provision. Accordingly, we received the opt-in documentation and provided the necessary information to the IESO allowing this customer to opt-in effective August 1, 2022.

As a result, this customer was a Class A customer for the period of January 1, 2022 to June 30, 2022, transitioned to a Class B customer for July 2022 then transitioned back to a Class A customer for August 1, 2022 to December 31, 2022. The total of their July to December consumption is as follows:

| Consumption kWh | Class A/B |
|------------------------|---------------------------------|
| 360,713 | Class B July 2022 |
| 1,615,477 | Class A Aug-Dec 2022 |
| 1,976,190 | Total Class A/B July-Dec |