



2024 IRM APPLICATION

EB-2023-0047

Submitted on: December 8th, 2023~~November 6th, 2023~~

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IN THE MATTER OF the Ontario Energy Board Act, 1998, S.O.

1998, c.15, (Schedule B); **AND IN THE MATTER OF** an

Application by Ottawa River Power Corporation to the Ontario Energy Board for an Order or Orders approving or fixing just and reasonable distribution rates and other service charges to be effective
May 1, 2024.

1. Applicant

NAME: Ottawa River Power Corporation

ADDRESS: 283 Pembroke Street West, Box 1087, Pembroke ON K8A 6Y6

CONTACTS: Justin Allen – President & Chief Executive Officer
jallen@orpowercorp.com

Jeffrey Roy – Chief Financial Officer
jroy@orpowercorp.com

Tel: (613) 732-3687
Fax: (613) 732-9838

INTERNET ADDRESS: www.orpowercorp.com

2. Application

Ottawa River Power Corporation (“ORPC”) hereby applies to the Ontario Energy Board (the “Board”) for approval of its 2024 Distribution Rate Adjustments effective May 1, 2024. ORPC applies for an Order or Orders approving the proposed distribution rates and other charges as set out in Appendix B of this Application as just and reasonable rates and charges pursuant to Section 78 of the OEB Act.

ORPC has followed the Board’s Filing Requirements for *Electricity Distribution Rate Applications, 2023 Edition for 2024 Rate Applications – Chapter 3 Incentive Rate-Setting Applications* dated June 15, 2023.

ORPC confirms that the billing determinants used in the model are from most recent reported RRR filings. The utility reviewed both the existing “Tariff Sheets” and billing determinants in the pre-populated worksheets and confirms that they are accurate.

In the preparation of this application, ORPC used the 2024 IRM Rate Generator issued on July 24th, 2023. The rate and other adjustments being applied for and as calculated through the use of the above models include a Price Cap Incentive Rate-Setting (“Price Cap IR”) option to adjust its 2024 rates (The Price Cap IR methodology provides for a mechanistic and formulaic adjustment to distribution rates and charges in the period between Cost of Service applications). The model also adjusts Retail Transmission Service Rates in accordance with Board Guideline G-2008-0001 - Electricity Distribution Retail Transmission Service Rates revised on June 28, 2012 and Low Voltage Service Rates in accordance with the instructions issued on July 17, 2023.

Along with revisions to its distribution rates, ORPC also seeks approval of the following matters:

- Continuance of the Specific Services charges and Loss Factors;
- Continuance of the MicroFit monthly charge;
- Continuance of the Smart Meter Entity charge based on the rate prescribed in the letter issued by the OEB on September 8th, 2022;
- Disposition of 2022 balances in Accounts 1550, 1551, 1580, 1584 and 1586;
- Disposition of 2018 to 2022 accumulated balances in Accounts 1588 and 1589;
- Creation of new rates to pass Global Adjustment (“GA”) savings resulting from amendment 116/23 to Regulation 429/04 to customers as the savings are incurred; and
- Creation of new rates to recover the increased cost of electricity resulting from amendment 116/23 to Regulation 429/04.

3. Excess Dead-Band Earnings

ORPC is seeking an adjustment to its base rates through Price Cap IR. The utility achieved a Regulatory Return on Equity of 10.59% in 2022 which is within the deemed ROE of 8.66%.

4. Scope of Application

The Scope of this application under the Incentive Rate-Setting Mechanism for the 2024 rate year includes:

- 2024 IRM Rate Generator
- 2024 GA Analysis Work Form
- Deferral and Variance Account Disposition
- Proposed 2024 Tariff of Rates and Charges
- Customer Bill Impacts

The scope of this application outside the Incentive Rate-Setting Mechanism for the 2024 rate year includes the creation of new rates to distribute the GA savings to customers.

5. Current Tariff Sheets

The Tariff of Rate and Charges for rates currently in effect are presented in Appendix A.

6. Proposed Tariff Sheets

The Tariff of Rates and Charges proposed in this Application are presented in Appendix B.

7. Effective Date

ORPC requests an effective of May 1, 2024 for the Proposed Tariff of Rates and Charges. In the event that the Board is unable to provide a Decision and Order in this Application for implementation by the Applicant as of May 1, 2024, ORPC requests that the Board issue an Interim Rate Order declaring the current Distribution Rates and Specific Service Charges as interim until the decided implementation date of the approved 2024 distribution rates. If the effective date does not coincide with the Board's decided implementation date for 2024 distribution rates and charges, ORPC requests to be permitted to recover the incremental revenue from the effective date to the implementation date.

8. Form of Hearing Request

ORPC requests pursuant to Section 32.01 of the Board's Rules of Practice and Procedure, that this application be disposed of by way of a written hearing.

9. Notice of Application

ORPC attests that the utility, its shareholders and all its customer classes will be affected by the outcome of this application. ORPC will make the application and the evidence, and any amendments thereto, available for public review at ORPC's office and in a prominent place on ORPC's website at www.orpowercorp.com.

10. Company Profile

ORPC serves the urban communities of the City of Pembroke, the Township of Whitewater (Beachburg only), the Town of Mississippi Mills (Almonte Ward only) and the Township of Killaloe, Hagarty & Richards (Killaloe only). Three exceptions to this geographic description are located in the Town of Mississippi Mills. During 2008 ORPC applied to the Ontario Energy Board to have its service area amended to include the west half of Lot 14 in the Township of Ramsey. This amendment was granted by the OEB under order EB-2008-0094. During 2009 ORPC applied to the OEB for another service area amendment in the Town of Mississippi Mills. In June 2009 the OEB amended the service area of ORPC under order EB-2009-0019 to include Phase 1 of Sadler Estates Development (Part of Lot 16, Conc. 10). In 2015, the OEB amended the Almonte area to include the property of Orchard View on 219 Patterson Street, East Part of Lot 14, Concession 10, Almonte Ward, now in the Town of Mississippi Mills (EB-2015-0153). In 2022, the OEB further amended the Almonte area to include the East Half of Lot 14, Concession 10, Almonte Ward, Municipality of Mississippi Mills, County of Lanark (EB-2022-0224).

ORPC has 510 kilometers of lines comprised of 366 kilometers of overhead lines and 144 kilometers of underground lines. ORPC's distribution plant includes twelve substations: nine at 4.16 KV and three at 12.4 KV. Eight substations are in the City of Pembroke and four substations are located in the Town of

Almonte. ORPC has 12 sub-transmission transformers and approximately 1600 distribution transformers.

At the end of 2022, ORPC had approximately 11,700 customers comprised of 88% residential customers and 12% commercial customers including small businesses and industry. The balance of the utility's customer base is comprised of Sentinel Lighting, Street Lights and Unmetered Scattered Load.

ORPC has no customers designated as wholesale market participants and has one Class A customer.

ORPC last filed for a Cost of Service application in 2021 for rates that became effective on May 1, 2022 (EB-2021-0052) and is anticipating filing its next Cost of Service application in August 2026 for rates effective May 1, 2027.

11. Price Cap Adjustment

As per Board policy (Chapter 3), distribution rates are to be adjusted according to the Price Cap model presented through the Board's Rate Generator model. The calculation would be based on the annual percentage change in the GDP-IPI index.

In accordance with the Report of the Board: Rate Setting Parameters and Benchmarking under the Renewed Regulatory Framework for Ontario's Electricity Distributors, ORPC has used an assigned Stretch Factor Group I to calculate its Price Cap. The following table shows ORPC's factor to its Price Cap Adjustment.

Price Cap Parameters

Stretch Factor Group	I
Price Escalator	4.80%
Stretch Factor Value	0.00%
Productivity Factor	0.00%
Price Cap Index	4.80%

While the price factor adjustment under this application would apply to the fixed and volumetric distribution rates for ORPC, it would not affect the following:

- Rate adders and riders
- Low voltage service charges
- Retail Transmission Service Rates
- Wholesale Market Service Rate
- Rural Rate Protection Charge
- Standard Supply Service – Administrative Charge
- MicroFIT Service Charge
- Specific Service Charges
- Transformation and Primary Metering Allowances
- Smart Metering Entity Charge
- Power Purchased True-Up Rate

12. Revenue to Cost Ratio Adjustments

ORPC is not proposing to adjust its revenue to cost ratios in this proceeding as its revenue to cost ratios were adjusted and set as part of the 2022 Cost of Service application and will be reviewed and potentially adjusted as part of its next Cost of Service application.

13. RTSR Adjustments

ORPC is applying for an adjustment of its Retail Transmission Service Rates (RTSR) based on a comparison of historical transmission costs adjusted for new Uniform Transmission Rates (UTR) levels as of September 28, 2023 and revenues generated from existing RTSRs. This approach is expected to minimize variances in Accounts 1584 and 1586.

OPRC used the RTSR Adjustment Worksheets embedded in the IRM Model, to determine the proposed adjustments to the RTSR approved in the 2023 IRM application. The Loss Factor applied to the metered kWh is the actual Board-approved 2022 Loss Factor.

The proposed adjustments of the RTSR are shown in the table below and the detailed calculations can be found in the 2024 IRM Model filed in conjunction with this application.

Proposed Network Service Rate

Rate Class	Unit	Current Network Service Rate	Proposed Network Service Rate
Residential Service	\$/kWh	0.0086	0.0083
General Service Less Than 50 kW Service	\$/kWh	0.0077	0.0075
General Service 50 To 4,999 kW Service	\$/kW	3.1921	3.0917
Sentinel Lighting Service	\$/kW	2.4193	2.3432
Street Lighting Service	\$/kW	2.4074	2.3317
Unmetered Scattered Load Service	\$/kWh	0.0077	0.0075

Proposed Line and Transformation Connection Service Rate

Rate Class	Unit	Current Line and Connection Service Rate	Proposed Line and Connection Service Rate
Residential Service	\$/kWh	0.0066	0.0069
General Service Less Than 50 kW Service	\$/kWh	0.0059	0.0062
General Service 50 To 4,999 kW Service	\$/kW	2.3674	2.4894
Sentinel Lighting Service	\$/kWh	1.8690	1.9653
Street Lighting Service	\$/kW	1.8304	1.9247
Unmetered Scattered Load Service	\$/kW	0.0059	0.0062

14. Low Voltage Service Rate Adjustments

ORPC is applying for an adjustment of its Low Voltage Service Rates based on a comparison of historical low voltage costs adjusted for new low voltage charge levels and revenues generated from existing low voltage service rates. This approach is expected to minimize variances in Account 1550. The actual low voltage costs incurred over the previous 5 years is as follows:

Year	Costs Incurred
2018	\$543,560
2019	\$506,609
2020	\$492,089
2021	\$622,986
2022	\$729,469

All year over year variances are directly associated with rate increases and decreases by Hydro One.

OPRC used the Low Voltage Service Rate Adjustment Worksheets embedded in the IRM Model, to determine the proposed adjustments to the low voltage service rates approved in the 2022 Cost of Service application. The Loss Factor applied to the metered kWh is the actual Board-approved 2022 Loss Factor. The proposed adjustments of the low voltage service rates are shown in the table below and the detailed calculations can be found in the 2024 IRM Model filed in conjunction with this application.

Proposed Low Voltage Service Rate

Rate Class	Unit	Current Low Voltage Service Rate	Proposed Low Voltage Service Rate
Residential Service	\$/kWh	0.0027	0.0040
General Service Less Than 50 kW Service	\$/kWh	0.0024	0.0035
General Service 50 To 4,999 kW Service	\$/kW	0.9102	1.3680
Sentinel Lighting Service	\$/kW	0.7186	1.0800
Street Lighting Service	\$/kW	0.7037	1.0577
Unmetered Scattered Load Service	\$/kWh	0.0024	0.0035

15. Deferral and Variance Account Continuity Schedule

ORPC has completed the Board Staff's 2024 IRM Rate Generator – Tab 3 2022 Continuity Schedule and the threshold test at Tab 4 shows a claim per kWh of \$(0.0~~183023~~). The Report of Board on Electricity Distributors' Deferral and Variance Account Review Report (the "EDDVAR Report") provides that during the IRM plan term, the distributor's Group 1 audited account balances will be reviewed and

disposed if the pre-set disposition threshold of \$0.001 per kWh (debit or credit) is exceeded unless otherwise elected by the distributor. This amount exceeds the threshold and ORPC is therefore requesting disposition of Group 1 accounts 1550, 1551, 1580, 1584 and 1586 for balances accumulated in 2022 and accounts 1588 and 1589 for balances accumulated between 2018 and 2022.

The DVA Continuity schedule for accounts 1550, 1551, 1580, 1584 and 1586 includes OEB-Approved Disposition amounts in 2022 to bring forward the previously disposed balances. The principal adjustments in 2022 for these accounts pertain to unbilled revenue differences relating to the 2022 usage difference discussed in the GA Analysis Workform. No other adjustments were presented for these accounts. Analyses assessing the reasonability of balances in accounts 1550, 1551, 1580, 1584 and 1586 were presented in Appendices C, D, E F and G.

For accounts 1588 and 1589, ORPC is requesting disposition up to December 31, 2022 for the period beginning on January 1, 2018. The principal adjustments for accounts 1588 and 1589 include true-up calculations between RPP and non-RPP for each year and unbilled revenue differences in 2018, 2019 and 2022. Additionally, account 1588 includes principal adjustments relating to a Hydro One generation payment error to be recorded in the 2023 general ledger which is further explained in Appendix H. Accounts 1588 and Account 1589 were last approved for disposition on a final basis up to December 31st, 2017.

All interest recorded on carrying charges are calculated using simple interest applied to the monthly balance and are recorded in separate sub-accounts.

16.RSVA Power – Account 1588

ORPC's Account 1588 is composed of electricity purchased from Hydro One, embedded generators and Microfits and energy revenue from the customer for each class of customer.

Electricity from Hydro One and Evolgen is purchased at the spot rate whereas electricity purchased from the Mississippi River Power Corporation (MRPC) and Enerdu Power Systems embedded generators and Microfits are purchased at contracted rates. All purchases are recorded in Account

4705. ORPC records the difference between the contracted rates and the weighted average price on any amounts paid to MRPC, Enerdu and Microfits from Hydro One on each of its monthly settlement with Hydro One and these recoveries are recorded in Account 4705.

Customers are charged at time-of-use, tiered, weighted average (WAP) or the Hourly Ontario Energy Price (HOEP) and the charges are recorded in Account 4006, 4010, 4015, 4025, 4030 or 4035. The weighted average rate is calculated based on the HOEP multiplied by the Net System load for the given hour. On each settlement with Hydro One, the WAP data is extracted from the customer information system. The dollar amount of WAP charged to each customer class is then allocated between the RPP Blocks and time-of-use pricing based on consumption in each class. The difference between the price charged to the customer and the WAP represents the GA portion of RPP prices which is reported in ORPC's Hydro One settlement. Items remaining in Account 1588 include differences between the hourly weighted average price paid for electricity and the billing period weighted average price charged to customers and differences between actual line losses as compared to the total loss factor. ORPC also allocates the RPP portion of GA to account 1588. This is calculated by determining the proportion of non-RPP to RPP usage on total usage and reallocation the RPP portion of GA paid to Hydro One, adjusted for generation received, to account 1588.

ORPC underwent a review of accounts 1588 and 1589 by the Ontario Energy Board compliance division and has presented 2018, 2019, 2020, 2021 and 2022 principal adjustments in Appendix H. The amount presented for disposition in the DVA Continuity Schedule does not match the RRR filing as ORPC has not included the required true-up entries in its general ledger prior to 2023 following the completion of its review instructed by the Ontario Energy Board.

17.RSVA Global Adjustment – Account 1589

ORPC had one Class A customer as of July 1st, 2019. This account is reviewed annually for eligibility and annual adjustments to the power factor are communicated to the customer. For its Class B customers, ORPC reviews the general service accounts on an annual basis to determine which customers are

eligible for the RPP. Accounts are also reviewed at the time that an account changes ownership. Any billing adjustments are done as part of the next billing period.

ORPC uses the GA 1st estimate rate posted on the IESO website for the settlement month. The variance between the estimate and the actual GA rate is recorded and reflected in RSVA GA 1589 on a monthly basis.

ORPC's account 1589 is composed of the non-RPP portion of GA paid to Hydro One net of the generator payment and the GA charged to customers.

The non-RPP portion of GA paid on electricity provided from Hydro One is recorded in Account 4707 whereas the RPP portion is recorded in account 4705. When ORPC settles with Hydro One for GA purposes, the billed kWhrs in a given month are extracted from the customer information system and the RPP data is subtracted to obtain the non-RPP volume related to billed GA. ORPC then multiplies the total GA paid to Hydro One by the proportion of RPP usage to total usage to determine the amount of GA to reallocate to RPP customers within 4705. For non-RPP usage, ORPC multiplies the volume by the GA actual rate for the applicable usage month to calculate the actual value of the GA that would have been charged to customers had the actual GA rate for the month been used and the actual GA amount is settled with Hydro One on a monthly basis. True-ups, if any, are recorded in subsequent months. ORPC estimates usage using the most accurate GA rate available (second estimate or actual) for any unbilled kWhs.

ORPC receives a monthly generator payment from Hydro One for electricity, if any, that was over-generated by Mississippi River Power Corporation – an embedded generator – directly into the Hydro One grid. The GA credit received on the generator payment is recorded netted against the GA paid to Hydro One and subsequently split between 4705 and 4707 based on the proportion of RPP to non-RPP customer usage.

ORPC customers are charged based on the 1st estimate of the GA.

The amount presented for disposition in the DVA Continuity Schedule does not match the RRR filing as ORPC did not complete the required general ledger entries prior to 2023 following the completion of its review instructed by the Ontario Energy Board.

18. Adjustments to Deferral and Variance Accounts

ORPC did not perform any adjustments to balances previously disposed on a final basis.

19. Deferral and Variance Account Disposition Rate Riders

ORPC is proposing the following rate riders in regard to disposition of accounts 1550, 1551, 1580, 1584, 1586, 1588 and 1589:

Proposed Group 1 Deferral/Variance Account Rate Rider

Rate Class	Unit	Proposed Rate Rider (Group 1 exc. 1589)
Residential Service	\$/kWh	(0.0023)30
General Service Less Than 50 kW Service	\$/kWh	(0.0023)32
General Service 50 To 4,999 kW Service	\$/kW	(0.7528)1.1271
Sentinel Lighting Service	\$/kW	(0.8148)1.2200
Street Lighting Service	\$/kW	(0.9614)1.4395
Unmetered Scattered Load Service	\$/kWh	(0.0023)0.0034

Proposed 1589 Deferral/Variance Account Rate Rider

Rate Class	Unit	Proposed Rate Rider
Residential Service	\$/kWh	(\$0.00 3723)
General Service Less Than 50 kW Service	\$/kWh	(\$0.00 3723)
General Service 50 To 4,999 kW Service	\$/kWh	(\$0.00 3723)
Sentinel Lighting Service	\$/kWh	(\$0.00 3723)
Street Lighting Service	\$/kWh	(\$0.00 3723)
Unmetered Scattered Load Service	\$/kWh	(\$0.00 3723)

ORPC is proposing a ~~6012~~-month recovery for the Group 1 Deferral/Variance rate rider and a ~~1260~~-month recovery period for the 1589 Deferral/Variance account rate rider. Due to the significant principal adjustments presented in Appendix H, ORPC believes that a 60-month repayment period is appropriate in order to minimize the financial impact to customers following the repayment period and remain within the 10% bill impact threshold.

20. Implementation of Guidance Regarding Accounts 1588 and 1589

ORPC underwent a review with the Ontario Energy Board for accounts 1588 and 1589 balances. In its current and previous (EB-2022-0058) IRM applications, ORPC has presented principal adjustments to years 2015 through 2022 to comply with the guidance from the OEB issued on February 21, 2019 and with the guidance issued by the OEB during its review. The company can confirm its compliance with guidance from the OEB issued on February 21, 2019. Further details on the principal adjustments made to the accounts are presented in Appendix H and are described in Section 25 – GA Analysis Workform.

21. Specific Service Charge and Loss Factors

ORPC is applying to continue the current Specific Service Charges, and Loss Factors as approved by the Board (EB-2021-0052).

22. Disposition of LRAMVA

In accordance with the Board's Guidelines for Electricity Distributor Conservation and Demand Management (EB-2012-0003) issued on April 26, 2012, at a minimum, distributors must apply for disposition of the balance in the LRAMVA at the time of their Cost of Service rate applications. Distributors may apply for the disposition of the balance in the LRAMVA on IRM rate applications if the balance is deemed significant by the applicant.

ORPC disposed of the balance in 1568 up to 2020 in its Cost of Service application for rates effective May 1st, 2022. ORPC is entitled to LRAM in 2021 and 2022 up to April 30th, 2022. ORPC will seek disposition of the remaining LRAMVA balance prior to its next Cost of Service rate application.

23. Tax Change

The IRM model indicates that the utility is subject to a tax rate change from its Cost of Service application in 2022 to the 2024 rate. The model indicates a tax sharing amount of \$(4,679) which did not produce a rate rider in any of the rate classes based on the allocated tax sharing. As such, per Filing Requirements and pending approval by the OEB of this proceeding, ORPC will transfer the tax sharing amount into account 1595 for disposition at a later date.

24. ICM / Z-Factor

ORPC is not applying for any recovery of Incremental Capital or Z-Factor in this proceeding.

25. Global Adjustment Analysis Work Form

ORPC has completed the GA analysis work form for 2024. The company has included 2018, 2019, 2020, 2021 and 2022 in its analyses. The adjustments required to 2018, 2019, 2020, 2021 and 2022 have been presented in further detail in Appendix H. The workform calculates the expected GA variance between billed consumption and consumption adjusted for unbilled revenues. The total expected

variance is then reconciled against the changes in the general ledger and any difference greater than + or – 1% must be explained. The variances were calculated as follows:

Year	<u>Unresolved Difference as a % of Expected GA Payments to IESO including Hydro One adjustment amounts</u>	<u>Unresolved Difference as a % of Expected GA Payments to IESO excluding Hydro One adjustment amounts</u>
2018	<u>-2.5%</u>	-0.3%
2019	<u>-5.4%</u>	-0.2%
2020	<u>-5.5%</u>	-0.2%
2021	<u>-3.0%</u>	0.3%
2022	<u>-0.7%</u>	-0.7%

Years 2018 to 2021 exceed the 1% threshold due to the Global Adjustment generation adjustments presented in Appendix H. If those adjustments are excluded, All years are within 1% of expected GA payments and therefore no further explanation is required.

The workform also compares the actual calculated loss factor against the board-approved loss factor for secondary metered customers and any difference greater than + or – 1% must be explained. The annual differences were calculated as follows:

Year	Difference between calculated loss factor and most recent approved factor for secondary metered customer
2018	1.05%
2019	2.16%
2020	0.91%
2021	0.42%
2022	1.63%

The years 2018, 2019 and 2022 were above 1% and require further explanation. In 2018, ORPC was not billing on a calendar month basis and all meters were only read on the billing cycle period end date. This meant that the LDC had to prorate the usage based on number of usage days in each month in order to calculate the total retail consumption and the non-RPP consumption. This resulted in estimates that contributed to being slightly over the 1% loss factor difference since accurate monthly usage could not be determined. The LDC fully converted to calendar month billing in April 2019 which allowed for the use of accurate usage figures. In 2019, ORPC reviewed its non-RPP Class B metered consumption data and determined that the actual value should be 62,677,808 kWh. Assuming the figure is updated in Cell D18 of the 2019 GA Analysis tab, the revised Calculated Loss Factor would be 1.0487 for a difference of 0.0031 which is below the 1% threshold. ORPC intends to submit a revision request after this form is reviewed by the OEB. The difference arose due to differences in unbilled revenues from previous years. Finally, in 2022, ORPC noted in July 2023 that one customer account had not been billed for November and December 2022 usage. The non-loss-adjusted usage for these months were 1,080,057.76 kWh and 518,047.52 kWh respectively. Once the RRR filing is modified, the revised calculated loss factor would be 1.03136 $[67,630,713 / (63,963,980 + 1,080,058 + 518,048)]$ for a revised difference of 0.94 %which is within the 1% threshold. The RRR revision was submitted and

approved by the Ontario Energy Board but was only completed after the model was released and therefore the model is utilizing the unrevised usage figures.

Finally, the GA Analysis Workform compares the total activity within account 1588 – RSVA Power against the balance in account 4705 – Power Purchased and expects that the account 1588 as a percentage of account 4705 should be within 1%. Any difference greater than + or – 1% must be explained. ORPC achieved the following percentages from 2018 to 2022:

Year	<u>Account 1588 as a % of Account 4705 including Hydro One adjustment amounts</u>	<u>Account 1588 as a % of Account 4705 excluding Hydro One adjustment amounts</u>
2018	<u>-2.4%</u>	0.4%
2019	<u>-7.1%</u>	0.9%
2020	<u>-5.2%</u>	0.2%
2021	<u>-3.4%</u>	-0.4%
2022	<u>-0.7%</u>	-0.7%

Years 2018 to 2021 exceed the 1% threshold due to the Global Adjustment adjustment amounts by Hydro One. If those adjustments are excluded, All years are within 1% and therefore no further explanation is required.

26. Account 1595 Analysis

ORPC presents its 1595 analysis in Appendix I. ORPC seeks disposition of residual balances in Account 1595 sub-accounts as the 2019 rate rider, which ended on April 30, 2020, became eligible for disposition after the December 31, 2022 balance was audited. Appendix I has been provided to explain the differences between forecast and actual volumes. Through this analysis, it was identified that ORPC had incorrectly established its “Rate Rider for Disposition of Global Adjustment Account (2019) - effective until April 30, 2020 Applicable only for Non-RPP Customers - Approved on an Interim Basis” from its EB-2018-0063 application into the Customer Information System which

resulted in an under-collection of \$90,455 from its General Service 50 to 4,999 kW Service classification. ORPC acknowledges the error and proposes that the remaining balance in its 1595 sub-accounts for 2019 be written off and absorbed by the utility. The DVA Continuity Schedule has been adjusted accordingly. ORPC further confirms that the residual balances in Account 1595 for each vintage have only been disposed once.

27. Wholesale Market Charge Account 1580

ORPC is an embedded distributor and is not charged CBR for its Class B customers. ORPC is charged CBR for its sole Class A customer who enrolled as of July 1, 2019 but no balance pertaining to this customer exists in account 1580 at December 31, 2022.

28. Power Purchased True-Up Rate Proposal

ORPC receives a portion of its electricity supply from the Waltham Generating Station (“Waltham”) located in the province of Quebec which is owned by Brookfield Renewable Trading and Marketing LP (“Brookfield”) and invoiced by Evolugen Trading and Marketing LP (“Evolugen”). This long-standing arrangement was most recently approved by the Board through Decision and Order EB-2021-0063.

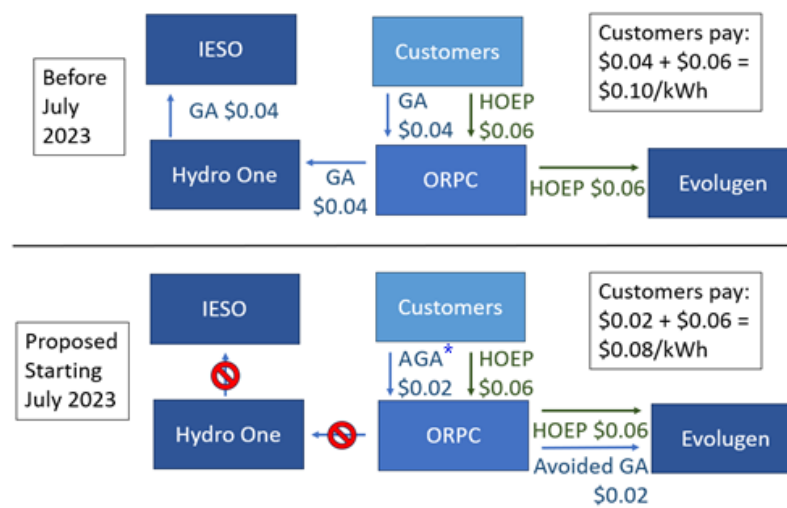
Historically, ORPC has paid GA on the volumes of electricity purchased from Waltham. On June 2, 2023, the Electricity Act was amended to exempt GA charges for customers who consume electricity supplied from outside Ontario using private transmission lines. The amendments came into effect July 1, 2023. Electricity purchased from Waltham is supplied from Quebec with a private transmission line resulting in ORPC no longer paying GA for those purchases as of July 1st.

Electricity supply costs paid by ORPC’s ratepayers continue to include GA, either explicitly as GA charges for non-RPP customers or within time of use or tiered rates for RPP customers. ORPC’s payments to Brookfield as set out in the power purchase agreement include an Avoided GA

component in which ORPC pays to Evolgen based on 50% of GA costs avoided by purchasing from Waltham. Therefore, the amendment to the Electricity Act increases the cost of electricity purchased from Waltham.

An illustrative example of the change for the price of energy purchased from Waltham is provided in Figure 1 below. ORPC is embedded within Hydro One Distribution and accordingly makes GA payments to Hydro One.

Figure 1 – Power Purchased True-Up



* Avoided GA

ORPC retained Elenchus Research Associates (“Elenchus”) to assist in the creation of rate mechanisms to:

- Refund the overcollection of GA from ratepayers since July 1, 2023;
- Collect increased electricity costs of Waltham purchases since July 1, 2023;
- Pass GA savings to ratepayers on a go-forward basis so ORPC does not overcollect GA; and
- Collect increased electricity costs on a go-forward basis so ratepayers pay incremental supply costs as they are incurred by ORPC.

ORPC proposes the creation of a single rate to achieve the achieve the above objectives. The proposed rates are shown in the table below and the proposed mechanisms are presented in Appendix J with the model presented in Appendix K.

Proposed Power Purchased True-Up Rate

Rate Class	Unit	Proposed Power Purchased True-Up Rate
Residential Service	\$/kWh	(0.0070)
General Service Less Than 50 kW Service	\$/kWh	(0.0070)
General Service 50 To 4,999 kW Service	\$/kWh	(0.0070)
Sentinel Lighting Service	\$/kWh	(0.0070)
Street Lighting Service	\$/kWh	(0.0070)
Unmetered Scattered Load Service	\$/kWh	(0.0070)

29. Bill Impacts

The table below shows the proposed bill impacts as calculated at Sheet 21 of the model.

Bill Impacts by Sub-Total

Table 2

RATE CLASSES / CATEGORIES (eg: Residential TOU, Residential Retailer)	Units	Sub-Total						Total	
		A		B		C		Total Bill	
		\$	%	\$	%	\$	%	\$	%
RESIDENTIAL SERVICE CLASSIFICATION - RPP	KWh	\$ 1.27	4.8%	\$ (4.73)	-13.7%	\$ (4.73)	-10.2%	\$ (4.43)	-3.5%
GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION - RPP	KWh	\$ 2.58	4.8%	\$ (13.82)	-18.7%	\$ (13.61)	-13.3%	\$ (12.75)	-4.1%
GENERAL SERVICE 50 to 4,999 kW SERVICE CLASSIFICATION - Non-RPP (Other)	KW	\$ 21.43	4.8%	\$ (239.06)	-41.8%	\$ (236.90)	-21.0%	\$ (267.70)	-6.5%
SENTINEL LIGHTING SERVICE CLASSIFICATION - Non-RPP (Other)	KW	\$ 34.20	4.9%	\$ 32.68	4.7%	\$ 32.70	4.7%	\$ 36.95	4.3%
STREET LIGHTING SERVICE CLASSIFICATION - Non-RPP (Other)	KW	\$ 501.31	4.9%	\$ 231.92	2.2%	\$ 235.17	2.1%	\$ 265.74	1.7%
UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION - RPP	KWh	\$ 24.26	4.8%	\$ 2.20	0.4%	\$ 2.48	0.4%	\$ 2.32	0.3%
RESIDENTIAL SERVICE CLASSIFICATION - Non-RPP (Retailer)	KWh	\$ 1.27	4.8%	\$ (7.51)	-23.6%	\$ (7.50)	-17.2%	\$ (8.48)	-5.8%
RESIDENTIAL SERVICE CLASSIFICATION - RPP	KWh	\$ 1.27	4.8%	\$ (0.99)	-3.3%	\$ (0.99)	-2.9%	\$ (0.93)	-1.5%
GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION - Non-RPP (Other)	KWh	\$ 90.75	4.8%	\$ (1,431.95)	-67.4%	\$ (1,418.63)	-36.1%	\$ (1,603.05)	-7.5%

Table 2

RATE CLASSES / CATEGORIES (eg: Residential TOU, Residential Retailer)	Units	Sub-Total						Total	
		A		B		C		Total Bill	
		\$	%	\$	%	\$	%	\$	%
RESIDENTIAL SERVICE CLASSIFICATION - RPP	KWh	\$ 1.27	4.8%	\$ (0.75)	-2.2%	\$ (0.75)	-1.6%	\$ (0.71)	-0.6%
GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION - RPP	KWh	\$ 2.58	4.8%	\$ (2.82)	-3.8%	\$ (2.61)	-2.6%	\$ (2.45)	-0.8%
GENERAL SERVICE 50 to 4,999 kW SERVICE CLASSIFICATION - Non-RPP (Other)	KW	\$ 21.43	4.8%	\$ (20.85)	-3.6%	\$ (18.60)	-1.7%	\$ (21.12)	0.5%
SENTINEL LIGHTING SERVICE CLASSIFICATION - Non-RPP (Other)	KW	\$ 34.20	4.9%	\$ 34.85	5.0%	\$ 34.87	5.0%	\$ 39.41	4.6%
STREET LIGHTING SERVICE CLASSIFICATION - Non-RPP (Other)	KW	\$ 501.31	4.9%	\$ 673.42	6.4%	\$ 676.67	6.0%	\$ 764.64	4.9%
UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION - RPP	KWh	\$ 24.26	4.8%	\$ 17.53	3.3%	\$ 17.81	3.1%	\$ 16.69	2.0%
RESIDENTIAL SERVICE CLASSIFICATION - Non-RPP (Retailer)	KWh	\$ 1.27	4.8%	\$ (2.48)	-7.8%	\$ (2.48)	-5.7%	\$ (2.80)	-1.9%
RESIDENTIAL SERVICE CLASSIFICATION - RPP	KWh	\$ 1.27	4.8%	\$ 0.51	1.7%	\$ 0.51	1.5%	\$ 0.47	0.7%
GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION - Non-RPP (Other)	KWh	\$ 90.75	4.8%	\$ (549.04)	-25.9%	\$ (535.72)	-13.6%	\$ (605.36)	-2.8%

The 10th percentile was calculated in the following manner:

- 1) The utility produced a report which included *Residential Customer Number* and their *Monthly Consumptions*.
- 2) The report was then sorted by lowest to highest consumption.
- 3) The utility then calculates the 10th percentile threshold as being 283 kWh.
- 4) The report filtered out customers that had less than 12 months of consumption and those that used less than 50 kWh per month.

As instructed by Board Staff, the bill impacts presented are calculated based on the *dollar change in Sub-Total C – Delivery* divided by *total bill before tax and before the Ontario Energy Rebate*.

With the exception of the Residential and GS<50 which use the typical 750 and 2000 kWh/month respectively, the other classes were calculated using a monthly average consumption.

ORPC has completed the transition to fully fixed residential distribution service rates and therefore a 10th percentile calculation and mitigation plan is not required. However, the 10th percentile was still presented for comparative purposes.

30.Certification

In accordance with filing requirements for Electricity Distribution Rate Applications, I hereby certify that, to the best of my knowledge, the information and evidence contained in this application are accurate, complete and consistent with filing requirements. I also certify that ORPC has robust processes and internal controls in place for the preparation, review, verification and oversight of all account balances being requested for disposition. I further certify that the documents filed in support of this application do not include any personal information in accordance with rule 9A of the Ontario Energy Board's Rules of Practice and Procedure.



Jeffrey Roy

Chief Financial Officer

Ottawa River Power Corporation

283 Pembroke Street West

Pembroke ON K8A 6Y6

The following are appended to and form part of this Application:

Appendix A	Current Tariff Sheet
Appendix B	Proposed Tariff Sheet
Appendix C	Account 1551 Balance Analysis
Appendix D	Account 1550 Balance Analysis
Appendix E	Account 1580 Balance Analysis
Appendix F	Account 1584 Balance Analysis
Appendix G	Account 1586 Balance Analysis
Appendix H	Account 1588 and 1589 Principal Adjustments
<u>Appendix H2</u>	<u>Hydro One Letter of Understanding</u>
<u>Appendix H3</u>	<u>Account 1588 and 1589 Adjustments</u>
Appendix I	Account 1595 (2019) Balance Analysis
Appendix J	Power Purchased True-Up Rate Proposal
Appendix K	Power Purchased True-Up Rate Model