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BY EMAIL

January 15, 2024

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

Dear Ms. Marconi:

Re: EB-2023-0019 Application for 2024 Rates

In accordance with Procedural Order NO. 1, please find attached the Ontario Energy Board (OEB) staff interrogatories in the above proceeding. The applicant has been copied on this filing.

ERTH Power Corporation's responses to interrogatories are due by January 29, 2024.

Any questions relating to this letter should be directed to Serena Jia at serena.jia@oeb.ca or at 416-440-7749. The OEB's toll-free number is 1-888-632-6273.

Yours truly,

Serena Jia
Advisor, Performance Analytics & Reporting

Encl.

**OEB Staff Interrogatories
ERTH Power Corporation
EB-2023-0019**

Please note, ERTH Power Corporation is responsible for ensuring that all documents it files with the OEB, including responses to OEB staff interrogatories 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*.

OEB Staff Questions - Main Rate Zone

OEB Staff Question – 1

Ref: IRM Rate Generator Main Rate Zone, Tab 11 RTSR, Tab 18 Regulatory Charges, Tab 20 Final Tariff Schedule, and Tab 21 Bill Impacts

OEB staff has updated certain tabs in the IRM rate generator.

Questions:

- a) Please confirm OEB staff has correctly updated the Rural or Remote Electricity Rate Protection Charge on Tabs 18, 20, and 21.
- b) Please confirm OEB staff has correctly updated the Hydro One Sub-Transmission Rates on Tab 11.
- c) Please confirm OEB staff has correctly updated the Time of Use Rates on Tab 18 and 21.
- d) Please confirm OEB staff has correctly updated the Ontario Electricity Rebate Percentage on Tab 21.
- e) Please update the tabs as applicable, if any of the above is not confirmed.

OEB Staff Question – 2

Ref: 2024 IRM Rate Generator Model Main Rate Zone, Tab 4 – Billing Det. for Def-Var

Preamble:

The answer to the question below is “No”, which indicates that ERTH Power has not confirmed the accuracy of the data in Tab 4.

Data on this worksheet has been populated using your most recent RRR filing.	
If you have identified any issues, please contact the OEB.	
Have you confirmed the accuracy of the data below?	<input type="button" value="No"/>

Question:

Please clarify if this answer is a typo and update the evidence accordingly.

OEB Staff Question – 3

Ref: 2024 IRM Rate Generator Model Main Rate Zone, Tab 9 – Shared Tax Rate Rider

Preamble:

The shared tax amount of (\$3,370) in Tab 9 is not material and thereby does not produce a rate rider for any rate class.

Question:

Please confirm that the entire shared tax amount will be transferred into Account 1595 for future disposition.

OEB Staff Question – 4

Ref 1: 2024 IRM Rate Generator Model Main Rate Zone , 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:

- a) 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.
- b) 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.
- c) 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.

OEB Staff Question – 5

Ref 1: Manager’s Summary, Page 15-16

Ref 2: EB-2022-0029, Decision and Rate Order, Table 7.1

Ref 3: 2024 IRM Rate Generator Model Main Rate Zone, Tab 3

Ref 4: Chapter 3 Filing Requirements for 2024 Electricity Distribution Rate Applications, Page 13

Ref 5: OEB letter “Adjustments to Correct for Errors in Electricity Distributor “Pass-Through” Variance Accounts After Disposition” October 31, 2019

In Reference 1, ERTH Power acknowledges that the rate rider in its 2023 IRM application for the main rate zone contains a calculation error, where the kWhs for Class A customers were not subtracted from the billing determinants erroneously. The miscalculation has resulted in the understatement of 2023 GA rate riders that ERH Power would not be able to collect the full disposed GA amount. ERTH Power states that this error “essentially resulted in \$745,000 of GA to not being approved for disposition.”

ERTH Power further states its proposal for correcting this error that it has removed the impacted amount of \$744,585 “from the 2023 disposal balances in order to allow this amount to be recovered in a timely manner. Since the rate rider was not calculated correctly the amount was not actually disposed of. Given the impact of interest rates and the time that will pass for these amounts to be fully cleared it is important to correct this issue now.”

According to Reference 2, the OEB approves a total principal balance of \$1,176,411 for Account 1589, RSVA- Global Adjustment to be disposed of on a final basis, plus an interest amount of \$125,878.

OEB staff notes that ERTH Power recorded a debit amount of \$480,395 in Principal Disposition during 2023-instructed by OEB (Cell BM29) and a debit amount of \$77,309 in Interest Disposition during 2023-instructed by OEB (Cell BN29) for Account 1589 in Reference 3.

The OEB provides guidance on the disposition of Account 1595 in Reference 4, stating that “when the OEB approves disposition of DVA balances, the approved amounts of principal and carrying charges are transferred to Account 1595 for that rate year.”

Reference 5 states that “Where an accounting or other error is discovered after the balance in one of the above-listed variance accounts has been cleared by a final order of the OEB, the OEB will determine on a case-by-case basis whether to make a retroactive adjustment based on the particular circumstances of each case, including factors such as:

- whether the error was within the control of the distributor
- the frequency with which the distributor has made the same error
- failure to follow the guidance provided by the OEB
- the degree to which other distributors are making similar errors

Question(s):

- a) Please clarify the statement that this error “essentially resulted in \$745,000 of GA not being approved for disposition.”
 - i) Please confirm that the approved GA balance was correct in ERTH Power’s 2023 IRM decision and order.
 - ii) Please clarify that \$745,000 represents the 2023 approved GA amount that is not and will not be collected due to the error made in the GA rate rider calculation in the 2023 IRM proceeding.
- b) Please discuss the downside of the proposed approach by ERTH Power for the 2023 GA amount of \$745,000 by leaving the amount in Account 1589 and being recovered along with the 2024 GA balance.

- c) Please update the 2024 IRM Rate Generator to reflect the following adjustments recommended by the OEB staff:
 - i. Please update the disposition amounts (Column BM and BN) in the 2024 Continuity Schedule in Reference 3 for Account 1589 to align with the approved disposition amounts stated in Reference 2.
 - ii. Please record the retroactive adjustment related to the last approved rate rider in Account 1595 (2023) as a principal adjustment. The amount should equal the total approved disposition minus the total collection.
- d) Please explain how ERTH Power identified the error in Reference 1.
- e) Please provide ERTH's consideration regarding the rates retroactivity issues raised in the OEB's Oct 31, 2019 letter in Reference 5.
 - i. Please provide comments on the four factors outlined in Reference 5.
- f) Please confirm and explain whether the following items are affected by the error. If not, why not?
 - i. Intergenerational inequity
 - ii. ERTH Power's financial viability
- g) Please describe ERTH's procedures that have been implemented to prevent the error mentioned in Reference 1.

OEB Staff Question – 6

Ref 1: Manager's Summary, Page 15-16

Ref 2: 2024 IRM Rate Generator Model Main Rate Zone, Tab 6

Ref 3: EB-2022-0029, Decision and Rate Order, 2023 IRM Model, Tab 6

In Reference 1, ERTH Power has provided the table below detailing the corrected calculation of the rate rider by excluding the Class A kWh from the billing determinants:

Revised		Total Metered Non-RPP 2021 Consumption excluding WMP		Total Metered 2021 Consumption for Class A Customers that were Class A for the entire period GA balance accumulated		Total Metered 2021 Consumption for Customers that Transitioned Between Class A and B during the period GA balance accumulated		Proposed Rate Rider Recovery Period (in months)		24	Rate Rider Recovery to be used below	
		kWh	kW	kWh	kWh	kWh	kWh	kW	% of total kWh	Total GA \$ allocated to Current Class B Customers	GA Rate Rider	
RESIDENTIAL SERVICE CLASSIFICATION	kWh	5,653,612	0	0	0	5,653,612	0	4.6%	\$56,657	\$0.0050		
GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION	kWh	11,835,687	0	0	0	11,835,687	0	9.6%	\$118,609	\$0.0050		
GENERAL SERVICE 50 TO 999 KW SERVICE CLASSIFICATION	kWh	94,930,055	238,554	16,214,116	0	78,715,939	238,554	63.3%	\$788,836	\$0.0050		
GENERAL SERVICE 1,000 TO 4,999 KW SERVICE CLASSIFICATION	kWh	82,399,623	163,603	73,035,905	0	9,363,718	163,603	7.6%	\$93,837	\$0.0050		
LARGE USE SERVICE CLASSIFICATION	kWh	97,230,798	191,731	97,230,798	0	0	191,731	0.0%	\$0	\$0.0000		
UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION	kWh	51,696	0	0	0	51,696	0	0.0%	\$518	\$0.0050		
SENTINEL LIGHTING SERVICE CLASSIFICATION	kWh	0	0	0	0	0	0	0.0%	\$0	\$0.0000		
STREET LIGHTING SERVICE CLASSIFICATION	kWh	1,467,182	4,257	0	0	1,467,182	4,257	1.2%	\$14,703	\$0.0050		
EMBEDDED DISTRIBUTOR SERVICE CLASSIFICATION	kWh	16,786,736	38,092	0	0	16,786,736	38,092	13.6%	\$168,225	\$0.0050		
Total		310,355,389	636,237	186,480,819	0	123,874,570	636,237	100.0%	\$1,241,385			

The Class A consumption data for the main rate zone for 2022 and 2021 as shown below are recorded in Reference 2 by ERTH Power.

Rate Classes with Class A Customers - Billing Determinants by Rate Class

Rate Class			2022	2021
Rate Class 1	GENERAL SERVICE 50 TO 999 KW SERVICE CLASSIFICATION	kWh	15,708,762	16,658,281
		kW	46,077	46,479
Rate Class 2	GENERAL SERVICE 1,000 TO 4,999 KW SERVICE CLASSIFICATION	kWh	75,092,499	74,702,762
		kW	158,425	149,726
Rate Class 3	LARGE USE SERVICE CLASSIFICATION	kWh	93,760,171	98,646,887
		kW	167,472	191,731

OEB staff notes ERTH Power filed the following tables under 3a and 3b, respectively, for 2021 and 2020 in Reference 3.

Transition Customers - Non-loss Adjusted Billing Determinants by Customer

Customer	Rate Class		2021		2020	
			July to December	January to June	July to December	January to June
Customer 1	GENERAL SERVICE 1,000 TO 4,999 KW SERVICE CLASSIFICATION	kWh				
		kW				
		Class A/B				
Customer 2	GENERAL SERVICE 1,000 TO 4,999 KW SERVICE CLASSIFICATION	kWh				
		kW				
		Class A/B				
Customer 3	GENERAL SERVICE 50 TO 999 KW SERVICE CLASSIFICATION	kWh				
		kW				
		Class A/B				
Customer 4	GENERAL SERVICE 50 TO 999 KW SERVICE CLASSIFICATION	kWh				
		kW				
		Class A/B				
Customer 5	GENERAL SERVICE 1,000 TO 4,999 KW SERVICE CLASSIFICATION	kWh				
		kW				
		Class A/B				
Customer 6	GENERAL SERVICE 50 TO 999 KW SERVICE CLASSIFICATION	kWh				
		kW				
		Class A/B				

Rate Classes with Class A Customers - Billing Determinants by Rate Class

Rate Class			2021	2020
Rate Class 1	GENERAL SERVICE 50 TO 999 KW SERVICE CLASSIFICATION	kWh		
		kW		
Rate Class 2	GENERAL SERVICE 1,000 TO 4,999 KW SERVICE CLASSIFICATION	kWh		
		kW		
Rate Class 3	LARGE USE SERVICE CLASSIFICATION	kWh		
		kW		

Question(s):

- a) OEB staff has observed that the Class A consumption data for the main rate zone used in the correction calculation in Reference 1 differs from the consumption data filed in Reference 2 for 2021.
 - i. Please confirm the OEB staff's observation and provide the Class A consumption data for the main rate zone for 2021.
 - ii. Please provide the updated correction calculation and/or the updated 2024 IRM model as necessary.
- b) Please confirm there were no transition customers in 2021 or 2020 as filed in Reference 3 by ERTH Power.
 - i. If not, please quantify the impact.
- c) Please provide the Class A consumption data for the main rate zone for 2020.

OEB Staff Question – 7

Ref 1: 2024 ERTH Main GA Analysis Workform

Ref 2: 2024 Goderich GA Analysis Workform

Ref 3: Manager’s Summary, Page 5-6

Ref 4: EB-2022-0029, Decision and Rate Order, 2023 GA Analysis Workform Main, Principal Adjustments Tab

Ref 5: OEB letter “Adjustments to Correct for Errors in Electricity Distributor “Pass-Through” Variance Accounts After Disposition” October 31, 2019

In Reference 3, ERTH Power states that the balances reported in RRR 2.1.7 for the year ending 2021 were reported on a consolidated basis for the ERTH Power Main and ERTH Power Goderich rate zones. The LDC provides a reconciliation of the difference between the 2.1.7 RRR and the Continuity Schedules for Account 1588:

Account 1588 Difference Explanation	
Total Difference	-\$ 1,504,938
ERTH Main True-up of GA between RPP and Non-RPP	-\$ 148,816
CT 1142/142 true-up based on actuals 2018-2020 Rec'd in 2022	-\$ 2,462,982
CT 1142/142 true-up based on actuals 2021 Rec'd in 2022	\$ 1,106,860

OEB staff has compiled the principal adjustments (PAs) recorded in Reference 1 and Reference 2 for Account 1588 in the table below.

Account 1588	Main RZ	Goderich RZ	Total
PAs included in the last approved balance:			
CT 148 true-up of GA Charges based on actual RPP volumes	(2,558,635)	(15,769)	(2,574,404)
Reversal of CT 1142/142 true-up based on actuals	170,134		170,134
CT 148 true-up of GA Charges based on actual RPP volumes	2,207,333		2,207,333
Reversal of CT 1142/142 true-up based on actuals	1,106,860		1,106,860
Reversal of prior year approved PAs	(1,106,860)	15,769	(1,091,091)
Current Year PAs:			
CT 148 true-up of GA Charges based on actual Non-RPP volumes	148,816		148,816
CT 1142/142 true-up based on actuals	420,966		420,966
Total Principal Adjustments to be Included on DVA Continuity Schedule/Tab 3 - IRM Rate Generator Model	(537,078)	15,769	(521,309)

Reference 5 states that “Where an accounting or other error is discovered after the balance in one of the above-listed variance accounts has been cleared by a final order

of the OEB, the OEB will determine on a case-by-case basis whether to make a retroactive adjustment based on the particular circumstances of each case, including factors such as:

- whether the error was within the control of the distributor
- the frequency with which the distributor has made the same error
- failure to follow guidance provided by the OEB
- the degree to which other distributors are making similar errors

Question(s):

- a) Please provide the details and composition of the credit amount of \$2,462,982 for the CT 1142/142 true-up based on actuals 2018-2022 Rec'd in 2022, as outlined in Reference 3.
 - i. Please confirm whether CT 1142/142 true-up based on actuals 2018-2022 Rec'd in 2022, has been included as part of the principal adjustments reported in Reference 4.
 - ii. If yes, please reconcile the principal adjustment amounts reported in the 2023 GA Analysis Workform for 2018-2020 CT 1142/142 true-ups.
 - iii. If not, please explain why.
 - iv. Please provide details on why the principal adjustment amounts reported in the 2023 GA Analysis Workform for 2018-2020 CT 1142/12 true-ups are not reported in the 2024 GA Analysis Workform.
 - v. Please confirm in which year the true-up of the credit amount of \$2,462,982 was recorded in the GL.
- b) If these adjustments are included in the 2022 GL (i.e. included in the 2022 transactions/net transactions), please list these adjustments as reconciling items on the GA Analysis Workforms of the respective rate zones. Please provide the updated GA Analysis Workforms and provide explanations if the 1% thresholds are exceeded.
- c) The OEB staff notes the main component of the variance between the RRR balances and the continuity schedule for Account 1588 results from the CT1142/142 true-up based on actuals 2018-2021 rec'd in 2022.
 - ii. Please confirm the OEB staff's observation.
 - iii. Please provide ERTH's consideration regarding the rates retroactivity issues raised in the OEB's Oct 31, 2019 letter in Reference 5, given that the 2021 balances were disposed of on a final basis in the 2023 IRM Decision and Order.
 - iv. Please provide comments on the four factors outlined in Reference 5.
- d) Please confirm and explain whether the following items are affected by the error. If not, why not?

- iii. 1588 balance
- iv. Intergenerational inequity
- v. ERTH Power's financial viability
- h) Please describe ERTH's procedures that have been implemented to prevent mistakes like those mentioned in b) and Reference 3.
- i) Please clarify why the debit amount of \$420,996 for the CT 1142/142 true-up based on actuals recorded in the GL in 2023 is not included in the reconciliation table provided in Reference 3.
- j) ERTH Power notes in Reference 1 that the reversal of the CT 1142/142 true-up based on actuals (credit amount of \$1,106,860) was recorded in the GL in 2022. Please explain why this item is not reflected in the 2022 RRR balance, given that it is included in the reconciliation table.
- k) Please provide itemized explanations for the variance identified in the reconciliation table below provided by the OEB staff.

Account 1588	Main RZ	Goderich RZ	Total
2022 balance (Cell BG28+ Cell BL28) from Continuity Schedule/Tab 3- IRM Rate Generator Model	571,005	16,439	587,444
Less: Principal adjustments recorded in the 2023 GL			
CT 148 true-up of GA Charges based on actual Non-RPP	148,816	-	
CT 1142/142 true-up based on actuals	420,966	-	
Adjusted 2022 Continuity Schedule balance	1,223	16,439	17,662
		2.1.7 RRR Balance	(917,495)
		Variance	(935,157)

OEB Staff Question – 8

Ref 1: 2024 ERTH Main GA Analysis Workform

Ref 2: 2024 Goderich GA Analysis Workform

Ref 3: Manager's Summary, Page 5-6

In Reference 2, ERTH Power provides a reconciliation of the difference between the 2.1.7 RRR and the Continuity Schedules for Account 1589:

Account 1589 Difference Explanation	
Total Difference	\$ 2,403,204
ERTH Main True-up of GA between RPP and Non-RPP	\$ 2,207,333
Reversal of Goderich True-up of GA between RPP and Non-RPP	\$ 47,055
ERTH Main True-up of GA between RPP and Non-RPP	\$ 148,816

OEB staff has compiled the principal adjustments (PAs) recorded in Reference 1 and Reference 2 for Account 1589 in the table below.

Account 1589	Main RZ	Goderich RZ	Total
PAs included in the last approved balance:			
CT 148 true-up of GA Charges based on actual Non-RPP volumes	(2,207,333)	15,769	(2,191,564)
Reversal of prior year CT-148 true-up of GA Charges based on actual Non-RPP volumes	2,558,635		2,558,635
Reversal of prior year approved PAs	-	(15,769)	(15,769)
Current Year PAs:			-
CT 148 true-up of GA Charges based on actual Non-RPP volumes	(148,816)		(148,816)
Total Principal Adjustments to be Included on DVA Continuity Schedule/Tab 3 - IRM Rate Generator Model	(148,816)	(15,769)	(164,585)

Question(s):

- a) Please clarify why the principal adjustments included in the last approved balance of \$(2,207,333) for Account 1588 and \$2,207,333 for Account 1589 in the first table in Reference 1 Tab Principal Adjustments have not been reversed in the current application.
- b) Why is the principal adjustment of \$2,207,333 for Account 1589 included in the reconciliation table for Account 1589 but not for Account 1588?
- c) OEB staff notes a principal adjustment (\$15,769) for the reversal of Goderich true-up of GA between RPP and Non-RPP as reported in Reference 2. However, this amount is different from the amount (\$47,055) recorded in the reconciliation table. Please provide an explanation for the variance.
- d) Please provide itemized explanations for the variance identified in the reconciliation table below provided by the OEB staff.

Account 1589	Main RZ	Goderich RZ	Total
2022 Balance (Cell BG29+ Cell BL29) from Continuity Schedule/Tab 3- IRM Rate Generator Model	1,395,913	44,516	1,440,429
Less: Principal adjustments recorded in the 2023 GL			
CT 148 true-up of GA Charges based on actual Non-RPP volumes	(148,816)	-	
Adjusted 2022 Continuity Schedule balance	1,544,729	44,516	1,589,245
		2.1.7 RRR Balance	3,843,491
		Variance	2,254,246

OEB Staff Questions – Goderich Rate Zone

OEB Staff Question – 1

Ref: IRM Rate Generator Goderich, Tab 11 RTSR, Tab 18 Regulatory Charges, Tab 20 Final Tariff Schedule, and Tab 21 Bill Impacts

OEB staff has updated certain tabs in the IRM rate generator.

Questions:

- a) Please confirm OEB staff has correctly updated the Rural or Remote Electricity Rate Protection Charge on Tabs 18, 20, and 21.
- b) Please confirm OEB staff has correctly updated the Hydro One Sub-Transmission Rates on Tab 11.
- c) Please confirm OEB staff has correctly updated the Time of Use Rates on Tab 18 and 21.
- d) Please confirm OEB staff has correctly updated the Ontario Electricity Rebate Percentage on Tab 21.
- e) Please update the tabs as applicable, if any of the above is not confirmed.

OEB Staff Question – 2

Ref: 2024 IRM Rate Generator Model Goderich, Tab 4 – Billing Det. For Def-Var

Preamble:

The answer to the question below is “No”, which indicates that ERTH Power has not confirmed the accuracy of the data in Tab 4.

Data on this worksheet has been populated using your most recent RRR filing.	
If you have identified any issues, please contact the OEB.	
Have you confirmed the accuracy of the data below?	No

Question:

Please clarify if this answer is a typo and update the evidence accordingly.

OEB Staff Question – 3

Ref: 2024 IRM Rate Generator Model Goderich, Tab 9 – Shared Tax Rate Rider

Preamble:

The shared tax amount of (\$3,252) in Tab 9 is not material and thereby does not produce a rate rider for any rate class.

Question:

Please confirm that the entire shared tax amount will be transferred into Account 1595 for future disposition.

OEB Staff Question – 4

Ref 1: 2024 IRM Rate Generator Model Goderich, 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:

- a) 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.
- b) 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.

- c) 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.

OEB Staff Question – 5

Ref 1: Management Summary, Page 31

Ref 2: 2024 IRM Rate Generator Model Goderich, Tab 4

In Reference 1, ERTH Power states that “The result of not applying for disposition of 1588 and 1589 does produce a material rate rider and as such ERTH Power will not be requesting any disposition of its DVA balances at this time.”

OEB staff notes that the total requested disposition of \$344,515 which includes the disposition of Accounts 1588 and 1589 exceeds the threshold test of \$0.001 per kWh according to Reference 2.

Question(s):

- a) Please confirm that ERTH Power is requesting to dispose of its DVA balances in this application including Accounts 1588 and 1589. Please update the evidence accordingly.

OEB Staff Question – 6

Ref 1: 2024 IRM Rate Generator Model Goderich, Tab 3

Ref 2: 2024 Goderich GA Analysis Workform, Tab GA 2022

OEB staff finds the net change in principal balance in the GL stated in GA 2022 (-\$11,331) does not agree to the transactions during 2022, a credit amount of \$27,100 stated in the continuity schedule.

Question(s):

- a) Please explain the discrepancies noted above.
- b) Please update the relevant schedule/model as applicable.

OEB Staff Question – 7

Ref 1: Management Summary, Page 31

In Reference 1, ERTH Power states that it has completed an extensive review of the historical balances for Accounts 1588 and 1589 for the Goderich rate zone. The LDC has confirmed that there were inconsistencies related to the filing of 1589 submissions with the IESO. ERTH Power further states that it was able to validate the GA splits between RPP and Non RPP customers, and the balances requested for disposition in this application reflect the adjusted amounts.

Question(s):

- a) Please provide a detailed explanation of the review of the historical balances for Accounts 1588 and 1589 and the identified reporting inconsistencies with the IESO.

- i. Please quantify the adjustments made in the table below.

Identified Reporting Inconsistencies and Splitting Issues	Year 20XX	Year 20XX	Year 20XX
Account 1588			
Account 1589			

- ii. Please confirm in which year the adjustments were recorded in the GL.
- b) Have the identified reporting inconsistencies impacted the settlement with IESO?
 - i. If yes, please confirm whether ERTH Power has filed the settlement corrections with the IESO.
 - ii. If not, please explain why and provide ERTH Power’s plan to settle with the IESO.

OEB Staff Question – 8

Ref: Manager’s Summary, page 6

Regarding the Godrich’s GA analysis workform, ERTH Power states the following:

The applicant has completed its GA Workform for 2022 for the ERTH Main Rate Zone and for the ERTH Goderich Rate Zone. Within each model ERTH has provided adjustments required and balanced its results to a variance of less than 1% for the entire timeframe across each rate zone with a minor exception for the Goderich Rate zone in 2021. ERTH will work to determine a resolution and provide updates within the interrogatory process.

Question(s):

- a) Please clarify the minor exception mentioned by ERTH power above.
- b) Please provide the resolution and updates for this exception.

OEB Staff Question – 9

Ref 1: Manager’s Summary, page 15 and page 32

Ref 2: Chapter 3 Filing Requirements for 2024 Electricity Distribution Rate Applications, Page 16

In Reference 1, ERTH Power proposes to dispose of its 2022 balances in the Sub-account 1595 (2020) for both rate zones.

Reference 2 states that “The eligibility criteria for disposition of Account 1595 sub-accounts depends on the distributor’s rate year. For example:

- January 1 rate year – If 2020 rate riders expire on December 31, 2020, the balance of sub-account 1595 (2020) is eligible to be disposed after the account balance as of December 31, 2022 has been audited. Therefore, sub-account 1595 (2019) would be eligible for disposition in the 2024 rate year.
- May 1 rate year – If 2020 rate riders expire on April 30, 2021, the balance of sub-account 1595 (2020) is eligible to be disposed after the account balance as of December 31, 2023 has been audited. Therefore, sub-account 1595 (2020) would be eligible for disposition in the 2025 rate year.

Question(s):

- a) Given that ERTH Power’s rate year starts on May 1, please provide ERTH Power’s consideration on the eligibility of the disposal request for Sub-account 1595 (2020).
- b) Please provide the updated 2024 IRM Rate Generator Model for both rate zones, as applicable.

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Ref 1: 2024 IRM Rate Generator Model Main, Tab 3

Ref 2: 2024 IRM Rate Generator Model Goderich, Tab 3

The OEB staff has compiled the following tables for the projected interests for both rate zones based on the published OEB prescribed interest rates.

Main Rate Zone	Staff Calculation			Filed by ERTH Power (Reference 1)		Variance
	Account Number	Projected Interest from Jan 1, 2023 to Dec 31, 2022 balance adjusted for disposition during 2023	Projected Interest from Jan 1, 2024 to Apr 30, 2024 on Dec 31, 2022 balance adjusted for disposition during 2023	Projected Interest from Jan 1, 2023 to Dec 31, 2022 balance adjusted for disposition	Projected Interest from Jan 1, 2024 to Apr 30, 2024 on Dec 31, 2022 balance adjusted for disposition during 2023	
Account Descriptions						
LV Variance Account	1550	374	136	374	136	(0)
Smart Metering Entity Charge Variance Account	1551	(2,892)	(1,049)	(2,892)	(1,049)	(0)
RSVA - Wholesale Market Service Charge ⁵	1580	53,718	19,485	53,178	19,289	736
Variance WMS – Sub-account CBR Class A ⁵	1580	-	-	-	-	-
Variance WMS – Sub-account CBR Class B ⁵	1580	(1,537)	(558)	1,537	558	(4,189)
RSVA - Retail Transmission Network Charge	1584	39,711	14,404	39,711	14,404	(0)
RSVA - Retail Transmission Connection Charge	1586	16,669	6,046	16,669	6,046	0
RSVA - Power ⁴	1588	(5,084)	(1,844)	-	-	(6,928)
RSVA - Global Adjustment ⁴	1589	38,639	14,016	-	-	52,654
Disposition and Recovery/Refund of Regulatory Balances (2019) ³	1595	(2,279)	(827)	-	-	(3,106)
Disposition and Recovery/Refund of Regulatory Balances (2020) ³	1595	(3,897)	(1,413)	-	-	(5,310)
					Total Variance	\$ 33,857

Goderich rate zone	Staff Calculation			Filed by ERTH Power (Reference 2)		Variance
	Account Number	Projected Interest from Jan 1, 2023 to Dec 31, 2023 on Dec 31, 2022 balance adjusted for disposition during 2023	Projected Interest from Jan 1, 2024 to Apr 30, 2024 on Dec 31, 2022 balance adjusted for disposition during 2023	Projected Interest from Jan 1, 2023 to Dec 31, 2023 on Dec 31, 2022 balance adjusted for disposition during 2023	Projected Interest from Jan 1, 2024 to Apr 30, 2024 on Dec 31, 2022 balance adjusted for disposition during 2023	
Account Descriptions						
LV Variance Account	1550	-	-	-	-	-
Smart Metering Entity Charge Variance Account	1551	(544)	(197)	(606)	(198)	61
RSVA - Wholesale Market Service Charge ⁵	1580	9,425	3,419	9,965	3,615	(736)
Variance WMS – Sub-account CBR Class B ⁵	1580	(372)	(135)	(372)	(135)	0
RSVA - Retail Transmission Network Charge	1584	7,992	2,899	8,023	2,910	(42)
RSVA - Retail Transmission Connection Charge	1586	3,558	1,291	629	228	3,992
RSVA - Power ⁴	1588	(2,491)	(903)	(2,491)	(903)	-
RSVA - Global Adjustment ⁴	1589	(572)	(207)	2,975	1,079	(4,833)
Disposition and Recovery/Refund of Regulatory Balances (2020) ³	1595	(3,434)	(1,245)	(3,433)	(1,245)	(0)
					Total Variance	\$ (1,557)

Question(s):

- a) Please confirm the OEB staff's calculation and explain the variances.
- b) Please provide the updated 2024 IRM Rate Generator Model for both rate zones, as applicable.