EB-2023-0058 Westario Power Inc.

WPI Response to Error Checking Review

1. **Ref 1: Chapter 2 Appendices 2BA**
   Ref 2: RRWF. Sheet 9, RevReqt

   In Appendix 2BA-Fixed Asset Cont. Schedule, $2,409,135 depreciation expense is added to Computer Hardware resulting in a negative net book value. Total depreciation expense does not reconcile between the two references.

   WPI Response: WPI acknowledges that a transposing error occurred during the process of filling in the Chapter 2 Appendices. The transposing error was notably associated with the depreciation expense, which should have shown details totaling 2,409,135.
   The corrected model Chapter 2 Appendices has been refiled and put on record.

   WPI notes that no revisions to the written evidence were required as a result of this error.

   Ch2 Model updates: App 2-BA

2. **Ref: Chapter 2 Appendices 2BA**

   Ending 2023 balances do not reconcile to opening 2024 balances.

   WPI Response: This discrepancy is related to the transposing error explained in part 1 above. (WIP was removed from the test year as it cannot be included in the Test Year if not in service.)

   Ch2 Model updates: App 2-BA

3. **Ref: Chapter 2 Appendix 2C DepExp**

   Rows 366-510 are hidden, including the row 2022 and 2023 depreciation expense.
   Please review the hidden cells and advise whether this is the correct information
   It seems as if the model hid those specific rows. They have been unhidden and WPI confirms that they are correct.

WPI Response: WPI cannot explain why those specific rows were hidden however, in unhiding them, the utility can confirm that they are correct.

Ch2 Model updates: App 2-C

4. **Ref 1: DSP, page 82**
   Ref 2: Chapter 2 Appendix 2-AB System Access

   DSP Planned Capital Expenditures for each of the four categories are labelled NET but are summed to an entry labelled Gross. This amount reconciles to Net Capital Expenditure from Appendix 2-AB. Capital Contributions are then removed, resulting in a lower value that does not reconcile to Appendix 2-AB.

   WPI Respondent: WPI inadvertently missed filing a separate file that detailed the initiatives according to RRFE grouping by accident.

   The reason for filing a separate Appendix is that even with the model macros enabled, the Chapter 2 Appendices-specific tab prohibits the addition of rows; thus, this file was generated.

   This distinct file, which was not submitted during the filing, ought to have been included. The file has been appended to the record after being uploaded via RESS.

   Ch2 Model updates: App 2-AA (separately filed)

5. **Ref 1: RRWF, sheet 4. Rate Base**
   Ref 2: Chapter 2 Appendix 2-BA

   The Accumulated Depreciation from the RRWF does not match the average of the opening and closing 2024 accumulated depreciation from Appendix 2-BA

   WPI Response: This discrepancy is related to the transposing error explained in part 1 above. The two references now balance as a result of the correction in the 2-BA.

   Ch2 Model updates: App 2-BA

6. **Ref 1: Exhibit 2, Page 1, Table 1**
   Ref 2: RRWF, sheet 4. Rate Base

   The Working Capital Allowance and total rate base do not reconcile between the two references.

   WPI Response: The table at page 4 of Exhibit 4 was incorrect. The revised table can be found at the same page of the refiled Exhibit.

   Exhibit Up: Exhibit 2 page 4

7. **Ref 1: DSP, page 29, Table 5.2**
   Ref 2: Chapter 2 Appendix 2-G SQI

   The reliability figures for 2018 do not reconcile between the two references.

   WPI Response: WPI confirms that the SQIs in the DSP are correct. WPI has revised and refiled Chapter 2 Appendices with the corrected SQIs.

   Model updates: App 2-G

8. **Ref 1: Exhibit 4, page 36, Table 21**
   Ref 2: Chapter 2 Appendix 2-K Employee Costs

   The employee costs for 2023 and 2024 do not reconcile between the two references.

   WPI Response: Neither tables were correct. The corrected table is presented below, Exhibit 4 with this revised table is being filed with these responses. Chapter 2 Appendices has also been corrected to reflect the changes below.

   Model updates: Ch2 App 2-K

Appendix 2-K
Employee Costs

	Last Rebasing Year (2018 OEB Approved)	Last Rebasing Year (2018 Actuals)	2019 Actuals	2020 Actuals	2021 Actuals	2022 Actuals	2023 Bridge Year	2024 Test Year
Number of Employees (FTEs including Part-Time)[1]								
Management (including executive)	9	10	11	10	11	11	13	13
Non-Management (union and non-union)	26	25	25	27	26	28	27	27
Total	35	35	36	37	37	39	40	40
Total Salary and Wages including ovetime and incentive pay								
Management (including executive)	$1,101,293	$1,464,206	$1,390,822	$1,204,928	$1,607,664	$1,934,443	$1,534,535	$1,716,512
Non-Management (union and non-union)	$1,990,859	$1,903,290	$2,014,431	$2,149,731	$2,290,381	$2,382,590	$2,454,709	$2,552,897
Total	$3,092,152	$3,367,496	$3,405,253	$3,354,659	$3,898,045	$4,317,033	$3,989,244	$4,269,409
Total Benefits (Current + Accrued)								
Management (including executive)	$297,349	$323,280	$340,525	$348,885	$473,612	$524,520	$398,979	$446,293
Non-Management (union and non-union)	$554,189	$484,919	$510,788	$523,327	$578,860	$641,079	$638,224	$663,753
Total	$851,538	$808,199	$851,313	$872,211	$1,052,472	$1,165,599	$1,037,203	$1,110,046
Total Compensation (Salary, Wages, & Benefits)								
Management (including executive)	$1,398,642	$1,787,485	$1,731,348	$1,553,813	$2,081,276	$2,458,963	$1,933,514	$2,162,805
Non-Management (union and non-union)	$2,545,048	$2,388,210	$2,525,219	$2,673,058	$2,869,241	$3,023,669	$3,092,933	$3,216,650
Total	$3,943,690	$4,175,695	$4,256,566	$4,226,871	$4,950,517	$5,482,632	$5,026,447	$5,379,455
Total Compensation Breakdown (Capital, OM&A)								
OM&A		$2,789,091	$2,538,455	$2,499,891	$2,908,005	$3,633,826	$3,116,398	$3,227,673
Capital		$1,386,604	$1,718,112	$1,726,980	$2,042,512	$1,848,805	$1,910,050	$2,151,782
Total	$0	$4,175,695	$4,256,567	$4,226,871	$4,950,517	$5,482,631	$5,026,448	$5,379,455

9. **Ref 1: Exhibit 4, page 39, Table 22**
   Ref 2: Chapter 2 Appendix 2-L OM&A per Cust

   The employee and customer counts do not match for 2021.

   WPI Response: Since the table calls for customers and not connections, WPI summed all classes except the streetlighting connections. In actuality, WPI should have added 11 customers to the total to account for the streetlighting customers.
   Both the Chapter 2 Appendices and Exhibit 4 have been revised to reflect the customer numbers below.

   Model updates: Ch2 App 2-L

Customer Class Name	2018	2019	2020	2021	2022	2023	2024
Residential	20,697	20,873	21,064	21,279	21,510	21,694	21,879
General Service < 50 kW	2,578	2,587	2,610	2,622	2,654	2,672	2,690
General Service > 50 to 4999 kW	191	194	183	182	171	162	154
Unmetered Scattered Load	47	47	47	47	47	47	47
Sentinel Lighting	8	8	8	8	8	8	8
Street Lighting	11	11	11	11	11	11	11
TOTAL	**23,532**	**23,720**	**23,923**	**24,149**	**24,401**	**24,594**	**24,789**

Appendix 2-K
Employee Costs

	Last Rebasing Year (2018 OEB Approved)	Last Rebasing Year (2018 Actuals)	2019 Actuals	2020 Actuals	2021 Actuals	2022 Actuals	2023 Bridge Year	2024 Test Year
Number of Employees (FTEs including Part-Time)[1]								
Management (including executive)	9	10	11	10	11	11	13	13
Non-Management (union and non-union)	26	25	25	27	26	28	27	27
Total	35	35	36	37	37	39	40	40
Total Salary and Wages including ovetime and incentive pay								
Management (including executive)	$1,101,293	$1,464,206	$1,390,822	$1,204,928	$1,607,664	$1,934,443	$1,534,535	$1,716,512
Non-Management (union and non-union)	$1,990,859	$1,903,290	$2,014,431	$2,149,731	$2,290,381	$2,382,590	$2,454,709	$2,552,897
Total	$3,092,152	$3,367,496	$3,405,253	$3,354,659	$3,898,045	$4,317,033	$3,989,244	$4,269,409
Total Benefits (Current + Accrued)								
Management (including executive)	$297,349	$323,280	$340,525	$348,885	$473,612	$524,520	$398,979	$446,293
Non-Management (union and non-union)	$554,189	$484,919	$510,788	$523,327	$578,860	$641,079	$638,224	$663,753
Total	$851,538	$808,199	$851,313	$872,211	$1,052,472	$1,165,599	$1,037,203	$1,110,046
Total Compensation (Salary, Wages, & Benefits)								
Management (including executive)	$1,398,642	$1,787,485	$1,731,348	$1,553,813	$2,081,276	$2,458,963	$1,933,514	$2,162,805
Non-Management (union and non-union)	$2,545,048	$2,388,210	$2,525,219	$2,673,058	$2,869,241	$3,023,669	$3,092,933	$3,216,650
Total	$3,943,690	$4,175,695	$4,256,566	$4,226,871	$4,950,517	$5,482,632	$5,026,447	$5,379,455
Total Compensation Breakdown (Capital, OM&A)								
OM&A		$2,789,091	$2,538,455	$2,499,891	$2,908,005	$3,633,826	$3,116,398	$3,227,673
Capital		$1,386,604	$1,718,112	$1,726,980	$2,042,512	$1,848,805	$1,910,050	$2,151,782
Total	$0	$4,175,695	$4,256,567	$4,226,871	$4,950,517	$5,482,631	$5,026,448	$5,379,455

10. Ref 1: Cost Allocation Model, Tab I6.1, cell B16
Ref 2: RRWF, Tab 8, cell F51

Revenue Deficiency / Sufficiency does not match between the two references.

WPI Response: The Revenue Deficiency / Sufficiency matches the deficiency at RRWF Tab 9 F48. The discrepancy between the RRWF F43 and F45 requires more time to understand the mechanism in the OEB model.

11. Ref 1: Cost Allocation Model, Tab I8 Demand Data
Ref 2: CoS Load Profiles, Revised Input to CA model

The Non-Coincident Peak (NCP) Sanity Check is not passed in the first reference. The second reference, row 27, columns K to P is picking the January NCP, which is not the largest NCP for four rate classes.

WPI Response: WPI sees that for the GS>50kW and Streetlights classes, December showed a higher NCPs than January. (0.0311 vs 0.293 and 0.0007 vs 0.0006 respectively).
WPI has looked at previous applications and found that January is generally used for all classes as it is often the coldest month of the year.

WPI respectfully asks Board Staff to ask this question in IRs giving WPI additional time investigate the correct formula and compare it to previously OEB approved models and applications.

12. Ref: Exhibit 9, Section 9.2.1

Please provide Appendix 9A Accelerated CCA calculation in Excel.

WPI Response: The Excel version of the Accelerated CCA calculation is filed with these responses.

Separate Worksheet filed.

13. Ref 1: Exhibit 9, Section 9.2.1

Ref 2: DVA Continuity Schedule, tab 2b

Per reference 1 accounts 1518 and 1548 the disposal amount is N/A; per reference 2 there are amounts being claimed. If seeking to dispose, WPI must follow this req: “If the balances in Account 1518, Account 1548, or Account 1508 Sub-account Retail Service Charges Incremental Revenue are material, the distributor must identify drivers for the balance(s) and provide schedule identifying all revenues and expenses listed by USoA that are incorporated into the variances.”

WPI Response: Please see the Worksheet filed along with these responses

Separate Worksheet filed.

14. Ref: Exhibit 9, Section 9.2.1

Account 1508 – wire pole attachment charges should include:
“A table showing the calculation of the account balance, the annual balance broken down customer type, if applicable and:

- the number of poles used in the calculation.
- the pole attachment charge incorporated in rates.
- the updated charge

May also forecast the balance to the effective date of its new rates.”

WPI Response: WPI has added a table showing the requested information at the bottom of Page 5 of Exhibit 9.
A revised version of Exhibit 9 is filed with these responses.